



AMTEL HOLDINGS BERHAD

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

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD FINANCIAL QUARTER ENDED 31 AUGUST 2014**

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

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 AUGUST 2014

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2014
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT PERIOD QUARTER 31-8-2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-8-2013 RM'000	CURRENT YEAR TO DATE 31-8-2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-8-2013 RM'000
Revenue	7,499	9,707	22,696	31,639
Operating Expenses	(7,697)	(9,586)	(24,289)	(30,170)
Other Operating Income	197	334	749	794
(Loss)/Profit from Operations	(1)	455	(844)	2,263
Finance Costs	(108)	(116)	(318)	(350)
Share of Results of Associates	(80)	(9)	35	73
(Loss)/Profit Before Taxation	(189)	330	(1,127)	1,986
Taxation	(37)	(141)	(77)	(578)
(Loss)/Profit Net of Tax, representing Total Comprehensive Income for the Financial Period	(226)	189	(1,204)	1,408
<u>(Loss)/Profit Attributable to:-</u>				
Owners of the Parent	(200)	195	(1,152)	1,275
Non-controlling Interests	(26)	(6)	(52)	133
	(226)	189	(1,204)	1,408
<u>Total Comprehensive Income Attributable to:-</u>				
Owners of the Parent	(200)	195	(1,152)	1,275
Non-controlling Interests	(26)	(6)	(52)	133
	(226)	189	(1,204)	1,408
<u>Earnings Per Share Attributable to Owners of the Parent :-</u>				
Basic (sen)	-0.41	0.40	-2.34	2.59
Fully Diluted (sen)	N/A	N/A	N/A	N/A

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 30 November 2013 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 AUGUST 2014
(The figures have not been audited)

	<u>UNAUDITED</u>	<u>AUDITED</u>
	AS AT CURRENT FINANCIAL PERIOD 31/8/2014	AS AT PRECEDING FINANCIAL YEAR 30/11/2013
	<u>RM'000</u>	<u>RM'000</u>
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	2,291	17,707
Investment Properties	169	169
Investments in Associates	965	945
Intangible Assets	2,846	1,986
Other Investments - non-current	250	250
	<u>6,521</u>	<u>21,057</u>
Current Assets		
Inventories	1,049	674
Trade & Other Receivables	9,960	9,958
Other Investments - current	4,750	5,013
Cash deposits with licensed banks	3,369	4,937
Cash and Bank Balances	16,376	20,556
	<u>35,504</u>	<u>41,138</u>
Non-current assets classified as held for sale	15,783	-
TOTAL ASSETS	<u>57,808</u>	<u>62,195</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	49,277	49,277
Reserves	(7,974)	(4,846)
Equity Attributable to Owners of the Parent	<u>41,303</u>	<u>44,431</u>
Non-controlling Interests ("NCI")	474	374
Total Equity	<u>41,777</u>	<u>44,805</u>
Non-Current Liabilities		
Bank borrowings	-	6,603
Finance Lease Payables	563	663
Deferred Tax Liabilities	439	364
	<u>1,002</u>	<u>7,630</u>
Current Liabilities		
Trade & Other Payables	7,146	8,286
Short Term Borrowings	640	983
Tax Liabilities	176	224
Finance Lease Payables	289	267
	<u>8,251</u>	<u>9,760</u>
Liability directly attributable to assets classified as held for sale	6,778	-
Total Liabilities	<u>16,031</u>	<u>17,390</u>
TOTAL EQUITY AND LIABILITIES	<u>57,808</u>	<u>62,195</u>
Net assets per share attributable to owners of the parent (RM)	0.8382	0.9017

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 2013 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 AUGUST 2014
(The figures have not been audited)**

	<----- Attributable to Owners of the Parent ----->					Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Fair Value Reserve RM'000	Exchange Reserve RM'000	Accumulated Losses RM'000			
9 months ended 31 August 2014								
At 1 December 2013	49,277	4,775	159	-	(9,780)	44,431	374	44,805
Total comprehensive income for the financial period	-	-	-	-	(1,152)	(1,152)	(52)	(1,204)
Foreign currency translation differences for foreign operations	-	-	-	(5)	-	(5)	(2)	(7)
Dividends paid to Owners of the Parent	-	-	-	-	(1,971)	(1,971)	-	(1,971)
Proceed from NCI on subscription of shares in subsidiary	-	-	-	-	-	-	154	154
At 31 August 2014	49,277	4,775	159	(5)	(12,903)	41,303	474	41,777
9 months ended 31 August 2013								
At 1 December 2012	49,277	4,775	159	-	(9,018)	45,193	322	45,515
Total comprehensive income for the financial period	-	-	-	-	1,275	1,275	133	1,408
Dividends paid to Owners of the Parent	-	-	-	-	(1,848)	(1,848)	-	(1,848)
Dividend paid to NCI	-	-	-	-	(18)	(18)	-	(18)
At 31 August 2013	49,277	4,775	159	-	(9,609)	44,602	455	45,057

