

25 October 2017



AMTEL HOLDINGS BERHAD
(Company No.: 409449-A)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD FINANCIAL QUARTER ENDED 31 AUGUST 2017

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 AUGUST 2017**
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT PERIOD QUARTER 31-8-2017	PRECEDING YEAR CORRESPONDING QUARTER 31-8-2016	CURRENT PERIOD TO DATE 31-8-2017	PRECEDING YEAR CORRESPONDING PERIOD 31-8-2016
	RM'000	RM'000	RM'000	RM'000
Revenue	7,136	12,496	24,326	30,348
Operating Expenses	(8,041)	(12,446)	(26,312)	(31,930)
Other Operating Income	184	205	576	780
Profit/(Loss) from Operations	(721)	255	(1,410)	(802)
Finance Costs	(14)	(21)	(35)	(50)
Share of Results of Associates	(153)	65	(265)	33
Profit/(Loss) Before Taxation	(888)	299	(1,710)	(819)
Taxation	60	(255)	(111)	(405)
Profit/(Loss) for the financial period	(828)	44	(1,821)	(1,224)
Other Comprehensive Income, Net of Tax				
Items that may be reclassified subsequently to Profit or Loss				
Foreign currency translation	-	-	4	(2)
Total Comprehensive Income/(Loss) for the period	(828)	44	(1,817)	(1,226)
<u>Profit/(Loss) Attributable to:-</u>				
Owners of the Company	(795)	(119)	(1,715)	(1,322)
Non-controlling Interests	(33)	163	(106)	98
	(828)	44	(1,821)	(1,224)
<u>Total Comprehensive Income/(Loss) Attributable to:-</u>				
Owners of the Parent	(795)	(89)	(1,711)	(1,324)
Non-controlling Interests	(33)	133	(106)	98
	(828)	44	(1,817)	(1,226)
<u>Earnings Per Share Attributable to Owners of the Parent :-</u>				
Basic (sen)	-1.61	-0.24	-3.48	-2.68
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 2016 and the accompanying explanatory notes attached to the interim financial report.

AMTEL HOLDINGS BERHAD (409449-A)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2017
(The figures have not been audited)

	<u>UNAUDITED</u> AS AT CURRENT FINANCIAL PERIOD ENDED 31/8/2017 RM'000	<u>AUDITED</u> AS AT PRECEDING FINANCIAL YEAR ENDED 30/11/2016 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	2,004	1,853
Investment Properties	169	169
Investments in Associates	1,369	1,585
Intangible Assets	2,120	2,241
Other Investments	250	250
	<u>5,912</u>	<u>6,098</u>
Current Assets		
Inventories	1,672	1,269
Property Development Costs	7,821	7,877
Trade & Other Receivables	21,208	30,567
Other Investments	10,013	8,852
Cash deposits with licensed banks	5,231	5,699
Cash and Bank Balances	9,542	7,526
	<u>55,487</u>	<u>61,790</u>
TOTAL ASSETS	<u>61,399</u>	<u>67,888</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	54,052	49,277
Reserves	(11,814)	(5,233)
Equity Attributable to Owners of the Parent	<u>42,238</u>	<u>44,044</u>
Non-controlling Interests ("NCI")	1,847	1,858
Total Equity	<u>44,085</u>	<u>45,902</u>
Non-Current Liabilities		
Finance Lease Payables	259	156
Deferred Tax Liabilities	367	408
	<u>626</u>	<u>564</u>
Current Liabilities		
Trade & Other Payables	15,834	20,763
Short Term Borrowings	619	374
Tax Liabilities	119	152
Finance Lease Payables	116	133
	<u>16,688</u>	<u>21,422</u>
Total Liabilities	<u>17,314</u>	<u>21,986</u>
TOTAL EQUITY AND LIABILITIES	<u>61,399</u>	<u>67,888</u>
Net assets per share attributable to owners of the parent (RM)	0.8572	0.8938

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 2016 and the accompanying explanatory notes attached to the interim financial report.

