

Quarterly rpt on consolidated results for the financial period ended 31 May 2016

AMTEL HOLDINGS BERHAD

Financial Year End 30 Nov 2016

Quarter 2 Qtr

Quarterly report for the financial period ended 31 May 2016

The figures have not been audited

Attachments

[AMTEL-Q2-FY2016.pdf](#)
770.2 kB

Default Currency	Other Currency
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Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 31 May 2016

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31 May 2016	31 May 2015	31 May 2016	31 May 2015
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	9,431	10,985	17,852	19,412
2	Profit/(loss) before tax	-491	-505	-1,118	-833
3	Profit/(loss) for the period	-533	-526	-1,268	-892
4	Profit/(loss) attributable to ordinary equity holders of the parent	-502	-518	-1,203	-877
5	Basic earnings/(loss) per share (Subunit)	-1.02	-1.05	-2.44	-1.78
6	Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	

7	Net assets per share attributable to ordinary equity holders of the parent (\$\$)	0.8637	0.8909
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Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.
Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Announcement Info

Company Name	AMTEL HOLDINGS BERHAD
Stock Name	AMTEL
Date Announced	28 Jul 2016
Category	Financial Results
Reference Number	FRA-28072016-00010

28 July 2016



AMTEL HOLDINGS BERHAD

(Company No.: 409449-A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT

FOR THE SECOND FINANCIAL QUARTER ENDED 31 MAY 2016

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

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MAY 2016

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

FOR THE FINANCIAL PERIOD ENDED 31 MAY 2016

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT PERIOD QUARTER 31-5-2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-5-2015 RM'000	CURRENT PERIOD TO DATE 31-5-2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-5-2015 RM'000
Revenue	9,431	10,985	17,852	19,412
Operating Expenses	(10,131)	(11,670)	(19,484)	(20,718)
Other Operating Income	258	216	575	510
(Loss)/Profit from Operations	(442)	(469)	(1,057)	(796)
Finance Costs	(18)	(21)	(29)	(42)
Share of Results of Associates	(31)	(15)	(32)	5
(Loss)/Profit Before Taxation	(491)	(505)	(1,118)	(833)
Taxation	(42)	(21)	(150)	(59)
(Loss)/Profit for the financial period	(533)	(526)	(1,268)	(892)
Other Comprehensive Income, Net of Tax				
Items that may be reclassified subsequently to Profit or Loss				
Foreign currency translation	30	7	30	16
Total Comprehensive (Loss)/Income for the period	(503)	(519)	(1,238)	(876)
<u>(Loss)/Profit Attributable to:-</u>				
Owners of the Company	(502)	(518)	(1,203)	(877)
Non-controlling Interests	(31)	(8)	(65)	(15)
	(533)	(526)	(1,268)	(892)
<u>Total Comprehensive (Loss)/Income Attributable to:-</u>				
Owners of the Parent	(501)	(513)	(1,235)	(866)
Non-controlling Interests	(35)	(6)	(35)	(10)
	(536)	(519)	(1,270)	(876)
<u>Earnings Per Share Attributable to Owners of the Parent :-</u>				
Basic (sen)	-1.02	-1.05	-2.44	-1.78
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 2015 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 2016
(The figures have not been audited)

