

27 April 2022



AMTEL HOLDINGS BERHAD
[199601037096 (409449-A)]
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST FINANCIAL QUARTER ENDED
28 FEBRUARY 2022

AMTEL HOLDINGS BERHAD

[199601037096 (409449-A)]

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2022

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT PERIOD	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT PERIOD	PRECEDING YEAR CORRESPONDING PERIOD
	28-02-2022	28-02-2021	28-02-2022	28-02-2021
	RM'000	RM'000	RM'000	RM'000
Revenue	14,532	16,211	14,532	16,211
Operating expenses	(13,587)	(14,742)	(13,587)	(14,742)
Other operating income	180	385	180	385
Profit from operations	1,125	1,854	1,125	1,854
Finance costs	(17)	(11)	(17)	(11)
Share of results of associates	13	141	13	141
Profit before tax	1,121	1,984	1,121	1,984
Income tax expense	(230)	(481)	(230)	(481)
Profit for the financial period	891	1,503	891	1,503
Other comprehensive income, net of tax				
<i>Items that may be reclassified subsequently to Profit or Loss:</i>				
Foreign currency translation	1	-	1	-
Total comprehensive income for the financial period	892	1,503	892	1,503
<u>Profit for the financial period attributable to:-</u>				
Owners of the Company	891	1,503	891	1,503
<u>Total comprehensive income attributable to:-</u>				
Owners of the Company	892	1,503	892	1,503
<u>Earnings Per Share:-</u>				
Basic (sen)	0.91	1.54	0.91	1.54
Diluted (sen)	0.87	1.54	0.87	1.54

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 2021 and the accompanying explanatory notes attached to the interim financial report.

AMTEL HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2022

(The figures have not been audited)

	UNAUDITED	AUDITED
	AS AT	AS AT
	CURRENT	PRECEDING
	FINANCIAL	FINANCIAL
	PERIOD ENDED	YEAR ENDED
	28/02/2022	30/11/2021
Note	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	26,786	27,028
Investment Properties	3,382	3,386
Investments in Associates	1,741	1,723
Other Investments	250	250
Deferred Tax Assets	362	308
	32,521	32,695
Current Assets		
Inventories	6,088	6,774
Trade & Other Receivables	9,456	10,138
Contract Assets	3,089	3,246
Other Investments	10,969	7,444
Cash Deposits with Licensed Banks	7,208	8,522
Cash and Bank Balances	10,998	14,909
	47,808	51,033
TOTAL ASSETS	80,329	83,728
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share Capital	40,149	40,149
Reserves	26,236	25,344
Total Equity	66,385	65,493
Non-Current Liabilities		
Lease Liabilities	48	60
Deferred Tax Liabilities	105	105
	153	165
Current Liabilities		
Trade & Other Payables	10,517	13,775
Provisions	1,664	1,538
Short Term Borrowings	842	2,096
Tax Liabilities	701	581
Lease Liabilities	67	80
	13,791	18,070
Total Liabilities	13,944	18,235
TOTAL EQUITY AND LIABILITIES	80,329	83,728
Net Assets Per Share (RM)	(1) 0.6805	0.6714

Note (1):

The net asset per share of the Company is calculated based on the net assets at the end of the reporting period of RM66.38 million (30.11.2021 : RM65.49 million) divided by the number of shares in issue at the end of the reporting period of 97,553,682.

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 2021 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 28 FEBRUARY 2022**

(The figures have not been audited)

	<--- Attributable to Owners of the Company ---->				
	Share Capital RM'000	Fair Value Reserve RM'000	Foreign Exchange Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
3 months ended 28 February 2022					
At 1 December 2021	40,149	159	41	25,144	65,493
<u>Comprehensive Income:</u>					
Profit for the financial period	-	-	-	891	891
Foreign currency translation	-	-	1	-	1
Total comprehensive income for the financial period	-	-	1	891	892
At 28 February 2022	40,149	159	42	26,035	66,385
3 months ended 28 February 2021					
At 1 December 2020	40,149	159	38	21,587	61,933
<u>Comprehensive Income:</u>					
Profit/(Loss) for the financial period	-	-	-	1,503	1,503
Foreign currency translation	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	1,503	1,503
At 28 February 2021	40,149	159	38	23,090	63,436

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 2021 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 28 FEBRUARY 2022**

(The figures have not been audited)