AMTEL HOLDINGS BERHAD (409449-A)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2017
(The figures have not been audited)

	<----- Attributable to Owners of the Parent ----->							
	<----- Non-Distributable ----->							
	Currency							
	Share Capital RM'000	Share Premium RM'000	Fair Value Reserve RM'000	Translation Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
9 months ended 31 August 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 (Note 1)	4,775	(4,775)	-	-	-	-	-	-
<u>Comprehensive Income:</u>								
Profit/(Loss) for the financial period	-	-	-	-	(1,715)	(1,715)	(106)	(1,821)
Foreign currency translation	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the financial period	-	-	-	-	(1,715)	(1,715)	(106)	(1,821)
<u>Transaction with owners:</u>								
Acquisition of NCI	-	-	-	7	-	7	91	98
NCI of newly incorporated subsidiary	-	-	-	-	-	-	4	4
Premium on acquisition of NCI	-	-	-	-	(98)	(98)	-	(98)
At 31 August 2017	54,052	-	159	21	(11,994)	42,238	1,847	44,085
9 months ended 31 August 2016								
At 1 December 2015	49,277	4,775	159	23	(10,331)	43,903	374	44,277
<u>Comprehensive Income:</u>								
Profit/(Loss) for the financial period	-	-	-	-	(1,322)	(1,322)	98	(1,224)
Foreign currency translation	-	-	-	(2)	-	(2)	-	(2)
Total comprehensive income for the financial period	-	-	-	(2)	(1,322)	(1,324)	98	(1,226)
<u>Transaction with owners:</u>								
Subscription of new shares by								
NCI in a subsidiary	-	-	-	-	-	-	1,186	1,186
Effect of dilution of equity interest in a subsidiary	-	-	-	-	(106)	(106)	106	-
At 31 August 2016	49,277	4,775	159	21	(11,759)	42,473	1,764	44,237

Note (1):-

With the Companies Act 2016 coming into effect on 31 January 2017, the credit standing in the share premium account of RM4,775,000 has been transferred and became part of the Company's share capital as at 31 May 2017.

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 2016 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2017
(The figures have not been audited)

	CURRENT FINANCIAL PERIOD ENDED 31/8/2017 RM'000	PRECEDING FINANCIAL PERIOD ENDED 31/8/2016 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(1,710)	(819)
Adjustments for:-		
Non-cash items	1,126	1,682
Non-operating items	(407)	(716)
Share of results of associates	265	(33)
	<u>(726)</u>	<u>114</u>
Operating (loss)/profit before changes in working capital		
Changes in working capital		
Net changes in property development costs	56	(4,376)
Net changes in current assets	9,215	(145)
Net changes in current liabilities	(4,929)	(1,182)
Cash generated from/(used in) operations	<u>3,616</u>	<u>(5,589)</u>
Interest received	152	171
Interest paid	(35)	(50)
Taxes paid	(297)	(1,294)
Net cash generated from/(used in) operating activities	<u>3,436</u>	<u>(6,762)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,008)	(434)
Disposal of property, plant and equipment	75	32
Additions in intangible assets	(278)	-
Withdrawal of fixed income funds & quoted unit trusts	(1,007)	3,313
Withdrawal/(Placement) of pledged cash & cash equivalent under lien	468	973
Dividend income	215	319
Increase in investments in an associated company	(14)	-
Net cash (used in)/generated from investing activities	<u>(1,549)</u>	<u>4,203</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net drawdown/(payment) of finance lease	(116)	(180)
Subscription of new shares by NCI in a subsidiary	-	1,186
Net cash (used in)/generated from financing activities	<u>(116)</u>	<u>1,006</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	1,771	(1,553)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	7,152	6,474
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>8,923</u>	<u>4,921</u>
Cash and cash equivalents at end of the period comprise of:-		
Cash at banks and in hand	9,542	5,968
Cash deposits with licensed banks	5,231	5,628
Bank overdrafts	(619)	(1,047)
	<u>14,154</u>	<u>10,549</u>
Less: Cash deposits with licensed banks under lien	(5,231)	(5,628)
	<u>8,923</u>	<u>4,921</u>

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 2016 and the accompanying explanatory notes attached to the interim financial report.

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD FINANCIAL QUARTER ENDED 31 AUGUST 2017**

(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 ("MFRS") 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

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 2016 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 2016.

