

26 January 2018



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

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH FINANCIAL QUARTER ENDED 30 NOVEMBER 2017

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2017**
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT PERIOD QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR	PRECEDING YEAR
	30-11-2017	30-11-2016	30-11-2017	30-11-2016
	RM'000	RM'000	RM'000	RM'000
Revenue	9,101	17,069	33,427	47,417
Operating Expenses	(10,738)	(15,550)	(37,050)	(47,480)
Other Operating Income	344	172	920	952
(Loss)/Profit from Operations	(1,293)	1,691	(2,703)	889
Finance Costs	(11)	(20)	(46)	(70)
Share of Results of Associates	(279)	200	(544)	233
(Loss)/Profit Before Taxation	(1,583)	1,871	(3,293)	1,052
Taxation	159	(195)	48	(600)
(Loss)/Profit for the financial year	(1,424)	1,676	(3,245)	452
Other Comprehensive Income, Net of Tax				
Items that may be reclassified subsequently to Profit or Loss				
Foreign currency translation	10	(12)	14	(14)
Reclassification adjustment of fair value reserve	(159)	-	(159)	-
Total Comprehensive (Loss)/Income for the year	(1,573)	1,664	(3,390)	438
<u>(Loss)/Profit Attributable to:-</u>				
Owners of the Company	(1,467)	1,578	(3,182)	256
Non-controlling Interests	43	98	(63)	196
	(1,424)	1,676	(3,245)	452
<u>Total Comprehensive (Loss)/Income Attributable to:-</u>				
Owners of the Parent	(1,616)	1,571	(3,327)	247
Non-controlling Interests	43	93	(63)	191
	(1,573)	1,664	(3,390)	438
<u>Earnings Per Share Attributable to Owners of the Parent :-</u>				
Basic (sen)	-2.98	3.20	-6.46	0.52
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 30 NOVEMBER 2017
(The figures have not been audited)

	<u>UNAUDITED</u> AS AT CURRENT FINANCIAL YEAR ENDED 30/11/2017 RM'000	<u>AUDITED</u> AS AT PRECEDING FINANCIAL YEAR ENDED 30/11/2016 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	2,045	1,853
Investment Properties	169	169
Investments in Associates	1,057	1,585
Intangible Assets	581	2,241
Other Investments	-	250
	<u>3,852</u>	<u>6,098</u>
Current Assets		
Inventories	2,401	1,269
Property Development Costs	8,427	7,877
Trade & Other Receivables	21,824	30,567
Other Investments	11,621	8,852
Cash deposits with licensed banks	8,078	5,699
Cash and Bank Balances	4,266	7,526
	<u>56,617</u>	<u>61,790</u>
TOTAL ASSETS	<u>60,469</u>	<u>67,888</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	29,246	49,277
Reserves	11,380	(5,233)
Equity Attributable to Owners of the Parent	<u>40,626</u>	<u>44,044</u>
Non-controlling Interests ("NCI")	1,890	1,858
Total Equity	<u>42,516</u>	<u>45,902</u>
Non-Current Liabilities		
Finance Lease Payables	357	156
Deferred Tax Liabilities	345	408
	<u>702</u>	<u>564</u>
Current Liabilities		
Trade & Other Payables	15,989	20,763
Short Term Borrowings	986	374
Tax Liabilities	136	152
Finance Lease Payables	140	133
	<u>17,251</u>	<u>21,422</u>
Total Liabilities	<u>17,953</u>	<u>21,986</u>
TOTAL EQUITY AND LIABILITIES	<u>60,469</u>	<u>67,888</u>
Net assets per share attributable to owners of the parent (RM)	0.8244	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 YEAR ENDED 30 NOVEMBER 2017**
(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	Retained Earnings/ (Accumulated Losses RM'000	Sub-total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
12 months ended 30 November 2017								
At 1 December 2016	49,277	4,775	159	14	(10,181)	44,044	1,858	45,902
Comprehensive Income:								
(Loss)/Profit for the financial year	-	-	-	-	(3,182)	(3,182)	(63)	(3,245)
Reclassification adjustment of fair value reserve	-	-	(159)	-	-	(159)	-	(159)
Foreign currency translation	-	-	-	14	-	14	-	14
Total comprehensive (loss)/income for the financial year	-	-	(159)	14	(3,182)	(3,327)	(63)	(3,390)
Transaction with owners:								
Adjustment pursuant to Companies Act 2016 (Note 1)	4,775	(4,775)	-	-	-	-	-	-
Reduction of share capital (Note 2)	(24,806)	-	-	-	24,806	-	-	-
Acquisition of NCI	-	-	-	7	-	7	91	98
NCI of newly incorporated subsidiary	-	-	-	-	-	-	4	4
Premium on acquisition of NCI	-	-	-	-	(98)	(98)	-	(98)
At 30 November 2017	29,246	-	-	35	11,345	40,626	1,890	42,516
12 months ended 30 November 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 year	-	-	-	-	256	256	196	452
Foreign currency translation	-	-	-	(9)	-	(9)	(4)	(13)
Total comprehensive income for the financial year	-	-	-	(9)	256	247	192	439
Transaction with owners:								
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 30 November 2016	49,277	4,775	159	14	(10,181)	44,044	1,858	45,902