	CURRENT FINANCIAL PERIOD ENDED 28/02/2022 RM'000	PRECEDING FINANCIAL PERIOD ENDED 28/02/2021 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,121	1,984
Adjustments for:-		
Non-cash items	378	(46)
Non-operating items	(161)	(108)
Share of results of associates	(13)	(141)
Operating profit before changes in working capital	1,325	1,689
Changes in working capital		
Net changes in current assets	1,601	(2,158)
Net changes in current liabilities	(3,189)	(1,652)
Cash used in operations	(263)	(2,121)
Interest received	33	64
Interest paid	(17)	(56)
Net income tax paid	(213)	(277)
Net cash used in operating activities	(460)	(2,390)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(142)	(158)
Proceeds from disposal of quoted equity securities	-	1,752
Net disposal/(acquisition) of quoted equity securities	17	(1,400)
Placement of fixed income funds & quoted unit trusts	(3,477)	(2,612)
Changes in pledged cash & cash equivalent under lien	2,330	-
Distribution income from income funds	39	23
Net cash used in investing activities	(1,233)	(2,395)
CASH FLOW FROM FINANCING ACTIVITIES		
Net payments of finance lease	(25)	(22)
Net cash used in financing activities	(25)	(22)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,718)	(4,807)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	12,874	15,445
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	11,156	10,638
Cash and cash equivalents at end of the financial period comprise of:-		
Cash at banks and in hand	10,998	10,638
Cash deposits with licensed banks	7,208	8,414
Bank overdrafts	(842)	-
	17,364	19,052
Less: Cash deposits with licensed banks under lien	(6,208)	(8,414)
	11,156	10,638

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 2021 and the accompanying explanatory notes attached to the interim financial report.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 28 FEBRUARY 2022

NOTES TO THE INTERIM FINANCIAL REPORT

PART (A): EXPLANATORY NOTES PURSUANT TO MFRS 134: *INTERIM FINANCIAL REPORTING*

1. Basis of Preparation

This interim financial report of Amtel Holdings Berhad group of companies ("the Group") are unaudited and 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 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the latest audited financial statements of our Group for the financial year ended 30 November 2021 and the accompanying explanatory notes attached to this interim financial report. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 November 2021.

2. Significant Accounting Policies

The accounting policies and methods of computation adopted by the Group in the preparation of this interim financial report are consistent with those used in the preparation of the Group's audited financial statements for the financial year ended 30 November 2021.

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

3. Audit Qualification

The audit report on the Group's financial statements for the financial year ended 30 November 2021 did not contain any qualification.

4. Seasonal or cyclical Factors

The Group's operations are not affected by seasonal or cyclical factors during the financial quarter under review.

5. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows of the Group during the financial quarter under review.

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6. Material Changes in Estimates of Amounts Reported

There were no changes in estimates of amounts reported in the prior financial year or changes in estimates of amount reported in prior financial periods that have a material effect in the current financial period ended 28 February 2022.

7. Debt and Equity Securities.

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the financial quarter under review.

8. Dividends Paid

There was no dividend paid during the financial quarter ended 28 February 2022.

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 quarter.

10. Significant Event Subsequent to the End of the Interim Period

There was no significant event subsequent to the end of the reporting financial period ended 28 February 2022 that has not been reflected in the financial statements or to be disclosed as at the date of issue of this quarterly report.

11. Changes in the Composition of the Group

Save as disclosed below, there was no change in the composition of the Group during the current financial quarter:

On 31 December 2021, the Company via its wholly owned subsidiary namely Amtel Resources Sdn. Bhd. ("ARSB") disposed of 2% equity shares in its associate, WAMM Bersekutu Sdn. Bhd. ("WAMM"). As a result, ARSB's equity interest in WAMM reduced from 32% to 30%.

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12. Segmental Reporting

The Group's segment information for the financial period ended 28 February 2022 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.

3 months ended 28 February 2022

GROUP	Information & Communication Technology ("ICT")	Telecommunications, Infrastructure & Services ("TIS")	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
SEGMENT REVENUE					
External revenue	12,735	1,748	49	-	14,532
Inter-segment revenue	55	-	410	(465)	-
Total revenue	12,790	1,748	459	(465)	14,532
SEGMENT RESULTS	ICT	TIS	Others	Consolidated	
	RM'000	RM'000	RM'000	RM'000	
Profit/(Loss) from operations	1,339	34	(248)	1,125	
Finance costs	(13)	(4)	-	(17)	
Share of results of associates	34	(21)	-	13	
Profit/(Loss) before tax	1,360	9	(248)	1,121	
Income tax expense	(222)	(8)	-	(230)	
Profit/(Loss) for the period	1,138	1	(248)	891	
FINANCIAL POSITION	ICT	TIS	Others	Consolidated	
As at 28 February 2022	RM'000	RM'000	RM'000	RM'000	
Total segment assets	29,952	12,341	38,036	80,329	
Total segment liabilities	8,560	4,353	1,031	13,944	
<u>Other segment information</u>	ICT	TIS	Others	Consolidated	
	RM'000	RM'000	RM'000	RM'000	
Capital expenditure:					
- additions to property, plant and equipment	25	106	11	142	
Depreciation of property, plant and equipment	217	67	101	385	
Depreciation of investment property	-	-	5	5	