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 2016. The Group has not early adopted any new or revised standards, amendments/improvements to MFRSs which are applicable to the Group that have been issued by the Malaysian Accounting Standards Board but are not yet 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 2016 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 period under review.

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.

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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.

7. Dividends Paid

There was no dividend paid during the financial period ended 31 August 2017.

8. Segmental Reporting

The Group's segment information for the financial period ended 31 August 2017 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.

9 months ended 31 August 2017

GROUP	Property Development RM'000	Information & Communication Technology ("ICT") RM'000	Telecommunications, Infrastructure & Services ("TIS") RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
SEGMENT REVENUE						
External revenue	1,838	14,921	7,399	168	-	24,326
Inter-segment revenue	-	1,534	-	570	(2,104)	-
Total revenue	1,838	16,455	7,399	738	(2,104)	24,326

	Property Development RM'000	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000
SEGMENT RESULTS					
Profit/(Loss) from operations	38	(498)	(136)	(814)	(1,410)
Finance costs	(1)	(26)	(8)	-	(35)
Share of associates' results	-	(165)	(100)	-	(265)
Profit/(Loss) before taxation	37	(689)	(244)	(814)	(1,710)
Taxation	(19)	(92)	-	-	(111)
Profit/(Loss) for the period	18	(781)	(244)	(814)	(1,821)

FINANCIAL POSITION	Property Development RM'000	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000
As at 31 August 2017					
Total segment assets	18,751	19,907	10,682	12,059	61,399
Total segment liabilities	6,751	7,125	2,867	571	17,314

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

9 months ended 31 August 2016

GROUP	Property Development RM'000	ICT RM'000	TIS RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
SEGMENT REVENUE						
External revenue	6,895	14,045	9,240	168	-	30,348
Inter-segment revenue	-	1,036	-	902	(1,938)	-
Total revenue	6,895	15,081	9,240	1,070	(1,938)	30,348
SEGMENT RESULTS						
Profit/(Loss) from operations	263	(2,300)	1,624	(389)		(802)
Finance costs	-	(38)	(12)	-		(50)
Share of associates' results	-	26	7	-		33
Profit/(Loss) before taxation	263	(2,312)	1,619	(389)		(819)
Taxation	(78)	(3)	(320)	(4)		(405)
Profit/(Loss) for the period	185	(2,315)	1,299	(393)		(1,224)
FINANCIAL POSITION						
As at 31 August 2016						
Total segment assets	17,671	20,092	11,288	13,466		62,517
Total segment liabilities	6,763	7,491	3,511	515		18,280

(ii) Geographical Segments

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

GROUP	Revenue	
	Current Period 31 August 2017 RM'000	Preceding Year Corresponding Period 31 August 2016 RM'000
Malaysia	24,315	30,313
Singapore	11	35
Total	24,326	30,348

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 to-date.

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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 August 2017 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 period other than as mentioned below:-

- i) On 8 December 2016, the Company via its wholly owned subsidiary, namely Amtel Cellular Sdn Bhd ("AMCSB") acquired the remaining 30% equity interest in Amtel Pte Ltd ("APL") comprised of 60,000 ordinary shares for a total cash consideration of SGD1.00. Consequently, APL is now a wholly owned subsidiary of the Company;
- ii) On 21 March 2017, the Company via its 76.92% owned subsidiary Amtel Resources Sdn Bhd ("ARSB") acquired an additional 2% equity interest in Amtel Networks Sdn Bhd ("ANSB") comprising 20,000 ordinary shares of RM1 each for a cash consideration of RM13,900 from an existing shareholder of ANSB. As a result of this acquisition, ARSB holds 40% equity interest in ANSB; and
- iii) On 23 March 2017, the Company via its wholly owned subsidiary AMCSB has incorporated a 51% owned subsidiary namely, Amtel Mega Sdn Bhd.

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 2016, except for the followings:-

	As At 31/8/2017
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>612</u>
Group	
<u>Contingent Liabilities – Secured*</u>	
Bank guarantees	<u>1,369</u>

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

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

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13. Capital and Other Commitments

The Group has no capital commitment in respect of property, plant and equipment for current period ended 31August 2017.

