

31 July 2019



AMTEL HOLDINGS BERHAD

(Company No.: 409449-A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND FINANCIAL QUARTER ENDED 31 MAY 2019

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2019**
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT PERIOD QUARTER	PRECEDING YEAR CORRESPONDING QUARTER AS RESTATED	CURRENT YEAR	PRECEDING YEAR AS RESTATED
	31-05-2019	31-05-2018	31-05-2019	31-05-2018
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	16,919	11,964	30,558	22,711
Operating expenses	(15,611)	(12,255)	(28,478)	(23,046)
Other operating income	286	268	479	453
Profit/(Loss) from operations	1,594	(23)	2,559	118
Finance costs	(19)	(22)	(41)	(46)
Share of results of associates	71	253	154	186
Profit before taxation	1,646	208	2,672	258
Taxation	(474)	(231)	(770)	(376)
Profit/(Loss) for the financial period from continuing operations	1,172	(23)	1,902	(118)
Loss for the financial period from discontinued operation, net of tax	-	(617)	-	(647)
Profit/(Loss) for the financial period	1,172	(640)	1,902	(765)
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to Profit or Loss:				
Foreign currency translation	1	9	1	8
Total comprehensive profit/(loss) for the period	1,173	(631)	1,903	(757)
Profit/(Loss) Attributable to:-				
Owners of the Company	1,172	(642)	1,902	(738)
- From continuing operations	1,172	(25)	1,902	(91)
- From discontinued operation	-	(617)	-	(647)
Non-controlling Interests	-	2	-	(27)
	1,172	(640)	1,902	(765)
Total Comprehensive Income/(Loss) Attributable to:-				
Owners of the Company	1,173	(633)	1,903	(730)
- From continuing operations	1,173	(16)	1,903	23
- From discontinued operation	-	(617)	-	(647)
Non-controlling Interests	-	2	-	(27)
	1,173	(631)	1,903	(757)
Earnings Per Share Attributable to Owners of the Company :-				
Basic (sen)				
- From continuing operations	2.16	-0.05	3.51	-0.19
- From discontinued operation	0.00	-1.25	0.00	-1.31
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 2018 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 2019
(The figures have not been audited)

	<u>UNAUDITED</u>	<u>AUDITED</u>
	AS AT CURRENT FINANCIAL PERIOD 31/05/2019 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 30/11/2018 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	2,431	2,567
Investment Properties	169	169
Investments in Associates	1,256	1,078
Other Investments	250	250
	<u>4,106</u>	<u>4,064</u>
Current Assets		
Inventories	3,499	3,388
Trade & Other Receivables	15,035	23,219
Contract Assets	914	-
Other Investments	20,678	4,076
Cash deposits with licensed banks	8,699	8,626
Cash and Bank Balances	10,244	18,159
	<u>59,069</u>	<u>57,468</u>
TOTAL ASSETS	<u>63,175</u>	<u>61,532</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	32,301	32,301
Reserves	14,797	12,894
Equity Attributable to Owners of the Parent	<u>47,098</u>	<u>45,195</u>
Non-controlling Interests ("NCI")	-	-
Total Equity	<u>47,098</u>	<u>45,195</u>
Non-Current Liabilities		
Finance Lease Payables	303	289
Deferred Tax Liabilities	117	142
	<u>420</u>	<u>431</u>
Current Liabilities		
Trade & Other Payables	11,793	13,898
Contract Liabilities	1,234	-
Provisions	792	535
Short Term Borrowings	1,076	1,216
Tax Liabilities	636	140
Finance Lease Payables	126	117
	<u>15,657</u>	<u>15,906</u>
Total Liabilities	<u>16,077</u>	<u>16,337</u>
TOTAL EQUITY AND LIABILITIES	<u>63,175</u>	<u>61,532</u>
Net assets per share attributable to owners of the parent (RM)	0.8690	0.8339

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 2018 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 MAY 2019
(The figures have not been audited)**

