

27 July 2018



AMTEL HOLDINGS BERHAD

(Company No.: 409449-A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT

FOR THE SECOND FINANCIAL QUARTER ENDED 31 MAY 2018

AMTEL HOLDINGS BERHAD (409449-A)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2018**
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT PERIOD QUARTER 31-5-2018	PRECEDING YEAR CORRESPONDING QUARTER 31-5-2017	CURRENT PERIOD 31-5-2018	PRECEDING YEAR CORRESPONDING PERIOD 31-5-2017
	RM'000	RM'000	RM'000	RM'000
Revenue	11,964	6,182	22,778	17,190
Operating Expenses	(12,985)	(7,366)	(23,879)	(18,271)
Other Operating Income	381	247	572	392
Loss from Operations	(640)	(937)	(529)	(689)
Finance Costs	(22)	(13)	(46)	(21)
Share of Results of Associates	253	(109)	186	(112)
Loss Before Taxation	(409)	(1,059)	(389)	(822)
Taxation	(231)	1	(376)	(171)
Loss for the financial period	(640)	(1,058)	(765)	(993)
Other Comprehensive Income, Net of Tax				
Items that may be reclassified subsequently to Profit or Loss				
Foreign currency translation	9	-	8	(3)
Total Comprehensive Loss for the period	(631)	(1,058)	(757)	(996)
<u>(Loss)/Profit Attributable to:-</u>				
Owners of the Company	(642)	(987)	(738)	(920)
Non-controlling Interests	2	(71)	(27)	(73)
	(640)	(1,058)	(765)	(993)
<u>Total Comprehensive (Loss)/Income Attributable to:-</u>				
Owners of the Parent	(633)	(987)	(730)	(923)
Non-controlling Interests	2	(71)	(27)	(73)
	(631)	(1,058)	(757)	(996)
<u>Earnings Per Share Attributable to Owners of the Parent :-</u>				
Basic (sen)	-1.30	-2.00	-1.50	-1.87
Fully Diluted (sen)	N/A	N/A	N/A	N/A

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 30 November 2017 and the accompanying explanatory notes attached to the interim financial report.

AMTEL HOLDINGS BERHAD (409449-A)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2018
(The figures have not been audited)

	<u>UNAUDITED</u> AS AT CURRENT FINANCIAL PERIOD ENDED 31/5/2018 RM'000	<u>AUDITED</u> AS AT PRECEDING FINANCIAL YEAR ENDED 30/11/2017 RM'000
Note		
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	2,043	2,037
Investment Properties	169	169
Investments in Associates	1,126	1,071
Intangible Assets	-	581
Other Investments	250	250
	3,588	4,108
Current Assets		
Inventories	3,490	2,402
Property Development Costs	8,632	8,427
Trade & Other Receivables	19,553	22,052
Other Investments	11,092	11,621
Cash deposits with licensed banks	8,458	8,117
Cash and Bank Balances	6,980	4,255
	58,205	56,874
TOTAL ASSETS	61,793	60,982
EQUITY AND LIABILITIES		
Equity		
Share Capital	1 29,561	29,246
Reserves	11,104	11,814
Equity Attributable to Owners of the Parent	40,665	41,060
Non-controlling Interests ("NCI")	208	1,890
Total Equity	40,873	42,950
Non-Current Liabilities		
Finance Lease Payables	301	357
Deferred Tax Liabilities	96	96
	397	453
Current Liabilities		
Trade & Other Payables	19,922	16,517
Short Term Borrowings	351	796
Tax Liabilities	123	126
Finance Lease Payables	127	140
	20,523	17,579
Total Liabilities	20,920	18,032
TOTAL EQUITY AND LIABILITIES	61,793	60,982
Net assets per share attributable to owners of the parent (RM)		
	0.8169	0.8332

Notes (1):-

On 30 May 2018, the Company allotted 500,000 ordinary shares to a placee via the Private Placement at an issue price of 63 sen per share, which raised proceeds of RM315,000. As a result, the issued and paid up share capital of the Company increased from RM29.246 million to RM29.561 million.