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 2013 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 AUGUST 2014
(The figures have not been audited)

	CURRENT FINANCIAL PERIOD ENDED 31/8/2014 RM'000	PRECEDING FINANCIAL PERIOD ENDED 31/8/2013 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(1,127)	1,986
Adjustments for:-		
Non-cash items	1,039	608
Non-operating items	(105)	(334)
Share of results of associates	(35)	(73)
Operating (loss)/profit before changes in working capital	<u>(228)</u>	<u>2,187</u>
Changes in working capital		
Net changes in current assets	(15)	7,649
Net changes in current liabilities	(1,140)	(4,661)
Cash (used in)/generated from operations	<u>(1,383)</u>	<u>5,175</u>
Interest received	167	236
Interest paid	(318)	(350)
Taxes paid	(217)	(455)
Net cash (used in)/from operating activities	<u>(1,751)</u>	<u>4,606</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,007)	(809)
Disposal of property, plant and equipment	214	232
Additions in intangible assets	(1,158)	-
Withdrawal/(Placement) of pledged cash deposits	(33)	4,796
Dividend income	365	381
Dividend paid to NCI	-	(18)
Proceeds from disposal of investments in an associated company	15	1,200
Net cash (used in)/from investing activities	<u>(1,604)</u>	<u>5,782</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net drawdown/(repayments) of bank borrowings	(404)	(956)
Payments of finance lease	(208)	(275)
Dividends paid to owners of the Company	(1,971)	(1,848)
Proceed from NCI on subscription of shares in subsidiary	154	-
Net cash used in financing activities	<u>(2,429)</u>	<u>(3,079)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT	(5,784)	7,309
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	22,971	19,566
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>17,187</u>	<u>26,875</u>
Cash and Cash equivalents at end of the period comprise of:-		
Cash at banks and in hand	7,268	6,050
Fixed income fund with licensed fund management company	9,108	19,475
Cash deposits with licensed banks	3,369	3,970
Bank overdrafts	(82)	(297)
	<u>19,663</u>	<u>29,198</u>
Less: Cash deposits with licensed banks under lien	(2,476)	(2,323)
	<u>17,187</u>	<u>26,875</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 2013 and the accompanying explanatory notes attached to the interim financial report.

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 AUGUST 2014**

(A) EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

This unaudited condensed consolidated interim financial report has been prepared in accordance with the reporting requirements as set out in 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 2013 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 2013.

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 2013, except for the adoption of the following new and amendments to MFRS and IC Interpretations ("IC Int.") to be applied by all Entities Other Than Private Entities for the financial period beginning on or after 1 January 2013:-

New MFRSs

MFRS 10	Consolidated Financial Statement
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement

Revised MFRSs

MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures

Amendments/Improvements to MFRSs

MFRS 1	First-time Adoption of MFRS – Government Loans
MFRS 7	Financial Instruments: Disclosure – Offsetting Financial Assets and Financial Liabilities
MFRS 10	Consolidated Financial Statements: Transition Guidance
MFRS 11	Joint Arrangement: Transition Guidance
MFRS 12	Disclosure of Interest in Other Entities: Transition Guidance
MFRS 101	Presentation of Items of Other Comprehensive Income
MFRS 116	Property, Plant and Equipment
MFRS 134	Interim Financial Reporting

New IC Int

IC Int 20	Stripping Costs in the Production Phase of a Surface Mine
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The adoption of the above pronouncements did not have any impact on the financial statements of the Group.

AMTEL HOLDINGS BERHAD (409449-A)
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1. Basis of Preparation

1.1 Significant Accounting Policies (Cont'd)

As at the date of authorization of this interim financial report, the Group has not early adopted the following standards, amendments and interpretation under MFRS framework that have been issued by the Malaysian Accounting Standards Board as these are effective for the financial periods beginning on or after 1 January 2014:-

Amendments/Improvements to MFRSs

MFRS 1	Government Loans
MFRS 2	Shared-based Payment
MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosure
MFRS 8	Operating Segments
MFRS 9	Financial Instruments
MFRS 10	Consolidated Financial Statements: Investment Entities
MFRS 12	Disclosure of Interest in Other Entities: Investment Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits
MFRS 124	Related Party Disclosures
MFRS 127	Separate Financial Statements: Investment Entities
MFRS 132	Financial Instruments: Presentation
MFRS 136	Impairment of Assets
MFRS 139	Financial Instruments: Recognition and Measurement
MFRS 140	Investment Property
<u>New IC Int</u>	
IC Int 21	Levies

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material financial impact on the Group's financial statements upon their initial application.