	<----- Attributable to Owners of the Parent ----->						
	Share Capital RM'000	Fair Value Reserve RM'000	Currency Translation Reserve RM'000	Retained Earnings RM'000	Sub-total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
6 months ended 31 May 2019							
At 1 December 2018	32,301	159	37	12,698	45,195	-	45,195
Comprehensive Income:							
Profit for the financial period	-	-	-	1,902	1,902	-	1,902
Foreign currency translation	-	-	1	-	1	-	1
Total comprehensive income for the financial period	-	-	1	1,902	1,903	-	1,903
At 31 May 2019	32,301	159	38	14,600	47,098	-	47,098
6 months ended 31 May 2018							
At 1 December 2017	29,246	159	35	11,620	41,060	1,890	42,950
Comprehensive Income:							
Loss for the financial period	-	-	-	(738)	(738)	(27)	(765)
Foreign currency translation	-	-	8	-	8	-	8
Total comprehensive loss for the financial period	-	-	8	(738)	(730)	(27)	(757)
Issuance of shares pursuant to Private Placement (Note 1)	315	-	-	-	315	-	315
Transactions with owners:							
Acquisition of NCI	-	-	-	-	-	(1,655)	(1,655)
Discount received from acquisition of NCI	-	-	-	20	20	-	20
At 31 May 2018	29,561	159	43	10,902	40,665	208	40,873

Note (1):-

On 30 May 2018, the Company allotted 500,000 ordinary shares to a placee via the Private Placement exercise at an issue price of 63 sen per share.

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 2018 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2019
(The figures have not been audited)

	CURRENT FINANCIAL PERIOD ENDED 31/05/2019 RM'000	PRECEDING FINANCIAL PERIOD ENDED 31/05/2018 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation		
- continuing operations	2,672	258
- discontinued operation	-	(647)
	<u>2,672</u>	<u>(389)</u>
Adjustments for:-		
Non-cash items	1,440	943
Non-operating items	(362)	(299)
Share of results of associates	(154)	(186)
	<u>3,596</u>	<u>69</u>
Operating profit before changes in working capital		
Changes in working capital		
Net changes in property development costs	-	(205)
Net changes in current assets	5,819	1,341
Net changes in current liabilities	(1,912)	3,405
Cash generated from operations	<u>7,503</u>	<u>4,610</u>
Interest received	147	90
Interest paid	(41)	(46)
Net income tax paid	(235)	(24)
Net cash generated from operating activities	<u>7,374</u>	<u>4,630</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(264)	(564)
Proceeds from disposal of property, plant and equipment	28	-
(Placement)/Withdrawal of fixed income funds & quoted unit trusts	(16,370)	749
Placement of pledged cash & cash equivalent under lien	-	(341)
Dividend income	232	220
Additions in investment in subsidiary	-	(135)
Repayments from associates	1,288	-
Acquisitions of NCI	-	(1,635)
Net cash used in investing activities	<u>(15,086)</u>	<u>(1,706)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net payments of finance lease	(62)	(69)
Proceeds from issuance of new shares	-	315
Net cash used in financing activities	<u>(62)</u>	<u>246</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT	(7,774)	3,170
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	16,942	3,459
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>9,168</u>	<u>6,629</u>
Cash and cash equivalents at end of the financial year comprise of:-		
Cash at banks and in hand	10,244	6,980
Cash deposits with licensed banks	8,699	8,458
Bank overdrafts	(1,076)	(351)
	<u>17,867</u>	<u>15,087</u>
Less: Cash deposits with licensed banks under lien	<u>(8,699)</u>	<u>(8,458)</u>
	<u><u>9,168</u></u>	<u><u>6,629</u></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 2018 and the accompanying explanatory notes attached to the interim financial report.

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND FINANCIAL QUARTER ENDED 31 MAY 2019**

PART (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 ("Bursa Securities").

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 2018 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 2018.