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 30 November 2017 and the accompanying explanatory notes attached to the interim financial report.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2018
(The figures have not been audited)**

	Attributable to Owners of the Parent						Non-controlling	Total
	Non-Distributable						Interests	Equity
	Share Capital	Share Premium	Fair Value Reserve	Currency Translation Reserve	Retained Earnings/ (Accumulated Losses)	Sub-total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended 31 May 2018								
At 1 December 2017	29,246	-	159	35	11,620	41,060	1,890	42,950
Comprehensive Income:								
(Loss)/Profit for the financial period	-	-	-	-	(738)	(738)	(27)	(765)
Foreign currency translation	-	-	-	8	-	8	-	8
Total comprehensive (loss)/income for the financial period	-	-	-	8	(738)	(730)	(27)	(757)
Issuance of shares pursuant to Private Placement (Note 1)	315	-	-	-	-	315	-	315
Transaction with owners:								
Acquisition of NCI	-	-	-	-	-	-	(1,655)	(1,655)
Discount received from acquisition of NCI	-	-	-	-	20	20	-	20
At 31 May 2018	29,561	-	159	43	10,902	40,665	208	40,873
6 months ended 31 MAY 2017								
At 1 December 2016	49,277	4,775	159	14	(10,181)	44,044	1,858	45,902
Adjustment pursuant to Companies Act 2016	4,775	(4,775)	-	-	-	-	-	-
Comprehensive Income:								
Profit/(Loss) for the financial period	-	-	-	-	(920)	(920)	(73)	(993)
Foreign currency translation	-	-	-	4	-	4	-	4
Total comprehensive income/(loss) for the financial period	-	-	-	4	(920)	(916)	(73)	(989)
Transaction with owners:								
Acquisition of NCI	-	-	-	7	-	7	91	98
NCI of newly incorporated subsidiary	-	-	-	-	-	-	4	4
Premium on acquisition of NCI	-	-	-	-	(98)	(98)	-	(98)
At 31 May 2017	54,052	-	159	25	(11,199)	43,037	1,880	44,917

Notes (1):-

On 30 May 2018, the Company allotted 500,000 ordinary shares to a placee via the Private Placement exercise at an issue price of 63 sen per share.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 30 November 2017 and the accompanying explanatory notes attached to the interim financial report.

AMTEL HOLDINGS BERHAD (409449-A)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2018
(The figures have not been audited)

	CURRENT FINANCIAL PERIOD ENDED 31/5/2018 RM'000	PRECEDING FINANCIAL PERIOD ENDED 31/5/2017 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(389)	(822)
Adjustments for:-		
Non-cash items	943	806
Non-operating items	(299)	(284)
Share of results of associates	(186)	112
Operating profit/(loss) before changes in working capital	69	(188)
Changes in working capital		
Net changes in property development costs	(205)	53
Net changes in current assets	1,341	5,823
Net changes in current liabilities	3,405	(5,563)
Cash generated from operations	4,610	125
Interest received	90	73
Interest paid	(46)	(21)
Net income tax paid	(24)	(102)
Net cash generated from operating activities	4,630	75
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(564)	(632)
Disposal of property, plant and equipment	-	75
(Placement)/Withdrawal of fixed income funds & quoted unit trusts	749	15
Withdrawal/(Placement) of pledged cash & cash equivalent under lien	(341)	669
Dividend income	220	152
Additions in investment in subsidiary	(135)	(14)
Acquisition of NCI	(1,635)	-
Net cash (used in)/generated from investing activities	(1,706)	265
CASH FLOW FROM FINANCING ACTIVITIES		
Net payments of finance lease	(69)	130
Proceeds from issuance of new shares	315	-
Net cash generated from financing activities	246	130
NET INCREASE IN CASH AND CASH EQUIVALENT	3,170	470
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	3,459	7,152
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	6,629	7,622
Cash and cash equivalents at end of the financial period comprise of:-		
Cash at banks and in hand	6,980	8,288
Cash deposits with licensed banks	8,458	5,030
Bank overdrafts	(351)	(666)
	15,087	12,652
Less: Cash deposits with licensed banks under lien	(8,458)	(5,030)
	6,629	7,622

Note:

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 30 November 2017 and the accompanying explanatory notes attached to the interim financial report.

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND FINANCIAL QUARTER ENDED 31 MAY 2018**

PART (A): EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

This unaudited interim financial report has been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standards ("MFRSs") 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the audited financial statements of the Group for the last financial year ended 30 November 2017 and the accompanying explanatory notes attached to the interim financial report. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and of the Group since the financial year ended 30 November 2017.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the last financial year ended 30 November 2017, except for the adoption of the following amendments/improvements that are mandatory for the current financial period:-

Amendments/Improvements to MFRSs

	Effective for financial periods beginning on or after
MFRS 12 Disclosure of Interest in Other Entities	1 January 2017
MFRS 112 Income Taxes	1 January 2017

The adoption of the above amendments/improvements to MFRSs does not have any significant effect on the financial statements of the Group and of the Company, and does not result in significant changes to the Group's and Company's existing accounting policies.