2. Audit Qualification

The audit report of the Group's financial statements for the year ended 30 November 2013 did not contain any qualification.

3. Seasonality or cyclicity of interim operations

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.

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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

On 23 June 2014, the Company paid a first and final single tier dividend of 4.0 sen per ordinary share totaling RM1,971,083/- in respect of the financial year ended 30 November 2013 which was approved by the shareholders of the Company at the Annual General Meeting held on 29 May 2014.

8. Segmental Reporting

The Group's segment information for the financial period ended 31 August 2014 is as follows:-

(i) Major Business Segments

9 months ended 31 August 2014

GROUP	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	20,041	2,514	141	-	22,696
Inter-segment revenue	1,316	-	1,057	(2,373)	-
Total revenue	<u>21,357</u>	<u>2,514</u>	<u>1,198</u>	<u>(2,373)</u>	<u>22,696</u>

GROUP	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000
SEGMENT RESULTS				
Profit/(Loss) from operations	298	(194)	(948)	(844)
Finance costs	(70)	(12)	(236)	(318)
Share of associates' results	46	(11)	-	35
Profit/(Loss) before taxation	<u>274</u>	<u>(217)</u>	<u>(1,184)</u>	<u>(1,127)</u>
Taxation	(77)	-	-	(77)
Profit/(Loss) for the period	<u>197</u>	<u>(217)</u>	<u>(1,184)</u>	<u>(1,204)</u>

FINANCIAL POSITION
As at 31 August 2014

Total segment assets	<u>20,566</u>	<u>5,887</u>	<u>31,355</u>	<u>57,808</u>
Total segment liabilities	<u>5,381</u>	<u>1,150</u>	<u>9,500</u>	<u>16,031</u>

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8. Segmental Reporting (Cont'd)

(i) Major Business Segments (Cont'd)

9 months ended 31 August 2013

GROUP	ICT	TIS	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
SEGMENT REVENUE					
External revenue	29,516	1,988	135	-	31,639
Inter-segment revenue	2,815	-	1,099	(3,914)	-
Total revenue	32,331	1,988	1,234	(3,914)	31,639
SEGMENT RESULTS					
Profit/(Loss) from operations	3,093	(96)	(734)	2,263	
Finance costs	(64)	(8)	(278)	(350)	
Share of associates' results	65	8	-	73	
Profit/(Loss) before taxation	3,094	(96)	(1,012)	1,986	
Taxation	(578)	-	-	(578)	
Profit/(Loss) for the period	2,516	(96)	(1,012)	1,408	
FINANCIAL POSITION					
As at 31 August 2013					
Total segment assets	29,289	5,400	27,403	62,092	
Total segment liabilities	8,136	1,147	7,752	17,035	

(ii) Geographical Segment

The operations of the Group are predominately carried out in Malaysia and hence no geographical segment is presented.

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 were no material acquisition or disposal of property, plant and equipment by the Group during the financial period other than as mentioned below:-

(i) On 25 February 2014, the Company's wholly owned subsidiary namely Amtel Resources Sdn Bhd completed the disposal of one unit of leasehold three (3) storey town house (upper floor unit) held under Title No. 10388, Lot No. TH B68-1, Mukim Kajang, Daerah Hulu Langat, State of Selangor for a total cash consideration of RM145,000/-. The disposal had resulted in a net gain of approximately RM61,113/- during the financial period.

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9. Valuation of Property, Plant and Equipment (Cont'd)

(3) Non-current assets held for sale

On 3 April 2014, the Company via its wholly owned subsidiary Metrarama Sdn Bhd entered into a Sale and Purchase Agreement with Swiss Bio Pharma Sdn Bhd to disposed of all that parcel of freehold industrial land held under GRN 215183, Lot 61789, Bandar Glenmarie, District of Petaling, State of Selangor Darul Ehsan measuring approximately 4,252 square metres erected thereon a three storey office warehouse building with mezzanine floor annexed for a total cash consideration of RM18,500,000/-. The details of the disposal are set out in the announcements to BMSB on 3 April 2014. The disposal was approved by the shareholders of the Company at the Extraordinary General Meeting ("EGM") held on 10 July 2014.