2. 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 2018, except for the adoption of the new amendments/improvements that are mandatory for the current financial period.

i) Adoption of amendments/improvements to MFRSs

The adoption of the new amendments/improvements does not have any material effect on the financial performance or position of the Group, except for MFRS 9 and MFRS 15 as disclosed below:

MFRS 9 Financial Instruments

MFRS 9 introduces new requirements for classification and measurement, impairment and hedge accounting. The retrospective application of MFRS 9 does not require restatement of 2018 comparative financial statements. As such, the Company have not restated the comparative information, which continues to be reported under MFRS 139. The Company recognised any difference between the carrying amount of financial instruments under MFRS 139 and the restated carrying amount under MFRS 9 in the opening balance of retained earnings (or other equity components) of the annual reporting period including the date of initial application i.e. 1 December 2018.

(a) Classification and measurements

MFRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristic and the business model in which an asset is held.

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2. Significant Accounting Policies (Cont'd)

MFRS 9 Financial Instruments (cont'd)

(b) Classification and measurements (Cont'd)

There is no significant impact on the Group's statements of financial position on applying the classification and measurement requirements of MFRS 9. Quoted unit trust and fixed income funds currently classified as available-for-sale ("AFS") will continue to record gains and losses in other comprehensive income ("OCI"). The equity shares in non-quoted companies are intended to be held for the foreseeable future and the Group will apply the option to present its fair value changes in OCI.

Loans and receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group has analysed the contractual cash flow characteristics of these instruments and concluded that they meet the criteria to be measured at amortised cost under MFRS 9.

Therefore, the adoption of the new standard did not affect the measurement and classification of its financial assets.

(b) Impairment

MFRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit loss. In the previous financial year, trade receivables are impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the receivables (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the receivables ("incurred loss model"). Upon adoption of MFRS 9, the Group is recording expected credit losses on all its trade receivables, either on a 12-month or lifetime basis.

The Group applies the simplified approach to providing for expected credit losses ("ECL") prescribed by MFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. To measure the ECL, trade receivables have been grouped based on the days past due. The Company also individually assessed ECL of individual customers based on indicators such as changes in financial capability of the receivables, payment trends of the receivable and default or significant delay in payments. The determination of ECL also incorporate economic conditions during the period of historical data, current conditions and forward-looking information on the economic conditions over the expected settlement period of the receivables. The Group believes that changes in economic conditions over these periods would not materially impact the impairment calculation of the receivables.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations.

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

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2. Significant Accounting Policies (Cont'd)

MFRS 15 Revenue from Contracts with Customers (cont'd)

The Group has applied MFRS 15 retrospectively with the cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings (or other components of equity) at the date of initial application of 1 December 2018. As such, the comparative information was not restated and continues to be reported under MFRS 111, MFRS 118 and related Interpretations. The Company has elected the practical expedient to apply the standard only to contracts that are not completed as at 1 December 2018.

The adoption of MFRS 15 resulted in changes in accounting policies. Other than the enhanced new disclosures relating to contracts with customers, which the Company has complied with in the current financial year, the adoption of this standard does not have any significant effect on the financial statements of the Company.

The Group has assessed that the impact upon the initial application of MFRS 15 is insignificant as the timing and amount of revenue to be recognised for its infrastructure service construction contracts under the new standard is unlikely to be materially different from its current practices.

Nevertheless, effective from 1 December 2018, the Group has changed the presentation of certain amounts in the Statement of Financial Position to reflect the terminology of MFRS 15, i.e. contract assets/liabilities recognised in relation to infrastructure service construction contracts which were previously presented as part of amount due by/to contract customers.

(ii) Standards issued but not yet effective

The 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 yet to be effective for the Group's current financial period.

3. Audit Qualification

The audit report of the Group's financial statements for the year ended 30 November 2018 did not contain any qualification.

4. Seasonal or cyclical Factors

The Group's operations are not effected by seasonal or cyclical factors for the current financial quarter under review.

5. 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.

6. 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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7. 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.

8. Dividends Paid

There was no dividend paid during the financial period ended 31 May 2019.

9. Segmental Reporting

The Group's segment information for the financial period ended 31 May 2019 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.

In the previous financial year, the Company disposed of its entire equity interest in Mewah Amanjaya Sdn Bhd and hence discontinued its property development business. Therefore, the comparative consolidated statement of comprehensive income has been re-presented to show the discontinued operation separately from continuing operations.