The Group has not early adopted any new standards, amendments/improvements to MFRSs which are applicable to the Group that have been issued by the Malaysian Accounting Standards Board but are yet to be effective for the Group's current financial period.

2. Audit Qualification

The audit report of the Group's financial statements for the year ended 30 November 2017 did not contain any qualification.

3. Seasonal or cyclical Factors

The Group's operations are not effected by seasonal or cyclical factors for the current financial quarter under review.

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4. Unusual Items

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence for the current quarter under review.

5. Material Changes in Estimates of Amounts Reported

There were no changes in estimates of amounts reported in the prior financial quarters or changes in estimates of amount reported in prior financial periods that have a material effect in the current financial quarter.

6. Debt and Equity Securities.

There is no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and financial period to-date, except that on 30 May 2018, the Company's ordinary share capital increased by 500,000 shares from 49,277,066 to 49,777,066 shares under the first tranches of private placement.

7. Dividends Paid

There was no dividend paid during the financial period ended 31 May 2018.

8. Segmental Reporting

The Group's segment information for the financial period ended 31 May 2018 is as follows:-

(i) Major Business Segments

The basis of segmentation and measurement of segment performance is consistent with the basis adopted in the last audited annual financial statements.

6 months ended 31 May 2018

GROUP	Property Development	Information & Communication Technology ("ICT")	Telecommunications, Infrastructure & Services ("TIS")	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
SEGMENT REVENUE						
External revenue	67	20,679	1,920	112	-	22,778
Inter-segment revenue	-	678	-	358	(1,036)	-
Total revenue	67	21,357	1,920	470	(1,036)	22,778

	Property Development	ICT	TIS	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
SEGMENT RESULTS					
(Loss)/Profit from operations	(647)	641	27	(550)	(529)
Finance costs	-	(32)	(14)	-	(46)
Share of associates' results	-	254	(68)	-	186
(Loss)/Profit before taxation	(647)	863	(55)	(550)	(389)
Taxation	-	(375)	(1)	-	(376)
(Loss)/Profit for the period	(647)	488	(56)	(550)	(765)

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8. Segmental Reporting (Cont'd)
(i) Major Business Segments (Cont'd)

FINANCIAL POSITION As at 31 May 2018	Property Development RM'000	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000
Total segment assets	16,106	22,384	11,459	11,844	61,793
Total segment liabilities	5,335	11,141	3,840	604	20,920

6 months ended 31 May 2017

GROUP	Property Development RM'000	ICT RM'000	TIS RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
SEGMENT REVENUE						
External revenue	1,824	10,577	4,677	112	-	17,190
Inter-segment revenue	-	607	-	380	(987)	-
Total revenue	1,824	11,184	4,677	492	(987)	17,190

	Property Development RM'000	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000
SEGMENT RESULTS					
Profit/(Loss) from operations	37	(59)	(114)	(553)	(689)
Finance costs	-	(16)	(5)	-	(21)
Share of associates' results	-	(62)	(50)	-	(112)
Profit/(Loss) before taxation	37	(137)	(169)	(553)	822
Taxation	(18)	(145)	-	(8)	(171)
Profit/(Loss) for the period	19	(282)	(169)	(561)	993

FINANCIAL POSITION As at 31 May 2017	Property Development RM'000	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000
Total segment assets	18,744	19,320	11,529	12,215	61,808
Total segment liabilities	6,744	5,832	3,674	641	16,891

(ii) Geographical Segments

Revenue based on geographical location of the Group's customers is as follows:-

GROUP	Revenue	
	Current Period 31 May 2018 RM'000	Preceding Year Corresponding Period 31 May 2017 RM'000
Malaysia	22,778	17,183
Singapore	-	7
Total	22,778	17,190

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9. Valuation of Property, Plant and Equipment

- (1) Property, plant and equipment which are stated at cost have been brought forward without amendment from the previous annual financial statements.
- (2) There was no material acquisition or disposal of property, plant and equipment by the Group during the financial period.

10. Material Event Subsequent to the End of Financial Period

There was no material event subsequent to the end of the financial period ended 31 May 2018 that has not been reflected in the financial statements or to be disclosed as at the date of this report.