	<u>UNAUDITED</u> AS AT CURRENT FINANCIAL PERIOD ENDED 31/5/2016 RM'000	<u>AUDITED</u> AS AT PRECEDING FINANCIAL YEAR ENDED 30/11/2015 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	1,826	2,046
Investment Properties	169	169
Investments in Associates	1,094	1,150
Intangible Assets	2,978	3,410
Other Investments	250	250
	<u>6,317</u>	<u>7,025</u>
Current Assets		
Inventories	1,150	738
Property Development Costs	13,166	10,272
Trade & Other Receivables	16,258	19,948
Other Investments	12,670	12,654
Cash deposits with licensed banks	6,065	6,601
Cash and Bank Balances	5,825	6,474
	<u>55,134</u>	<u>56,687</u>
TOTAL ASSETS	<u>61,451</u>	<u>63,712</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	49,277	49,277
Reserves	(6,715)	(5,374)
Equity Attributable to Owners of the Parent	<u>42,562</u>	<u>43,903</u>
Non-controlling Interests ("NCI")	1,631	374
Total Equity	<u>44,193</u>	<u>44,277</u>
Non-Current Liabilities		
Finance Lease Payables	112	218
Deferred Tax Liabilities	551	611
	<u>663</u>	<u>829</u>
Current Liabilities		
Trade & Other Payables	14,569	17,502
Short Term Borrowings	1,022	-
Tax Liabilities	857	920
Finance Lease Payables	147	184
	<u>16,595</u>	<u>18,606</u>
Total Liabilities	<u>17,258</u>	<u>19,435</u>
TOTAL EQUITY AND LIABILITIES	<u>61,451</u>	<u>63,712</u>
Net assets per share attributable to owners of the parent (RM)	0.8637	0.8909

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 2015 and the accompanying explanatory notes attached to the interim financial report.

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2016
(The figures have not been audited)

	<----- Attributable to Owners of the Parent ----->							
	<----- Non-Distributable ----->							
	Share Capital RM'000	Share Premium RM'000	Fair Value Reserve RM'000	Currency Translation Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
6 months ended 31 May 2016								
At 1 December 2015	49,277	4,775	159	23	(10,331)	43,903	374	44,277
Comprehensive Income								
Profit/(Loss) for the financial period	-	-	-	-	(1,203)	(1,203)	(65)	(1,268)
Foreign currency translation	-	-	-	(32)	-	(32)	30	(2)
Total comprehensive income/(loss) for the financial period	-	-	-	(32)	(1,203)	(1,235)	(35)	(1,270)
<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 May 2016	49,277	4,775	159	(9)	(11,640)	42,562	1,631	44,193
6 months ended 31 May 2015								
At 1 December 2014	49,277	4,775	159	(3)	(11,150)	43,058	371	43,429
Comprehensive Income								
Profit/(Loss) for the financial period	-	-	-	-	(877)	(877)	(15)	(892)
Foreign currency translation	-	-	-	11	-	11	5	16
Total comprehensive income/(loss) for the financial period	-	-	-	11	(877)	(866)	(10)	(876)
At 31 May 2015	49,277	4,775	159	8	(12,027)	42,192	361	42,553

Note:

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 2015 and the accompanying explanatory notes attached to the interim financial report.

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2016
(The figures have not been audited)

	CURRENT FINANCIAL PERIOD ENDED 31/5/2016 RM'000	PRECEDING FINANCIAL PERIOD ENDED 31/5/2015 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(1,118)	(833)
Adjustments for:-		
Non-cash items	1,111	1,305
Non-operating items	(419)	(498)
Share of results of associates	32	(5)
	<u>(394)</u>	<u>(31)</u>
Operating loss before changes in working capital		
Changes in working capital		
Net changes in current assets	3,047	(547)
Net changes in current liabilities	(2,933)	15,565
Cash (used in)/generated from operations	(280)	14,987
Interest received	88	158
Interest paid	(29)	(42)
Taxes paid	(268)	(52)
Net cash (used in)/from operating activities	<u>(489)</u>	<u>15,051</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(246)	(147)
Disposal of property, plant and equipment	26	-
Additions in property development costs	(2,894)	(14,795)
Additions in intangible assets	-	(2,917)
Withdrawal of fixed income funds & quoted unit trusts	183	864
Withdrawal/(Placement) of pledged cash & cash equivalent under lien	1,036	(3,614)
Dividend income	170	232
Net cash used in investing activities	<u>(1,725)</u>	<u>(20,377)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net additions/(repayment) of bank borrowings	-	160
Net payment of finance lease	(143)	(109)
Subscription of new shares by NCI in a subsidiary	1,186	-
Net cash from financing activities	<u>1,043</u>	<u>51</u>
NET DECREASE IN CASH AND CASH EQUIVALENT	(1,171)	(5,275)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	6,474	10,394
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>5,303</u>	<u>5,119</u>
Cash and cash equivalents at end of the period comprise of:-		
Cash at banks and in hand	5,825	8,478
Cash deposits with licensed banks	6,065	6,852
Bank overdrafts	(1,022)	-
	<u>10,868</u>	<u>15,330</u>
Less: Cash at banks under lien	-	(4,459)
Less: Cash deposits with licensed banks under lien	(5,565)	(4,673)
Less: Cash deposits with maturity more than 3 months	-	(1,079)
	<u>5,303</u>	<u>5,119</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 2015 and the accompanying explanatory notes attached to the interim financial report.