6 months ended 31 May 2019

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	27,699	2,859	-	-	30,558
Inter-segment revenue	679	91	576	(1,346)	-
Total revenue	28,378	2,950	576	(1,346)	30,558
SEGMENT RESULTS	ICT	TIS	Others	Consolidated	
	RM'000	RM'000	RM'000	RM'000	
Profit/(Loss) from operations	3,018	55	(514)	2,559	
Finance costs	(32)	(9)	-	(41)	
Share of associates' results	154	-	-	154	
Profit/(Loss) before taxation	3,140	46	(514)	2,672	
Taxation	(762)	-	(8)	(770)	
Profit/(Loss) after taxation	2,378	46	(522)	1,902	
FINANCIAL POSITION	ICT	TIS	Others	Consolidated	
As at 31 May 2019	RM'000	RM'000	RM'000	RM'000	
Total segment assets	26,712	12,731	23,732	63,175	
Total segment liabilities	12,153	3,666	258	16,077	

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

6 months ended 31 May 2018

GROUP	ICT RM'000	TIS RM'000	Others RM'000	Discontinued Operation RM'000	Elimination RM'000	Consolidated RM'000
SEGMENT REVENUE						
External revenue	20,679	1,920	112	67	-	22,778
Inter-segment revenue	678	-	358	-	(1,036)	-
Total revenue	21,357	1,920	470	67	(1,036)	22,778

SEGMENT RESULTS	ICT RM'000	TIS RM'000	Others RM'000	Discontinued Operation RM'000	Consolidated RM'000
Profit/(Loss) from operations	641	27	(550)	(647)	(529)
Finance costs	(32)	(14)	-	-	(46)
Share of associates' results	254	(68)	-	-	186
Profit/(Loss) before taxation	863	(55)	(550)	(647)	(389)
Taxation	(375)	(1)	-	-	(376)
Profit/(Loss) after taxation	488	(56)	(550)	(647)	(765)

FINANCIAL POSITION	ICT RM'000	TIS RM'000	Others RM'000	Discontinued Operation RM'000	Consolidated RM'000
As at 31 May 2018					
Total segment assets	22,384	11,459	11,844	16,106	61,793
Total segment liabilities	11,141	3,840	604	5,335	20,920

(ii) Geographical Segments

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

GROUP	Revenue			
	Preceding Year		Preceding Year	
	Current Quarter	Corresponding Quarter	Current Period	Corresponding Period
	31/5/2019 RM'000	31/5/2018 RM'000	31/5/2019 RM'000	31/5/2018 RM'000
Malaysia	16,919	11,964	30,558	22,778

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9. Segmental Reporting (Cont'd)

(iii) Discontinued Operation

(a) In the previous financial year, the results attributable to the discontinued operation were as follows:-

GROUP	Preceding Year		Preceding Year	
	Current Quarter	Corresponding Quarter	Current Period	Corresponding Period
	31/5/2019 RM'000	31/5/2018 RM'000	31/5/2019 RM'000	31/5/2018 RM'000
Revenue	-	-	-	67
Operating expenses	-	(730)	-	(833)
Other income	-	113	-	119
Loss before taxation from discontinued operation	-	(617)	-	(647)
Taxation	-	-	-	-
Loss after taxation from discontinued operation	-	(617)	-	(647)

(b) The loss before taxation is arrived at after charging/(crediting) the following items:-

GROUP	Preceding Year		Preceding Year	
	Current Quarter	Corresponding Quarter	Current Period	Corresponding Period
	31/5/2019 RM'000	31/5/2018 RM'000	31/5/2019 RM'000	31/5/2018 RM'000
Interest income	-	(113)	-	(119)

10. 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.

11. Material Event Subsequent to the End of Financial Period

There was no material event subsequent to the end of the financial period ended 31 May 2019 that has not been reflected in the financial statements or to be disclosed as at the date of this report.

12. Changes in the Composition of the Group

There was no change in the composition of the Group during the current quarter and financial period ended 31 May 2019 except for the struck off of Amtel Mega Sdn Bhd, a dormant wholly owned subsidiary of the Company, from the register on 15 May 2019 pursuant to Section 551(3) of the Companies Act 2016.