Property, plant and equipment that is expected to be recovered primarily through sale rather than continuing use is classified as held for sale during the financial quarter as shown below:-

Statement of Financial Position as at 31 August	Current Year Period 2014	Preceding Year Corresponding Period 2013
Group	RM'000	RM'000
<u>Non-current assets classified as held for sale</u>		
At the lower of carrying amount and fair value:		
At 1 December 2013	-	-
Transfer from property, plant and equipment	15,783	-
At 31 August 2014	15,783	-
 <u>Liability directly attributable to assets classified as held for sale</u>		
At 1 December 2013	-	-
Transfer from term loan	6,778	-
At 31 August 2014	6,778	-

Securities:-

- (i) The term loan is secured by an all monies charge over the freehold property of a subsidiary company, namely Metrarama Sdn Bhd and corporate guarantee of the Company.

10. Material Events Subsequent to the End of Financial Period

There were no material events subsequent to the end of the financial period ended 31 August 2014 that have not been reflected in the financial statements or to be disclosed as at the date of this report other than as mentioned below:-

On 17 October 2014, the Company entered into a shares sale agreement to acquire 100% equity interest in Mewah Amanjaya Sdn Bhd for a total cash consideration of RM3.0 million. The details of the proposed acquisition are set out in the announcement to BMSB on 17 October 2014.

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11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter and financial period to date other than as mentioned in Note 10 of Page 9 above.

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 2013, except for the followings:-

	As At 31/8/2014
Company	
<u>Contingent Liabilities – Unsecured</u>	RM'000
The maximum exposure to credit risk amounts representing the outstanding credit facilities of the subsidiaries guaranteed by the Company	7,336
Group	
<u>Contingent Liabilities – Secured*</u>	
Bank guarantees	284

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

At the reporting date, there was no indication that these subsidiaries 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 August 2014.

However the amount of commitments for the development of navigation software engine not provided for in the interim financial statements as at 31 August 2014 is as follows:-

<u>Capital Expenditure – Intangible Assets</u>	RM'000
Contracted but not provided for	171

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

1. Review of Performance

For the current quarter ended 31 August 2014, the Group registered a turnover of RM7.499 million and loss before tax of RM0.189 million, as compared to a turnover of RM9.707 million and profit before tax of RM0.330 million achieved in the preceding year corresponding quarter. The drop in overall performance was mainly attributed to the decrease in the sales of certain Telematics and mapping products by a subsidiary in the ICT segment and share of losses of associated companies.

For the nine months ended 31 August 2014, the Group recorded a turnover of RM22.696 million as compared to preceding year corresponding period of RM31.639 million. The overall decrease in revenue recorded was attributed to the slowdown in sales of certain Telematics & mapping products. The reduction in sales, startup costs and maintenance expenses incurred on the building of a subsidiary from Others segment has resulted in a loss before tax of RM1.127 million for the current period as compared to profit before tax of RM1.986 million reported in the preceding year corresponding period.

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

ICT Segment

ICT segment overall recorded lower revenue and profit before tax during the current quarter and period under review as compared to preceding year corresponding quarter and period. This was mainly due to the decrease in the sales of certain Telematics and mapping products by a subsidiary and the startup costs incurred by a foreign subsidiary.

TIS Segment

The subsidiary engaged in the installation of fiber optic cables and civil works reported increase turnover due to higher progress billings from certain projects completed during the current financial period. However the loss posted is within expectation due to startup costs incurred on certain new projects undertaken during the current period.

Others Segment

Loss registered during the current period was largely attributed to the borrowing costs and outgoing expenses incurred on the maintenance of the building, professional fees and incidental expenses incurred in relation to certain corporate exercise undertaken by the Group.

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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 reported a loss before tax of RM0.189 million for the current quarter under review as compared to loss before tax of RM0.436 million reported in the immediate preceding quarter. The lower loss was reported in the current quarter mainly attributable to the implementation of various cost control measures in the Group.

3. Prospects for the Current Financial Year

The Group will continue to monitor closely various strategic business plans in place focusing on strengthening the Group's core business, broadening customer bases and tapping into new market segments and industry. Premise on the above, the Board is cautiously optimistic that the Group's prospects will improve in the near future.

4. Variances of Actual Profit from Forecast Profit

Not applicable.

5. Taxation

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

	Current Quarter RM'000	Cumulative Current Period RM'000
Tax expense:-		
Based on results for the period	-	-
Transfer to deferred tax liabilities	(37)	(77)
	<u>(37)</u>	<u>(77)</u>

There is no income tax charge during the current financial period due to tax loss position. The deferred tax expense recognized during the current period was relating to origination of temporary differences between the carrying amount of property, plant and equipment and its tax base.