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

3 months ended 28 February 2021

GROUP	ICT RM'000	TIS RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
SEGMENT REVENUE					
External revenue	13,986	2,126	99	-	16,211
Inter-segment revenue	55	-	317	(372)	-
Total revenue	14,041	2,126	416	(372)	16,211
SEGMENT RESULTS	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000	
Profit/(Loss) from operations	2,009	(124)	(31)	1,854	
Finance costs	(9)	(2)	-	(11)	
Share of results of associates	154	(13)	-	141	
Profit/(Loss) before tax	2,154	(139)	(31)	1,984	
Income tax expense	(481)	-	-	(481)	
Profit/(Loss) for the period	1,673	(139)	(31)	1,503	
FINANCIAL POSITION As at 28 February 2021	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000	
Total segment assets	32,490	12,583	35,882	80,955	
Total segment liabilities	11,924	5,222	373	17,519	
<u>Other segment information</u>	ICT M'000	TIS RM'000	Others RM'000	Consolidated RM'000	
Capital expenditure:					
- additions to property, plant and equipment	135	20	3	158	
Depreciation of property, plant and equipment	166	63	51	280	
Depreciation of investment property	-	-	5	5	

(ii) Geographical Segments

The Group operates predominantly in Malaysia and hence, no geographical segment is resented.

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13. 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 2021, except for the following:-

	As At 28/2/2022
Company	
<u>Financial guarantees – Secured</u>	RM'000
The maximum exposure to credit risk amounts representing the outstanding credit facilities of the subsidiaries and associate company guaranteed by the Company	<u>1,491</u>
Group	
<u>Financial guarantees – Secured*</u>	
Bank guarantees	<u>926</u>

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

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

14. Capital and Other Commitments

The Group and the Company have entered into the following capital commitments as at 28 February 2022:-

	As At 28/2/2022 RM'000
Group	
Approved and contracted for:-	
- Purchase of investment properties	675
- Property, plant and equipment	<u>1,479</u>
	<u>2,154</u>

15. 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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PART (B): ADDITIONAL INFORMATION PURSUANT TO APPENDIX 9B OF BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS

1. Review of Performance

In the current financial quarter ended 28 February 2022, our Group generated revenue of RM14.53million, a drop of 10.4% from the preceding year corresponding quarter of RM16.21 million. The drop in revenue was mainly caused by lower sales reported by our ICT and TIS segments.

In line with the drop in revenue, our Group posted a lower profit after tax of RM0.89 million during the quarter under review as compared to profit after tax of RM1.50 million recorded in preceding year corresponding quarter.

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

ICT Segment

The performance of ICT segment are summarized as per table below:-

	Current Quarter 28/2/2022 RM'000	Preceding Year Corresponding Quarter 28/2/2021 RM'000	Changes %
Segment revenue	12,735	13,986	-8.9
Segment profit after tax	1,139	1,673	-32.0

ICT segment's performance continues to contribute substantially to the overall profitability of our Group. The segment revenue of RM12.74 million for the current financial quarter is approximately 8.9% lower than RM13.99 million posted in the preceding year corresponding quarter. This was attributed to the decrease in the sales volume of certain Telematics products and automotive accessories. Therefore, a lower profit after tax was recorded during the financial quarter.

TIS Segment

The performance of TIS segment are summarized as per table below:-

	Current Quarter 28/2/2022 RM'000	Preceding Year Corresponding Quarter 28/2/2021 RM'000	Changes %
Segment revenue	1,748	2,126	-17.8
Segment profit/(loss) after tax	1	(139)	100.7

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1. Review of Performance (Cont'd)

TIS Segment (Cont'd)

The segment revenue of RM1.75 million for the current financial quarter is approximately 17.8% lower than RM2.13 million registered in preceding year corresponding quarter. Despite a higher revenue recorded in the preceding year corresponding quarter, the loss emerged caused by the charge out of startup and mobilization costs incurred by our sites offices located at northern region of Peninsular Malaysia.

Others Segment

Loss posted during the current financial quarter was mainly attributed to the operating overheads and corporate expenditure 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.