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 FOR THE THIRD FINANCIAL QUARTER ENDED 31 AUGUST 2017

(B) EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Review of Performance

The Group's revenue for the current quarter under review of RM7.14 million dropped by approximately 43% compared to RM12.50 million reported in preceding year corresponding quarter. As a result, the Group registered a loss after tax of RM0.83 million compared to profit after tax of RM44 thousand reported in the preceding year corresponding quarter. Lower sales and contribution were recorded during the current quarter mainly from the ICT and TIS segments and share of associated companies' losses.

The Group's revenue for the current financial period of RM24.33 million, dropped by approximately 20% compared to RM30.45 million reported in preceding year corresponding period. This was mainly attributed to lower sales recorded by the Property Development and TIS segments. For the current period, the Group posted a loss after tax of RM1.82 million as compared to loss after tax of RM1.22 million reported in preceding year corresponding period.

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

ICT Segment

For the current quarter and period to-date, ICT segment posted total revenue of RM5.27 million and RM16.46 million respectively as compared to RM6.37 million and RM15.08 million respectively reported in preceding year corresponding quarter and period. Loss after tax for current quarter and period was RM0.50 million and RM0.78 million respectively as compared to preceding year corresponding quarter and period of RM0.62 million and RM2.32 million. With higher sales volume reported in the current period, ICT segment delivered an overall improved performance by registering a lower loss after tax. The improved performance was partly attributed to profits from sales of some new products, coupled with savings in some direct overheads.

Property Development Segment

A lower performance was reported in current quarter and period to-date, as there is no new sale of property even though the development works for the entire residential project has reached the final stages.

TIS Segment

For the current quarter and period to-date, TIS segment registered total revenue of RM2.72 million and RM7.40 million respectively as compared to RM3.67 million and RM9.24 million respectively reported in preceding year corresponding quarter and period. This segment reported a current quarter loss after tax of RM75 thousand as compared to profit after tax of RM0.80 million reported in preceding year corresponding quarter. Current period loss after tax was RM0.24 million as compared to profit after tax of RM1.30 million reported in preceding year corresponding period. The overall drop in revenue and contributions as compared to preceding year was attributed to the smaller civil infrastructure and cable works with lower revenue and margin.

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1. Review of Performance (Cont'd)

Others Segment

Higher loss recorded during the current quarter and period to-date was mainly due to lower management fee income and professional fees incurred on various corporate exercises incurred by the investment holding company.

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

A comparison of the Group's performance for the current financial quarter ended 31 August 2017 with the immediate preceding quarter ended 31 May 2017 are summarized as follows:-

	Current Quarter	Preceding Quarter	
	31 August 2017	31 May 2017	Changes
	RM'000	RM'000	%
Revenue	7,136	6,182	15%
Profit/(Loss) from operations	(735)	(950)	23%
Share of results of associates	(153)	(109)	-40%
Profit/(loss) before tax	(888)	(1,059)	16%
Profit/(loss) after tax	(828)	(1,058)	22%

The Group's revenue for the current quarter under review is 15% higher as compared to immediate preceding quarter. This was mainly contributed by the increase in progress billings from the TIS segment due to higher works activities compared to previous quarter. As a result, a lower loss from operations and after tax was reported in the current quarter.

3. Prospects for the Current Financial Year

The Board expects this financial year's results to fall short of expectations due to the unfavorable market sentiment and competitive business environment affecting its core business segments. The ICT business segment is expected to continue operating under challenging business environment. The stringent hire purchase lending rules remains and automakers continue to focus in selling lower variant car models which do not require our car accessories. TIS business will focus on the completion of its smaller projects on time to deliver sustainable income although not substantial.

4. Variances of Actual Profit from Forecast Profit

Not applicable.

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5. Taxation

The taxation for the Group for the current financial quarter and period under review was as follows:-

	Current Quarter RM'000	Cumulative Current Period RM'000
<u>Tax expense:-</u>		
Based on results for the period	(61)	(151)
Transfer from deferred tax liabilities	1	40
	<u>60</u>	<u>(111)</u>

Tax charge for the current period is in respect of profit made by certain companies in the Group. The effective tax rate is higher than the statutory tax rate due to losses of certain subsidiaries were not available for set off against taxable profits of other subsidiaries and certain expenses which were not deductible for tax purposes.