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

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 MAY 2016**

(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 2015 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 2015.

1.1 Significant Accounting Policies

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 2015.

As at the date of authorization of this interim financial report, the Group has not early adopted the following new MFRSs, and amendments under MFRS framework that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group and the Company:-

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 16	Leases	1 January 2019
<u>Amendments/Improvements to MFRSs</u>		
MFRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
MFRS 7	Financial Instruments: Disclosure	1 January 2016
MFRS 10	Consolidated Financial Statements: Investment Entities	1 January 2016
MFRS 11	Joint Arrangements	1 January 2016
MFRS 12	Disclosure of Interest in Other Entities: Investment Entities	1 January 2016
MFRS 101	Presentation of Financial Statements: Disclosure Initiative	1 January 2016

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

1. Basis of Preparation (Cont'd)

1.1 Significant Accounting Policies (Cont'd)

<u>Amendments/Improvements to MFRSs (Cont'd)</u>		Effective for financial periods beginning on or after
MFRS 116	Property, Plant and Equipment	1 January 2016
MFRS 119	Employee Benefits	1 January 2016
MFRS 127	Separate Financial Statements: Investment Entities	1 January 2016
MFRS 128	Investments in Associates and Joint Ventures	1 January 2016
MFRS 138	Intangible Assets	1 January 2016
MFRS 141	Agriculture	1 January 2016

2. Audit Qualification

The audit report of the Group's financial statements for the year ended 30 November 2015 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 quarter and 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.

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 May 2016.

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

8. Segmental Reporting

The Group's segment information for the financial period ended 31 May 2016 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 2016

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	4,043	8,131	5,566	112	-	17,852
Inter-segment revenue	-	584	-	602	(1,186)	-
Total revenue	4,043	8,715	5,566	714	(1,186)	17,852

	Property Development	ICT	TIS	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
SEGMENT RESULTS					
Profit/(Loss) from operations	314	(1,641)	558	(288)	(1,057)
Finance costs	-	(20)	(9)	-	(29)
Share of associates' results	-	(39)	7	-	(32)
Profit/(Loss) before taxation	314	(1,700)	556	(288)	(1,118)
Taxation	(90)	-	(60)	-	(150)
Profit/(Loss) for the period	224	(1,700)	496	(288)	(1,268)

FINANCIAL POSITION As at 31 May 2016	Property Development	ICT	TIS	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Total segment assets	16,928	17,962	10,484	16,077	61,451
Total segment liabilities	7,598	5,641	3,421	598	17,258

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

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

6 months ended 31 May 2015

GROUP	Property Development RM'000	ICT RM'000	TIS RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
SEGMENT REVENUE						
External revenue	2,232	13,760	3,326	94	-	19,412
Inter-segment revenue	-	1,004	-	686	(1,690)	-
Total revenue	2,232	14,764	3,326	780	(1,690)	19,412

	Property Development RM'000	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000
SEGMENT RESULTS					
Profit/(Loss) from operations	75	(486)	62	(447)	(796)
Finance costs	-	(36)	(6)	-	(42)
Share of associates' results	-	35	(30)	-	5
Profit/(Loss) before taxation	75	(487)	26	(447)	(833)
Taxation	(120)	65	(4)	-	(59)
Profit/(Loss) for the period	(45)	(422)	22	(447)	(892)

FINANCIAL POSITION As at 31 May 2015	Property Development RM'000	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000
Total segment assets	16,547	19,008	7,110	22,627	65,292
Total segment liabilities	15,977	2,680	1,981	2,101	22,739

(ii) Geographical Segments

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

GROUP	Revenue	
	Current period 31 May 2016 RM'000	Preceding Year Corresponding Period 31 May 2015 RM'000
Malaysia	17,825	19,405
Singapore	27	7
Total	17,852	19,412

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.