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

Group	Current Quarter 28/2/2022 RM'000	Immediate Preceding Quarter 30/11/2021 RM'000	Changes %
Total revenue	14,532	17,168	-15.4
Profit before tax	1,121	2,403	-53.3
Profit for the financial period	891	1,478	-39.7

The Group's revenue for the current financial quarter of RM14.53 million is lower as compared to the immediate preceding quarter of RM 17.17 million mainly attributed to lower sales reported by both the ICT and TIS segments. As a results, a lower profit after tax was reported.

3. Commentary on the Group's Prospects

For this financial year, business environment continues to face challenges from factors such as the on-going COVID-19 infection and outbreak, minimum wage hike, labour supply shortage, global inflation and other factors such as Russia-Ukraine geopolitical tension which cause uncertainty and disruption to the commodity market and global supply chain.

Nevertheless, despite of these challenges we remained focused on our long-term sustainability plan to expand our core ICT segment. We are constantly pursuing new business opportunities to establish new geographical footprints to expand our ICT products range to cater for new market segments and broaden our customer base. In line with this, we will continue to monitor closely costs associated with these initiatives. The performance of our Group has been encouraging since the lifting of the full lockdown in October 2021. Barring any unforeseen circumstances, the Board expect the Group's prospect to remain favourable for this financial year.

4. Variances of Actual Profit from Forecast Profit

Not applicable.

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5. Income Tax Expense

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

Group	Current Quarter 28/2/2022 RM'000	Preceding Year Corresponding Quarter 28/2/2021 RM'000
<u>Current tax expense:-</u>		
Based on results for the financial quarter	(284)	(431)
Deferred tax	54	(50)
	(230)	(481)

The effective tax rate of the Group for the financial quarter is lower than the statutory income tax rate mainly due to certain tax-exempt income.

6. Status of Corporate Proposals

Save for the Proposed Establishment of A Long-Term Incentive Plan of up to 15% of the total number of issued shares in the Company (excluding treasury shares of the Company, if any) as announced on 18 March 2022 and which was approved by Bursa Securities on 12 April 2022, there are no corporate proposals announced, but yet to be completed as at the date of issue of this quarterly report.

7. Material Litigation

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.

8. Group Borrowings and Debt Securities

The Group's total borrowings (all denominated in Ringgit Malaysia) as at 28 February 2022 are as follows:-

Group	As at 28/2/2022 (Unaudited) RM'000	As at 30/11/2021 (Audited) RM'000
(1) <u>Short Term Borrowings:-</u>		
- <u>Secured</u>		
Overdrafts	842	2,096
- Lease payables within the next 12 months	67	80
(2) <u>Long Term Borrowings:-</u>		
- Lease payables after the next 12 months	48	60

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

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9. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

Group	Current Quarter 28/2/2022 RM'000	Preceding Year Corresponding Quarter 28/2/2021 RM'000
1. Interest income	(33)	(64)
2. Distribution income from income funds	(33)	(23)
3. Other income excluding interest, dividend & rental income	(15)	(13)
4. Interest expense	17	11
5. Depreciation of property, plant & equipment	385	280
6. Depreciation of investment property	5	5
7. Net foreign exchange (gain)/loss	(49)	13
8. Net provision of warranty costs	166	109
9. Fair value loss on other investments	18	20
10. Gain on disposals of other investments	(15)	(206)

10. Earnings Per Share

(1) Basic earnings per share

The basic earnings per share of the Group is calculated based on the consolidated profit for the financial period attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the financial period as shown below:-

Group	Current Quarter 28/2/2022	Preceding Year Corresponding Quarter 28/2/2021
Profit for the financial period attributable to owners of the Company (RM'000)	892	1,503
Weighted average number of shares (unit)	97,553,682	97,553,682
Basic earnings per share (sen)	0.91	1.54

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10. Earnings Per Share (Cont'd)

(2) Diluted earnings per share

The calculation of diluted earnings per share was based on the consolidated profit for the financial period attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Group	Current Quarter 28/2/2022	Preceding Year Corresponding Quarter 28/2/2021
Profit for the financial period attributable to owners of the Company (RM'000)	892	1,503
Weighted average number of ordinary shares for basic earnings per share (unit)	97,553,682	97,553,682
Effect of dilution from warrants (unit)	5,245,967	- #
Weighted average number of ordinary shares for diluted earnings per share (unit)	102,799,649	97,553,682
Diluted earnings per share (sen)	0.87	1.54

The Company completed the issuance and listing of 48,776,330 free warrants on Bursa Securities on 24 March 2021.

11. Dividend

The Board of Directors does not recommend any payment of dividend for the current financial quarter ended 28 February 2022.

AMTEL HOLDINGS BERHAD

By Order of the Board

Nor Syahirah Binti Shaharni @ Shaharani
Assistant Company Secretary
27 April 2022