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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 2018, except for the following:-

	As At 31/5/2019
Company	
<u>Contingent Liabilities – Secured</u>	RM'000
The maximum exposure to credit risk amounts representing the outstanding credit facilities of the subsidiaries and associated company guaranteed by the Company	<u>1,293</u>
Group	
<u>Contingent Liabilities – Secured*</u>	
Bank guarantees	<u>249</u>

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

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

14. Capital and Other Commitments

The Group has no capital commitment in respect of property, plant and equipment for current period ended 31 May 2019.

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

The Group recorded a revenue of RM16.92 million and profit after tax of RM1.17 million for the current financial quarter, as compared to revenue of RM11.96 million and loss after tax of RM0.64 million reported in the preceding year corresponding quarter. The increase in turnover and profit was mainly contributed by sales increase from the ICT segment.

For the six months ended 31 May 2019, the Group's revenue from continuing operations was RM30.56 million which is approximately 34.6% higher than RM22.71 million reported in the preceding year corresponding period. As a result, the Group posted a profit after tax of RM1.90 million for current financial period as compared to loss after tax of RM0.76 million registered in preceding year corresponding period. The current period's improvement in revenue and profit was primarily due to higher sales achieved by the ICT segment, which contributed 90.6% of the Group's revenue for current financial period.

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	Preceding Year Quarter		Current Year 6 Months	Preceding Year 6 Months	
	31/5/2019 RM'000	31/5/2018 RM'000	Changes %	31/5/2019 RM'000	31/5/2018 RM'000	Changes %
Segment revenue	15,132	11,102	33.3	27,699	20,679	33.9
Segment profit after taxation	1,277	286	346.5	2,378	488	387.3

ICT segment continue to drive the Group's performance in the current financial quarter and period to date with higher sales and profit achieved. The improved performance during the current quarter and period to date was attributed to the continuing increase in sales volume of car models fitted with our Telematics products and automotive accessories.

TIS Segment

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

	Current Quarter	Preceding Year Quarter		Current Year 6 Months	Preceding Year 6 Months	
	31/5/2019 RM'000	31/5/2018 RM'000	Changes %	31/5/2019 RM'000	31/5/2018 RM'000	Changes %
Segment revenue	1,787	806	121.7	2,859	1,920	48.9
Segment profit/(loss) after taxation	142	12	1,083.3	46	(56)	182.1

The overall increase in revenue and profit contributions in current quarter and period to date was mainly due to higher progress billings from the completed civil infrastructure project works.

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1. Review of Performance (Cont'd)

Others Segment

Loss recorded during the current quarter and period to date was mainly due to operating costs 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:-

	Current Quarter	Preceding Quarter	
	31/5/2019	28/2/2019	Changes
	RM'000	RM'000	%
<u>Continuing operations:</u>			
Total revenue	16,919	13,639	24.0
Profit before taxation	1,646	1,026	60.4
Profit after taxation	1,172	730	60.5

The Group's revenue of RM16.92 million for the current quarter was 24.0% higher than the RM13.64 million reported in the previous quarter. The higher revenue and profit reported during the current quarter was a result of the increase in sales and improved performance achieved by the ICT segment.

3. Commentary on the Group's Prospects

The Group will continue to identify new revenue streams, focusing mainly on ICT related products and services which is its core business segment. We will continue to pursue sales growth via initiatives such as product enhancement and refinement of business plan by leveraging on our readily available resources. The Group will also continue to explore any other investment opportunities to pursue growth and sustainability.

The Board expect sales of ICT related products and automotive accessories to continue driving the Group's performance in the remaining financial quarters. Therefore, the Directors are optimistic about the Group's prospects and performance for financial year ending 30 November 2019.