11. Changes in the Composition of the Group

There was no change in the composition of the Group during the current quarter and financial period except as mentioned belows:-

- (i) On 9 January 2018, the Company completed the disposal of its entire equity interest in Amtel Engineering Sdn Bhd ("AESB") for a total cash consideration of RM1,110,026. Following the completion of the disposal, AESB ceased to be a wholly-owned subsidiary of the Company; and
- (ii) On 5 March 2018, the Company via its 76.92% owned subsidiary namely Amtel Resources Sdn. Bhd. ("ARSB") completed the acquisition of the remaining 60% equity interest in Amtel Network Sdn. Bhd. ("ANSB") for a total cash consideration of RM135,000. Consequently, ANSB became an indirect wholly owned subsidiary of the Company.
- (iii) On 17 May 2018 and subsequently on 31 May 2018, the Company acquired another 15.39% and 7.69% equity interests respectively in ARSB for a total cash consideration of RM1.64 million. Consequently, ARSB became a wholly owned subsidiary of the Company on 31 May 2018.

12. Changes in Contingent Liabilities and Contingent assets

There were no changes in contingent liabilities or contingent assets since the last reporting date as at 30 November 2017, except for the following:-

	As At 31/5/2018
Company	
<u>Contingent Liabilities – Secured</u>	RM'000
The maximum exposure to credit risk amounts representing the outstanding credit facilities of the subsidiaries and associated company guaranteed by the Company	<u>1,236</u>

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12. Changes in Contingent Liabilities and Contingent assets (Cont'd)

	As At
	31/5/2018
	RM'000
Group	
<u>Contingent Liabilities – Secured*</u>	
Bank guarantees	<u>990</u>

** - The bank guarantees are secured against the fixed deposits of the subsidiary and associate.*

At the reporting date, there was no indication that these subsidiaries and associate will default on its repayments during the guarantee period.

13. Capital and Other Commitments

The Group has no capital commitment in respect of property, plant and equipment for current period ended 31 May 2018.

14. Related Party Transactions

There is no related party transaction entered into by the Company and/or its subsidiaries during the financial period to-date.

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**UNAUDITED INTERIM FINANCIAL REPORT
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**PART (B): ADDITIONAL INFORMATION PURSUANT TO APPENDIX 9B OF BURSA
SECURITIES MAIN MARKET LISTING REQUIREMENTS**

1. Review of Performance

The Group recorded a turnover of RM11.96 million and loss after tax of RM0.64 million for the current quarter, as compared to turnover of RM6.18 million and loss after tax of RM1.06 million reported in the preceding year corresponding quarter. The increase in turnover was mainly contributed by revenue increase from ICT segment. Despite registered a higher turnover, loss was reported during the quarter mainly attributed to impairment on trade receivables amounting RM0.70 million reported by the Property Development segment and the increase in amortization of intangible assets by the ICT segment of RM0.58 million.

For the six months ended 31 May 2018, the Group's revenue was RM22.78 million which is approximately 32.5% higher than RM17.19 million reported in the preceding year corresponding period. The current period's improvement in turnover mainly contributed by the ICT segment. However, despite a higher turnover the Group posted a loss after tax of RM0.76 million for the current period after taking into account the impairment on trade receivables and amortization of intangible assets as mentioned above.

The performance of the respective segment of the Group is summarized as follows:-

ICT Segment

ICT segment achieved a total revenue of RM11.46 million during the current quarter and RM21.36 million for the current period, which shows improvement as compared to RM5.35 million and RM11.18 million respectively recorded in preceding year corresponding quarter and period. In tandem with the increase in revenue and margin, ICT segment registered a higher profit after tax both during the current quarter and period. Improved performance was mainly attributed to higher sales volume of new car models fitted with our Telematics products and increase in sales of automotive accessories.

TIS Segment

TIS segment posted a total revenue of RM0.81 million and RM1.92 million respectively during the current quarter and period as compared to RM0.71 million and RM4.68 million respectively reported in preceding year corresponding quarter and period. This segment recorded a marginal loss after tax of RM0.06 million during the current period as compared to loss after tax of RM0.17 million reported in preceding year corresponding period. The overall drop in revenue and profit contributions in current period was mainly due to reduced turnover from civil infrastructure project works and less margin achieved.

Property Development Segment

There was no new sale of property reported during the current quarter and period to-date. The loss of RM0.65 million reported during current quarter and period was due to the impairment on trade receivables amounting RM0.70 million.