Notes:-

(1) With the Companies Act 2016 ("CA 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.

(2) The reduction of share capital became effective on 24 November 2017 pursuant to Section 119(4) of the CA 2016.

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 YEAR ENDED 30 NOVEMBER 2017
(The figures have not been audited)

	CURRENT FINANCIAL YEAR ENDED 30/11/2017 RM'000	PRECEDING FINANCIAL YEAR ENDED 30/11/2016 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(3,293)	1,052
Adjustments for:-		
Non-cash items	2,596	2,375
Non-operating items	(395)	(603)
Share of results of associates	544	(233)
Operating (loss)/profit before changes in working capital	(548)	2,591
Changes in working capital		
Net changes in property development costs	(550)	2,395
Net changes in current assets	7,414	(11,438)
Net changes in current liabilities	(4,774)	3,024
Cash generated from/(used in) operations	1,542	(3,428)
Interest received	218	256
Interest paid	(46)	(52)
Taxes paid	(418)	(1,684)
Taxes refunded	206	-
Net cash generated from/(used in) operating activities	1,502	(4,908)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,082)	(578)
Disposal of property, plant and equipment	106	138
Additions in intangible assets	-	(39)
(Placement)/Withdrawal of fixed income funds & quoted unit trusts	(2,449)	3,802
(Placement)/withdrawal of pledged cash & cash equivalent under lien	(2,379)	903
Dividend income	323	399
Additions in investment in associates	(14)	(200)
Repayments from associates	273	257
Net cash (used in)/generated from investing activities	(5,222)	4,682
CASH FLOW FROM FINANCING ACTIVITIES		
Net payments of finance lease	(152)	(282)
Subscription of new shares by NCI in a subsidiary	-	1,186
Net cash (used in)/generated from financing activities	(152)	904
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT	(3,872)	678
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	7,152	6,474
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	3,280	7,152
Cash and cash equivalents at end of the year comprise of:-		
Cash at banks and in hand	4,266	7,526
Cash deposits with licensed banks	8,078	5,699
Bank overdrafts	(986)	(374)
	11,358	12,851
Less: Cash deposits with licensed banks under lien	(8,078)	(5,699)
	3,280	7,152

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 FOURTH FINANCIAL QUARTER ENDED 30 NOVEMBER 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 year.

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 year 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 year to-date.

7. Dividends Paid

There was no dividend paid during the financial year ended 30 November 2017.

8. Segmental Reporting

The Group's segment information for the financial year ended 30 November 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.

12 months ended 30 November 2017

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	480	19,948	12,774	225	-	33,427
Inter-segment revenue	-	2,121	-	759	(2,880)	-
Total revenue	480	22,069	12,774	984	(2,880)	33,427

SEGMENT RESULTS	Property Development	ICT	TIS	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit from operations	(514)	(1,424)	266	(1,031)	(2,703)
Finance costs	(1)	(39)	(6)	-	(46)
Share of associates' results	-	(451)	(93)	-	(544)
(Loss)/Profit before taxation	(515)	(1,914)	167	(1,031)	(3,293)
Taxation	109	(20)	(31)	(10)	48
(Loss)/Profit for the year	(406)	(1,934)	136	(1,041)	(3,245)

FINANCIAL POSITION As at 30 November 2017	Property Development	ICT	TIS	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Total segment assets	15,163	18,787	13,216	13,303	60,469
Total segment liabilities	5,379	6,643	5,298	633	17,953

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

12 months ended 30 November 2016

GROUP	Property Development	ICT	TIS	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
SEGMENT REVENUE						
External revenue	9,271	23,893	14,028	225	-	47,417
Inter-segment revenue	-	1,586	-	1,203	(2,789)	-
Total revenue	9,271	25,479	14,028	1,428	(2,789)	47,417