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 period under review is summarized as follows:-

	Current Quarter	Preceding Year Corresponding Quarter	Current Period	Preceding Year Corresponding Period
	31/5/2019	31/5/2018	31/5/2019	31/5/2018
	RM'000	RM'000	RM'000	RM'000
<u>Tax expense:-</u>				
Based on results for the period	(499)	(231)	(795)	(376)
Transferred from deferred tax liability	25	-	25	-
Total	<u>(474)</u>	<u>(231)</u>	<u>(770)</u>	<u>(376)</u>

The disproportionate tax charge of the Group 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.

7. Provision of Financial Assistance to Associated Company

As stated in the circulars dated 25 June 2014 and 25 April 2017, the approval obtained from the shareholders of the Company in relation to the Financial Assistance as well as the variation made to the Financial Assistance, was to enable AHB Group to provide financial assistance to Milan Utama Sdn Bhd ("MUSB") and Amtel Networks Sdn Bhd.

The mandate for the abovementioned Financial Assistance expired on 10 July 2019 and there was no additional financial assistance provided by AHB Group subsequent to this date. The amount of financial assistance provided to MUSB stood as RM4.6 million as at 31 May 2019, represents approximately 9.77% of the net tangible assets of AHB Group.

8. Group Borrowings and Debt Securities

The Group's total borrowings (all denominated in Ringgit Malaysia) as at 31 May 2019 are as follows:-

	As at 31/5/2019 RM'000	As at 30/11/2018 RM'000
(1) <u>Short Term Borrowings:-</u>		
- <u>Secured</u> Overdrafts	<u>1,076</u>	<u>1,216</u>
- Finance leases payable within the next 12 months	<u>126</u>	<u>118</u>

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8. Group Borrowings and Debt Securities (Cont'd)

The Group's total borrowings (all denominated in Ringgit Malaysia) as at 31 May 2019 are as follows (cont'd):-

	As at 31/5/2019 RM'000	As at 30/11/2018 RM'000
(2) <u>Long Term Borrowings:-</u>		
- Finance leases payable after the next 12 months	<u>303</u>	<u>289</u>

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

9. 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.

10. Dividend

The Board of Directors does not recommend any payment of dividend for the current financial period ended 31 May 2019.

11. Earnings Per Share

(1) Basic earnings per share

The basic earnings per share for the current quarter and current financial period is calculated by dividing the consolidated net profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period as shown below:-

	Current Quarter 31/5/2019	Preceding Year Corresponding quarter 31/5/2018	Current Period 31/5/2019	Preceding Year Corresponding Period 31/5/2018
Net profit/(loss) attributable to Owners of the Company:				
- From continuing operations (RM'000)	1,172	(25)	1,902	(91)
- From discontinued operations (RM'000)	-	(617)	-	(647)
Weighted average number of shares	54,197,066	49,279,806*	54,197,066	49,279,806*
Basic earnings per shares:				
- From continuing operations (sen)	2.16	(0.05)	3.51	(0.19)
- From discontinued operations (sen)	-	(1.25)	-	(1.31)

** Based on enlarged number of issued shares pursuant to private placement*

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11. Earnings Per Share (Cont'd)
(2) Diluted earnings per share
Not applicable.

12. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	Current Quarter	Preceding Year Corresponding Quarter	Current Period	Preceding Year Corresponding Period
	31/5/2019 RM'000	31/5/2018 RM'000	31/5/2019 RM'000	31/5/2018 RM'000
1. Interest income	(73)	(47)	(147)	(90)
2. Dividend income	(165)	(118)	(232)	(220)
3. Other income excluding interest and dividend income	(23)	(150)	(67)	(189)
4. Interest expense	19	22	41	46
5. Depreciation of property, plant & equipment	234	113	465	593
6. Property, plant and equipment written-off	-	-	-	5
7. Amortisation of intangible assets	-	581	-	581
8. (Gain)/Loss on disposal of property, plant & equipment	(1)	(35)	(8)	(35)
9. Impairment on trade receivables	-	698	-	698
10. Net foreign exchange loss/(gain)	18	13	20	6
11. Net provision of warranty costs	165	108	305	193
12. Loss on disposal of subsidiary	-	-	-	17
13. Loss on disposal of associate	-	97	-	97

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By Order of the Board

LIM LEE CHIN
Company Secretary