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1. Review of Performance (Cont'd)

Others Segment

Loss recorded by the investment holding company during the current period was mainly due to lower management fee income charged and professional fees incurred for various corporate exercises.

2. Material Changes in the Profit After Tax for the Quarter Reported as Compared with the Immediate Preceding Quarter.

The Group's performance for the current financial quarter and the immediate preceding quarter are summarized as follows:-

	Current Quarter	Preceding Quarter	
	31 May 2018	28 February 2018	Changes
	RM'000	RM'000	%
Revenue	11,964	10,814	11%
(Loss)/Profit from operations	(640)	111	>-100%
Share of results of associates	253	(67)	>100%
(Loss)/Profit before tax	(409)	20	>-100%
Loss after tax	(640)	(125)	>-100%

The Group recorded revenue of RM11.96 million for the current quarter under review which is 11% higher as compared to immediate preceding quarter ended 28 February 2018 of RM10.81 million. The increase in revenue was mainly due to higher sales achieved by ICT segment from sales of automotive accessories. However, higher loss was reported in the current quarter mainly caused by the impairment on trade receivables as reported by the Property Development segment and the increase in the intangible assets amortization on completed software development.

3. Commentary on the Group's Prospects

The Group expect the business environment will continue to be challenging due to the uncertainty in the global economic situation, the volatility of Ringgit Malaysia and the rising operating costs. Nevertheless, the Group will remain focus in the ICT and TIS segments where attention will be placed on bringing in new services offerings and new contracts to enhance the Group's revenue and profitability.

Barring any unforeseen circumstances, the Directors are cautiously optimistic that the Group's performance shall remain sustainable for the remaining financial quarters.

4. Variances of Actual Profit from Forecast Profit

Not applicable.

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5. Tax Expense

The movement in tax expense for the Group for the current financial quarter and financial period under review is summarized as follows:-

	Current Quarter 31/5/2018 RM'000	Cumulative Current Period 31/5/2017 RM'000
<u>Tax expense:-</u>		
Based on results for the period	(231)	(376)
Transfer from deferred tax liabilities	-	-
Total	(231)	(376)

The disproportionate tax charge of the Group was mainly due to losses of certain subsidiaries was not available for set off against taxable profits of other subsidiaries.

6. Status of Corporate Proposals

There are no corporate proposals announced, but not completed as at the date of issue of this quarterly report other than as mentioned below:-

Private Placement

The Company announced on 20 November 2017 to undertake a private placement of up to ten percent (10%) of the issued and paid-up share capital of the Company. The listing application for the proposed private placement which was submitted to Bursa on 5 December 2017 was approved by Bursa on 11 December 2017, subject to certain terms and conditions.

On 30 May 2018, the Company allotted 500,000 ordinary shares to a place under the private placement at an issue price of 63 sen per share, which raised proceeds of RM315,000. These shares were listed and quoted on the Main Market of Bursa on 1 June 2018. Arising from the listing of these shares, the issued share capital of the Company increased from existing RM29,245,803 to RM29,560,803.

On 5 June 2018, Bursa had approved the extension of time up to 10 December 2018 for the Company to complete the implementation of the private placement. Please refer to our announcement to Bursa dated 25 May 2018, 31 May 2018 and 6 June 2018 for further details.

7. Provision of Financial Assistance to Associated Company

The Company obtained the shareholders' approval via the Extraordinary General Meeting held on 17 May 2017 to vary the financial assistance provided to associated company Milan Utama Sdn Bhd ("MUSB") to include on a pool basis with Amtel Networks Sdn Bhd ("ANSB"). The amounts of financial assistance provided as of 31 May 2018 to MUSB remain at RM6.58 million.

No financial assistance has been provided to ANSB as at the date of issue of this quarterly report.

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8. Group Borrowings and Debt Securities

The Group's total borrowings (all denominated in Ringgit Malaysia) as at 31 May 2018 are as follows:-

	As at 31/5/2018 (Unaudited) RM'000	As at 30/11/2017 (Audited) RM'000
(1) <u>Short Term Borrowings:-</u>		
- <u>Secured</u> Overdrafts	<u>351</u>	<u>796</u>
- Finance leases payable within the next 12 months	<u>127</u>	<u>140</u>
(2) <u>Long Term Borrowings:-</u>		
- Finance leases payable after the next 12 months	<u>301</u>	<u>357</u>

The Group does not have borrowing denominated in foreign currency and there was no debt securities issued.