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:-

The Company announced on 23 March 2017 to undertake the following proposals:-

- i) a capital reduction exercise pursuant to Section 117 of the Companies Act, 2016 by reducing and cancelling the share capital of the Company, an amount equivalent to the entire accumulated losses of the Company; and
- ii) variation to the financial assistance provided to Milan Utama Sdn Bhd, a 35% owned associated company of the Company, of up to an aggregate amount of RM15,000,000 or 30% of the latest available consolidated net tangible assets of the Company and its subsidiaries in the relevant period, whichever is higher to include on a pool basis with Amtel Networks Sdn Bhd, a 40% owned associated company of the Company.

The above proposals were duly approved by the shareholders of the Company at the Extraordinary General Meeting held on 17 May 2017.

On 11 July 2017 the Company lodged the relevant documents as required by Section 119(1) of Companies Act 2016 with the Registrar of Companies ("ROC") and the proposed capital reduction will become effective once the ROC has recorded the information lodged in the appropriate register.

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 August 2017 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

The Group's total borrowings (all denominated in Ringgit Malaysia) as at 31 August 2017 are as follows:-

	As at 31/8/2017 RM'000
(1) <u>Short Term Borrowings:-</u>	
- <u>Secured</u>	
Overdraft	619
Finance leases payable within the next 12 months	<u>116</u>
(2) <u>Long Term Borrowings:-</u>	
- Finance leases payable after the next 12 months	<u>259</u>

The Group does not have borrowing denominated in foreign currency.

9. Disclosure of Derivatives

The Group does not have outstanding derivatives (including financial instruments designated as hedging instruments) as at 31 August 2017.

10. Gain/Losses Arising From Fair Value Changes of Financial Liabilities

There were no gains/losses arising from fair value changes of financial liabilities for the current period ended 31 August 2017.

11. Dividend

The Board of Directors does not recommend any payment of dividend for the current financial period ended 31 August 2017.

12. 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.

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12. Material Litigation (Cont'd)

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 judgements of the Court as stated in the announcement dated 4 July 2016. The Board of Directors of AMCSB is now seeking advice and opinion from its solicitor on the next course of action.

13. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	Current Quarter 31/8/2017 RM'000	Preceding Year Corresponding Quarter 31/8/2016 RM'000	Current Period 31/8/2017 RM'000	Preceding Year Corresponding Period 31/8/2016 RM'000
1. Interest income	(79)	(83)	(152)	(171)
2. Dividend income	(63)	(102)	(215)	(319)
3. Other income excluding interest and dividend income	(38)	(63)	(121)	(233)
4. Interest expense	14	21	35	50
5. Depreciation of property, plant & equipment	227	207	689	638
6. Property, plant & equipment written-off	5	-	5	-
7. Amortisation of intangible assets	64	368	399	800
8. (Gain)/Loss on disposal of property, plant & equipment	-	-	(75)	(9)
9. Allowance for impairment loss on trade receivable	-	-	-	200
10. Net foreign exchange loss/(gain)	7	69	88	121

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

The breakdown of the accumulated losses of the Group as at 31 August 2017 into realised and unrealised profits/(losses) is as follows:-

	As at 31/8/2017 RM'00	As at 31/8/2016 RM'000
Total accumulated losses:-		
- Realised	(21,622)	(22,168)
- Unrealised	(844)	(724)
	(22,466)	(22,892)
Total share of retained profits/(accumulated losses) from associated companies:-		
- Realised	1,061	1,063
- Unrealised	-	4
	(21,405)	(21,825)
Add/(Less): Consolidation adjustments	9,411	10,066
Total accumulated losses as per consolidated accounts	(11,994)	(11,759)

15. 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 of RM0.80 million and RM1.72 million respectively by the number of 49,277,066 ordinary shares in issue during the period.

(2) Diluted earnings per share

Not applicable.

AMTEL HOLDINGS BERHAD
By Order of the Board

RAHAYU BINTI RAHIM
Secretary Executive