SEGMENT RESULTS	Property Development	ICT	TIS	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) from operations	220	(1,320)	2,441	(452)	889
Finance costs	-	(55)	(15)	-	(70)
Share of associates' results	-	223	10	-	233
Profit/(Loss) before taxation	220	(1,152)	2,436	(452)	1,052
Taxation	(82)	152	(666)	(4)	(600)
Profit/(Loss) for the year	138	(1,000)	1,770	(456)	452

FINANCIAL POSITION	Property Development	ICT	TIS	Others	Consolidated
As at 30 November 2016	RM'000	RM'000	RM'000	RM'000	RM'000
Total segment assets	19,491	22,376	13,060	12,961	67,888
Total segment liabilities	8,011	8,560	4,804	611	21,986

(ii) Geographical Segments

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

GROUP	Revenue	
	Current Year	Preceding Year
	30 November 2017	30 November 2016
	RM'000	RM'000
Malaysia	33,416	47,286
Singapore	11	76
China	-	55
Total	33,427	47,417

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 year.

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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 year ended 30 November 2017 that has not been reflected in the financial statements or to be disclosed as at the date of this report other than as mentioned below:-

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 cease to be a wholly-owned subsidiary of the Company.

11. Changes in the Composition of the Group

There was no change in the composition of the Group during the current quarter and financial year except for the following:-

- 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 following:-

	As At 30/11/2017
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	1,279
Group	
<u>Contingent Liabilities – Secured*</u>	
Bank guarantees	863

* - *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 associate 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 year ended 30 November 2017.

14. Related Party Transactions

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

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH FINANCIAL QUARTER ENDED 30 NOVEMBER 2017**

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

1. Review of Performance

The Group recorded a revenue of RM9.10 million for the current quarter under review as compared to RM17.07 million reported in preceding year corresponding quarter, representing a drop by approximately 47%. Thus, the Group reported a loss after tax of RM1.42 million compared to profit after tax of RM1.68 million recorded in the preceding year corresponding quarter. Lower sales and losses for the current quarter were mainly registered by the ICT and Property Development segments and share of associated companies' losses.

The Group's revenue for the current financial year of RM33.43 million was lower by approximately 30% compared to RM47.42 million posted in preceding financial year. The Group reported a loss after tax of RM3.24 million for the current financial year as compared to profit after tax of RM0.45 million achieved in preceding financial year. Current year loss was attributable to overall drop in the Group's operational performance and share of associated companies' losses.

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

ICT Segment

For the current quarter and financial year, ICT segment posted a total revenue of RM5.61 million and RM22.07 million respectively as compared to RM10.40 million and RM25.48 million respectively reported in preceding year corresponding quarter and financial year. With lower sales volume reported in the current quarter, ICT segment recorded a drop in performance by registering a loss after tax for current quarter of RM1.15 million as compared to profit after tax of RM1.31 million posted in preceding year corresponding quarter. In addition, the substantial profit achieved in fourth quarter of last financial year was mainly due to higher sales volume of new car models which were fitted with our car accessories. For the current financial year, the segment loss after tax of RM1.75 million was higher as compared to loss after tax of RM1.00 million recorded in preceding year mainly due to the overall drop in sales volume and increase in intangible assets amortization on completed software development.

TIS Segment

For the current quarter and financial year, TIS segment registered total revenue of RM5.37 million and RM12.77 million respectively as compared to RM4.79 million and RM14.03 million respectively reported in preceding year corresponding quarter and financial year. This segment reported a current quarter profit after tax of RM0.38 million as compared to profit after tax of RM0.47 million reported in preceding year corresponding quarter. Current year profit after tax was RM0.14 million as compared to RM1.77 million reported in preceding year. The overall drop in revenue and profit contributions was attributed to the smaller civil infrastructure and cable works with lower revenue and margin attained for the current financial year.

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1. Review of Performance (Cont'd)

Property Development Segment

The segment loss reported during the current quarter was due to the termination of sale of one unit residential property caused by the buyer's default in payments for the balance purchase price. Overall, a lower performance was reported in current financial year due to the absence of new sale of property despite the development works for the entire residential project has reached the final stages.

Others Segment

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

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	
	30 November 2017	31 August 2017	Changes
	RM'000	RM'000	%
Revenue	9,101	7,136	27%
Loss from operations	(1,293)	(735)	-76%
Share of results of associates	(279)	(153)	-82%
Loss before tax	(1,583)	(888)	-78%
Loss after tax	(1,424)	(828)	-72%

The Group attained revenue of RM9.10 million for the current quarter under review which is 27% higher as compared to immediate preceding quarter. Increased revenue was mainly due to higher progress billings from the TIS segment and higher volume sold for some of ICT's new products. However, higher loss was reported during current quarter mainly due to the effect arising from the termination of sale of one unit residential property as reported by the Property Development segment and increase in the intangible assets amortization.