9. Material Litigation

Save as disclosed below, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant as at the date of issue of this quarterly report:-

On 4 September 2015, the Company announced that Amtel Cellular Sdn Bhd ("AMCSB"), the wholly-owned subsidiary of the Company has on 2 September 2015 filed an application to the Shenzhen Luoho District People's Court ("Court") to seek judgment and claims against Shi Jian Bing ("SJB") due to SJB's failure to deliver the new navigation software engine within the prescribed timeline and a breach of contract pursuant to the Agreement dated 25 November 2013 made between AMCSB, SJB and Another Party ("AP").

AP had made an application earlier on 31 March 2015 to the Court to seek similar judgment and claims against SJB, in relation thereto AMCSB is a Joint-Plaintiff with AP against SJB in claiming including but not limited to the development costs of RMB1,677,569 together with interest thereon, the cost of legal proceedings and others as specified in the announcement dated 4 September 2015.

The first court hearing was held on 9 October 2015 and 10 October 2015 (continued hearing from day 1) at the Court. However no decision was formed by the Judge at the conclusion of the first trial. The Company waited for the decision of the Judge following another hearing held on 25 April 2016. On 24 August 2017, the Company announced that the solicitor of AMCSB in People's Republic of China has informed that the Court has rejected AMCSB's appeal filed on 15 July 2016 to seek higher compensation against SJB and upheld the earlier decisions and judgments of the Court as stated in the announcement dated 4 July 2016. AMCSB's solicitor in People's Republic of China is in the process of recovering the judgment sum from SJB.

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10. Dividend

The Board of Directors does not recommend any payment of dividend for the current financial period ended 31 May 2018.

11. Notes to the Condensed Consolidated Statement of Comprehensive Income

Total comprehensive income for the current quarter and financial period to-date is arrived at after charging/(crediting) the following items:-

	Current Quarter 31/5/2018 RM'000	Preceding Year Corresponding Quarter 31/5/2017 RM'000	Current Period 31/5/2018 RM'000	Preceding Year Corresponding Period 31/5/2017 RM'000
1. Interest income	(47)	(49)	(90)	(73)
2. Dividend income	(118)	(78)	(220)	(152)
3. Other income excluding interest and dividend income	(150)	(43)	(189)	(83)
4. Interest expense	22	13	46	21
5. Depreciation of property, plant & equipment	113	232	593	462
6. Property, plant and equipment written-off	-	-	5	-
7. Amortisation of intangible assets	581	62	581	124
8. (Gain)/Loss on disposal of property, plant & equipment	(35)	(75)	(35)	(75)
9. Impairment on trade receivables	698	-	698	-
10. Net foreign exchange loss/(gain)	13	49	6	81
11. Net provision of warranty costs	108	-	193	-
12. Loss on disposal of subsidiary	-	-	17	-
13. Loss on disposal of associate	97	-	97	-
	97	-	97	-

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12. Earnings Per Share

(1) Basic earnings per share

The basic earnings per share for the current quarter and financial period to-date is calculated by dividing the consolidated net loss attributable to owners of the Parent by the weighted average number of ordinary shares in issue during the period as shown below:-

	Current Quarter 31/5/2018	Preceding Year Corresponding Quarter 31/5/2017	Current Period 31/5/2018	Preceding Year Corresponding Period 31/5/2017
Net loss attributable to owners of the Parent (RM'000)	(642)	(987)	(738)	(920)
Weighted average number of shares	49,279,806*	49,277,066	49,279,806*	49,277,066
Basic earnings per shares (sen)	(1.30)	(2.00)	(1.50)	(1.87)

** Based on enlarged number of issued shares pursuant to private placement.*

(2) Diluted earnings per share

Not applicable.

13. Disclosure of Realised and Unrealised Profits or Losses of the Group

The retained earnings/(accumulated losses) of the Group as at 31 May 2018 is analysed as follows:-

	As at 31/5/2018 RM'000	As at 31/5/2017 RM'000
Total retained earnings/(accumulated losses) of the Company and its subsidiaries:-		
- Realised	964	(20,943)
- Unrealised	(310)	(928)
	654	(21,871)
Total share of retained earnings from associates:-		
- Realised	1,061	1,143
- Unrealised	-	1
	1,715	(20,727)
Add: Consolidation adjustments	9,187	9,528
Total retained earnings/(accumulated losses) as per consolidated financial statements	10,902	(11,199)

AMTEL HOLDINGS BERHAD
By Order of the Board

LIM LEE CHIN
Company Secretary