6. Status of Corporate Proposals

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

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7. Group Borrowings

The Group's total borrowings (all denominated in Ringgit Malaysia) as at 31 August 2014 are as follows:-

	RM'000	As at 31/8/2014 RM'000
(1) <u>Short Term Borrowings:-</u>		
- <u>Secured</u>		
Bank overdraft		82
Bills payable		558
Current portion of term loan		-
		640
(2) <u>Long Term Borrowings:-</u>		
- <u>Secured</u>		
Term Loan	6,778	
Less: transfer to Liability directly attributable to assets classified as held for sale [note 9(3), page 9]	(6,778)	-
Finance leases payable after the next 12 months		563

Securities:-

(i) The short term borrowings are secured by debentures incorporating fixed and floating charge over all present and future assets and undertakings of Amtel Cellular Sdn Bhd, corporate guarantees of the Company and cash deposits with licensed banks of subsidiary companies.

The Group does not have borrowing denominated in foreign currency.

8. Material Litigation

There is no pending material litigation that would have a material adverse effect on the financial position of the Group as at the date of issue of this quarterly report.

9. Disclosure of Derivatives

The Group does not have outstanding derivatives (including financial instruments designated as hedging instruments) as at 31 August 2014.

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 quarter and financial period ended 31 August 2014.

11. Dividend

The Board of Directors does not recommend any payment of dividend for the current financial period ended 31 August 2014.

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12. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	Current Quarter	Current Period To-date
	31/8/2014	31/8/2014
	RM'000	RM'000
1. Interest income	(54)	(167)
2. Dividend income	(115)	(365)
3. Other income excluding interest and dividend income	(63)	(98)
4. Interest expense	108	318
5. Depreciation of property, plant & equipment	236	684
6. Amortisation of intangible assets	100	298
7. Impairment loss on receivables	-	-
8. Inventories written off	-	-
9. (Gain)/Loss on disposal of quoted or unquoted investment	-	6
10. (Gain)/Loss on disposal of property, plant & equipment	-	(119)
11. Impairment of intangible assets	-	-
12. Impairment of property, plant & equipment	-	-
13. Net fair value loss/(gain) on held for trading investments	17	66
14. Net foreign exchange loss/(gain)	9	62
15. (Gain)/Loss on derivatives	-	-
16. Exceptional items	-	-

13. 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 RM0.200 million and RM1.152 million respectively by the number of 49,277,066 ordinary shares in issue during the period.

(2) Diluted earnings per share

Not applicable.

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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 2014 into realised and unrealised profits/(losses) is as follows:-

	As at 31/8/2014 RM'000	As at 31/8/2013 RM'000
Total accumulated losses:-		
- Realised	(34,070)	(30,679)
- Unrealised	(913)	(923)
	(34,983)	(31,602)
Total share of retained profits/(accumulated losses) from associated companies:-		
- Realised	871	818
- Unrealised	-	-
	(34,112)	(30,784)
Add/(Less): Consolidation adjustments	21,209	21,175
	(12,903)	(9,609)

15. Provision of Financial Assistance to Associated Company

The Company ("AHB") obtained the shareholders' approval via an EGM held on 10 July 2014 to provide financial assistance through the Company and/or its wholly-owned subsidiaries to Milan Utama Sdn Bhd ("MUSB"), a 35% owned associated company of the Company held through Amtel Cellular Sdn Bhd ("AMCSB"). The provision of financial assistance would entail the assistance to be provided in the form of cash advances, corporate guarantees or collaterals for banking facilities to be obtained from the financial institutions, up to an aggregate of RM15.0 million or 30% of the latest available audited consolidated net tangible assets ("NTA") of the Group in the relevant period, whichever is higher.

The amounts of financial assistance provided to MUSB as at 31 August 2014 are summarized as per table below:-

No.	Provided by	Type of Financial Assistance	Amount RM'000	Utilisations
1.	AHB	Corporate guarantee	1,500	In favour of a financial institution for banking facilities of RM1.5 million.
2.	AMCSB	Cash advances	1,450	GAM's project – investment in equipment and tools.
		Total:	2,950	

Note 1: The cash advances are interest-free and repayable on demand in cash.

Note 2: The above total amount of financial assistance computed over the audited NTA of the Group as at 30 November 2013 is 6.95%.

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By Order of the Board

Lau Choi King
Company Secretary