3. Commentary on the Group's Prospects

In view of the current economic scenario and the competitive business environment, the Group will further streamline its various resources to improve efficiency and effectiveness. The Group will also continue to explore business opportunities to enhance its earning base and to attain long term growth and sustainability.

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 year under review is summarized as follows:-

	Current Quarter 30/11/2017 RM'000	Preceding Year Corresponding Quarter 30/11/2016 RM'000	Current Year 30/11/2017 RM'000	Preceding Year 30/11/2016 RM'000
<u>Tax expense:-</u>				
Based on results for the year	30	(323)	(121)	(865)
Over provision in prior years	106	51	106	62
Transfer from deferred tax liabilities	23	77	63	203
Total	<u>159</u>	<u>(195)</u>	<u>48</u>	<u>(600)</u>

Tax charge for the current year is in respect of profit made by certain companies in the Group. The disproportionate tax charge of the Group for the current quarter and financial year 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:-

6.1 Capital Reduction and variation to the financial assistance

The Company announced on 23 March 2017 to undertake the following proposals which were duly approved by the shareholders of the Company at the Extraordinary General Meeting held on 17 May 2017:-

- 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 capital reduction became effective on 24 November 2017, the date of Notice from the Registrar of Companies confirming the reduction of share capital and this has been reflected in the Group's current quarter's Statement of Financial Positions and Statement of Changes in Equity accordingly.

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6. Status of Corporate Proposals (Cont'd)

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

6.2 Proposed 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. Please refer to our announcement to Bursa dated 12 December 2017 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 30 November 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.

8. Group Borrowings

The Group's total borrowings (all denominated in Ringgit Malaysia) as at 30 November 2017 are as follows:-

	As at 30/11/2017 RM'000	As at 30/11/2016 RM'000
(1) <u>Short Term Borrowings:-</u>		
- <u>Secured</u>		
Overdrafts	986	374
- <u>Unsecured</u>		
Finance leases payable within the next 12 months	140	133
(2) <u>Long Term Borrowings:-</u>		
- <u>Unsecured</u>		
Finance leases payable after the next 12 months	357	156

The Group does not have borrowing denominated in foreign currency.

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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 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.

10. Dividend

The Board of Directors does not recommend any payment of dividend for the current financial year ended 30 November 2017.

11. Earnings Per Share

(1) Basic earnings per share

The basic earnings per share for the current quarter and financial year is calculated by dividing the consolidated net loss attributable to owners of the Parent of RM1.47 million and RM3.18 million respectively by the number of 49,277,066 ordinary shares in issue during the year.

(2) Diluted earnings per share

Not applicable.

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12. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	Current Quarter <u>30/11/2017</u> RM'000	Preceding Year Corresponding Quarter <u>30/11/2016</u> RM'000	Current Year <u>30/11/2017</u> RM'000	Preceding Year <u>30/11/2016</u> RM'000
1. Interest income	(66)	(85)	(218)	(256)
2. Dividend income	(108)	(80)	(323)	(399)
3. Other income excluding interest, dividend & rental income	(96)	(63)	(171)	(132)
4. Interest expense	11	20	46	70
5. Depreciation of property, plant & equipment	202	219	891	857
6. Property, plant & equipment written-off	5	-	5	-
7. Amortisation of intangible assets	598	368	997	1,202
8. (Gain)/Loss on disposal of property, plant & equipment	(25)	(45)	(100)	(54)
9. Allowance for impairment loss on trade receivable	-	158	-	358
10. Net foreign exchange loss/(gain)	21	55	109	176
11. Intangible assets written-off	240	-	240	-
12. Other investment written-off	91	-	91	-
13. Inventories written-down	61	-	61	-
14. Net reversal of provision of warranty costs	(464)	-	(464)	-

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

The retained earnings/(accumulated losses) of the Group as at 30 November 2017 is analysed as follows:-

	As at 30/11/2017 RM'00	As at 30/11/2016 RM'000
Total retained earnings/(accumulated losses) of the Company and its subsidiaries:-		
- Realised	884	(20,472)
- Unrealised	(286)	(826)
	<u>598</u>	<u>(21,298)</u>
Total share of retained earnings from associates:-		
- Realised	749	1,257
- Unrealised	-	-
	<u>1,347</u>	<u>(20,041)</u>
Add/(Less): Consolidation adjustments	9,998	9,860
	<u>11,345</u>	<u>(10,181)</u>

AMTEL HOLDINGS BERHAD

By Order of the Board

LIM LEE CHIN

Company Secretary