AMTEL HOLDINGS BERHAD (409449-A)
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10. Material Event Subsequent to the End of Financial Year

There was no material event subsequent to the end of the financial period ended 31 May 2016 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:-

On 12 May 2016, two key employees of Amtel Resources Sdn Bhd ("ARSB") had subscribed for a total 300,000 ordinary shares, representing 23.08% of the enlarged issued and paid-up share capital of ARSB for a total cash consideration of RM1.186 million. Upon completion of the subscription, the Company's equity interest in ARSB reduced from 100% to 76.92%. The dilution in equity interest in ARSB has no material effect on the consolidated earnings, net assets and gearing of the Group for the financial year ending 30 November 2016.

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 2015, except for the followings:-

	As At 31/5/2016
Company	
<u>Contingent Liabilities – Unsecured</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>1,303</u>
Group	
<u>Contingent Liabilities – Secured*</u>	
Bank guarantees	<u>98</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.

13. Capital and Other Commitments

The Group has no capital commitment in respect of property, plant and equipment for current period ended 31 May 2016.

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.

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

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 MAY 2016**

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

1. Review of Performance

For the current quarter ended 31 May 2016, the Group generated a turnover of RM9.43 million and loss after tax of RM0.53 million, as compared to a turnover of RM10.98 million and loss after tax of RM0.53 million registered in the preceding year corresponding quarter. Despite improvement in the TIS segment, loss reported during the current quarter mainly due to the drop in performance in the ICT business segment and the lack of new sales from the Property Development segment during the current quarter under review.

For the current financial period ended 31 May 2016, the Group reported a turnover of RM17.85 million and loss after tax of RM1.27 million, as compared to turnover of RM19.41 million and loss after tax of RM0.89 million achieved in the preceding year corresponding period. Higher loss was reported in the current financial period mainly attributed to lower performance from the ICT segment, lack of new sales from Property Development segment and the share of higher loss of associated companies' results.

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

ICT Segment

Lower turnover and higher loss after tax was recorded during the quarter and period under review as compared to preceding year corresponding quarter and period. This was mainly due to the slowdown in the demand of Telematics related products and services from existing customers. In addition, the drop in profit margin is affected by the increased in material and operating costs.

Property Development Segment

The turnover and profit posted during the current period was primarily attributable to the sales of residential properties and profit recognition from the development works in progress.

TIS Segment

An increase in turnover and higher segment profit after tax was achieved during the current quarter and period as compared to preceding year corresponding quarter and period. This was mainly driven by higher progress billings from various on-going projects and profit achieved via an increase number of completed civil infrastructure works and projects.

Others Segment

Loss recorded during the current period and preceding year corresponding period was attributed to the operating costs incurred by the investment holding company.

AMTEL HOLDINGS BERHAD (409449-A)
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2. Material Changes in the Profit Before Tax for the Quarter Reported on as Compared with the Immediate Preceding Quarter.

The Group posted a loss after tax of RM0.53 million for the current quarter under review as compared to loss after tax of RM0.74 million in the immediate preceding quarter. Lower loss was reported in current quarter mainly attributable to the improved performance reported by the TIS business segment.

3. Prospects for the Current Financial Year

The current weak economic condition and uncertainties in exchange rates is expected to pose a challenge to the Group's operations as well as profitability. Nevertheless the Group is mindful of the competitive business environment ahead and will stay focus on executing its existing revenue generating business activities whilst continue to explore new business opportunities to strengthen the Group's overall turnover and performance.

Barring any unforeseen circumstances, the Board expects the Group's overall performance for the current financial year to remain satisfactory.

4. Variances of Actual Profit from Forecast Profit

Not applicable.

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	(84)	(210)
Transfer from deferred tax liabilities	42	60
	<u>(42)</u>	<u>(150)</u>

Tax charge for the current period is in respect of profit made by certain companies in the Group.

6. Status of Corporate Proposals

There are no corporate proposals announced, but not completed as at the date of issue of this quarterly report.

7. Provision of Financial Assistance to Associated Company

The Company obtained the shareholders' approval via an Extraordinary General Meeting held on 10 July 2014 to provide financial assistance to an associated company. The amounts of financial assistance provided as of 31 May 2016 remain at RM6.58 million.

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

8. Group Borrowings

The Group's total borrowings (all denominated in Ringgit Malaysia) as at 31 May 2016 are as follows:-

	As at 31/5/2016 RM'000
(1) <u>Short Term Borrowings:-</u>	
- <u>Secured</u>	
Bank overdraft	<u>1,022</u>
Finance leases payable within the next 12 months	<u>147</u>
(2) <u>Long Term Borrowings:-</u>	
- <u>Secured</u>	
Finance leases payable after the next 12 months	<u>112</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 May 2016.

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 May 2016.

11. 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 RMB1,677,569.00 together with interest thereon, the cost of legal proceedings and others as specified in the announcement dated 4 September 2015.

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

11. 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. Another hearing was held on 25 April 2016. AMCSB had on 26 June 2016 received the decisions and judgement from the Court in respect of AMCSB's claims against SJB as follows:-

- (i) The Court agreed that the Agreement entered between AMCSB, SJB and AP dated 25 November 2013 has been terminated;
- (ii) That SJB was ordered to pay 40% of AMCSB's claim of RMB1,677,569.00 and 40% of AP's permitted claim of RMB400,878.32 totalling RMB831,378.90 to AMCSB and AP;
- (iii) That SJB is to immediately refrain from using, developing, disclosing, transferring or licensing and return all relevant materials for the purpose of software development; and
- (iv) That the claim for cost of legal proceedings against SJB is unsuccessful.

AMCSB's solicitor in People's Republic of China have successfully filed an appeal on 15 July 2016 to the Court's decision to seek for higher compensation after taking into consideration the advice by AMCSB's Solicitor in People's Republic of China.

12. 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 31/5/2016 RM'000	Current Period To-date 31/5/2016 RM'000
1. Interest income	(47)	(88)
2. Dividend income	(107)	(217)
3. Other income excluding interest and dividend income	(111)	(170)
4. Interest expense	18	29
5. Depreciation of property, plant & equipment	200	431
6. Amortisation of intangible assets	281	432
7. (Gain)/Loss on disposal of property, plant & equipment	-	(9)
8. Allowance for impairment loss on trade receivable	-	200
9. Impairment of property, plant & equipment	-	-
10. Net foreign exchange (gain)/loss	(15)	52

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

13. Dividend

The Board of Directors does not recommend any payment of dividend for the current financial period ended 31 May 2016.

14. 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 RM0.50 million and RM1.20 million respectively by the number of 49,277,066 ordinary shares in issue during the period.

(2) Diluted earnings per share

Not applicable.

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

The breakdown of the accumulated losses of the Group as at 31 May 2016 into realised and unrealised profits/(losses) is as follows:-

	As at 31/5/2016 RM'00	As at 31/5/2015 RM'000
Total accumulated losses:-		
- Realised	(22,230)	(26,198)
- Unrealised	(847)	(191)
	(23,077)	(26,389)
Total share of retained profits/(accumulated losses) from associated companies:-		
- Realised	995	879
- Unrealised	5	4
	(22,077)	(25,506)
Add/(Less): Consolidation adjustments	10,437	13,479
Total accumulated losses as per consolidated accounts	(11,640)	(12,027)

AMTEL HOLDINGS BERHAD
By Order of the Board

LIEW KUAI MOI
Company Secretary