

24 October 2019



AMTEL HOLDINGS BERHAD

(Company No.: 409449-A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT

FOR THE THIRD FINANCIAL QUARTER ENDED 31 AUGUST 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 AUGUST 2019**
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT PERIOD QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR	PRECEDING YEAR
	31-8-2019	31-8-2018	31-8-2019	31-8-2018
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	15,204	12,031	45,762	34,742
Operating expenses	(14,345)	(11,791)	(42,823)	(34,837)
Other operating income	329	337	808	790
Profit from operations	1,188	577	3,747	695
Finance costs	(21)	(16)	(62)	(62)
Share of results of associates	80	(40)	234	146
Profit before taxation	1,247	521	3,919	779
Taxation	(348)	(154)	(1,118)	(530)
Profit for the financial period from continuing operations	899	367	2,801	249
Loss for the financial period from discontinued operation, net of tax	-	(42)	-	(689)
Profit/(Loss) for the financial period	899	325	2,801	(440)
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to Profit or Loss:				
Foreign currency translation	-	(3)	1	5
Total comprehensive profit/(loss) for the period	899	322	2,802	(435)
Profit/(Loss) Attributable to:-				
Owners of the Company	899	324	2,801	(414)
- From continuing operations	899	366	2,801	275
- From discontinued operation	-	(42)	-	(689)
Non-controlling Interests	-	1	-	(26)
	899	325	2,801	(440)
Total Comprehensive Income/(Loss) Attributable to:-				
Owners of the Company	899	321	2,802	(409)
- From continuing operations	899	363	2,802	386
- From discontinued operation	-	(42)	-	(689)
Non-controlling Interests	-	1	-	(26)
	899	322	2,802	(435)
Earnings Per Share Attributable to Owners of the Company :-				
Basic (sen)				
- From continuing operations	1.66	0.74	5.17	0.56
- From discontinued operation	0.00	-0.08	0.00	-1.40
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)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2019
(The figures have not been audited)

	<u>UNAUDITED</u>	<u>AUDITED</u>
	AS AT CURRENT FINANCIAL PERIOD 31/8/2019 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 30/11/2018 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	2,202	2,567
Investment Properties	439	169
Investments in Associates	1,286	1,078
Other Investments	250	250
	<u>4,177</u>	<u>4,064</u>
Current Assets		
Inventories	4,016	3,388
Trade & Other Receivables	12,519	23,219
Contract Assets	1,360	-
Other Investments	16,531	4,076
Cash Deposits with Licensed Banks	8,727	8,626
Cash and Bank Balances	17,849	18,159
	<u>61,002</u>	<u>57,468</u>
TOTAL ASSETS	<u>65,179</u>	<u>61,532</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	32,301	32,301
Reserves	15,696	12,894
Equity Attributable to Owners of the Parent	<u>47,997</u>	<u>45,195</u>
Non-controlling Interests ("NCI")	-	-
Total Equity	<u>47,997</u>	<u>45,195</u>
Non-Current Liabilities		
Finance Lease Payables	270	289
Deferred Tax Liabilities	107	142
	<u>377</u>	<u>431</u>
Current Liabilities		
Trade & Other Payables	13,494	13,898
Contract Liabilities	1,284	-
Provisions	913	535
Short Term Borrowings	255	1,216
Tax Liabilities	731	140
Finance Lease Payables	128	117
	<u>16,805</u>	<u>15,906</u>
Total Liabilities	<u>17,182</u>	<u>16,337</u>
TOTAL EQUITY AND LIABILITIES	<u>65,179</u>	<u>61,532</u>
Net assets per share attributable to owners of the parent (RM)	0.8856	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.

AMTEL HOLDINGS BERHAD (409449-A)

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2019
(The figures have not been audited)**

	<----- Attributable to Owners of the Parent ----->					Non-	Total
	Share	Fair Value	Currency	Retained	Sub-total	controlling	Equity
	Capital	Reserve	Translation	Earnings		Interests	
	RM'000	RM'000	Reserve	RM'000	RM'000	RM'000	RM'000
			RM'000				
9 months ended 31 August 2019							
At 1 December 2018	32,301	159	37	12,698	45,195	-	45,195
Comprehensive Income:							
Profit for the financial period	-	-	-	2,801	2,801	-	2,801
Foreign currency translation	-	-	1	-	1	-	1
Total comprehensive income for the financial period	-	-	1	2,801	2,802	-	2,802
At 31 August 2019	32,301	159	38	15,499	47,997	-	47,997
9 months ended 31 August 2018							
At 1 December 2017	29,246	159	35	11,620	41,060	1,890	42,950
Comprehensive Income:							
Loss for the financial period	-	-	-	(414)	(414)	(26)	(440)
Foreign currency translation	-	-	5	-	5	-	5
Total comprehensive loss for the financial period	-	-	5	(414)	(409)	(26)	(435)
Issuance of shares pursuant to Private Placement (Note 1)	315	-	-	-	315	-	315
Transactions with owners:							
Acquisition of NCI	-	-	-	-	-	(1,657)	(1,657)
Discount received from acquisition of NCI	-	-	-	22	22	-	22
At 31 August 2018	29,561	159	40	11,228	40,988	207	41,195

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 AUGUST 2019
(The figures have not been audited)

	CURRENT FINANCIAL PERIOD ENDED 31/8/2019 RM'000	PRECEDING FINANCIAL PERIOD ENDED 31/8/2018 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation		
- continuing operations	3,919	779
- discontinued operation	-	(689)
	<u>3,919</u>	<u>90</u>
Adjustments for:-		
Non-cash items	1,493	1,160
Non-operating items	(657)	(519)
Share of results of associates	(234)	(146)
	<u>4,521</u>	<u>585</u>
Operating profit before changes in working capital		
Changes in working capital		
Net changes in property development costs	-	(206)
Net changes in current assets	7,412	2,516
Net changes in current liabilities	(384)	3,484
	<u>11,549</u>	<u>6,379</u>
Cash generated from operations		
Interest received	209	141
Interest paid	(62)	(62)
Net income tax paid	(335)	(342)
	<u>11,361</u>	<u>6,116</u>
Net cash generated from operating activities		
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(264)	(1,319)
Proceeds from disposal of property, plant and equipment	36	190
(Placement)/Withdrawal of fixed income funds & quoted unit trusts	(12,070)	750
Placement of pledged cash & cash equivalent under lien	-	(351)
Dividend income	385	322
Additions in investment in subsidiary	-	(135)
Repayments from associates	1,302	360
Acquisitions of NCI	-	(1,635)
	<u>(10,611)</u>	<u>(1,818)</u>
Net cash used in investing activities		
CASH FLOW FROM FINANCING ACTIVITIES		
Net payments of finance lease	(98)	(105)
Proceeds from issuance of new shares	-	315
	<u>(98)</u>	<u>210</u>
Net cash (used in)/generated from financing activities		
NET INCREASE IN CASH AND CASH EQUIVALENT	652	4,508
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>17,594</u>	<u>7,967</u>
Cash and cash equivalents at end of the financial period comprise of:-		
Cash at banks and in hand	17,849	9,132
Cash deposits with licensed banks	8,727	8,468
Bank overdrafts	(255)	(1,165)
	<u>26,321</u>	<u>16,435</u>
Less: Cash deposits with licensed banks under lien	(8,727)	(8,468)
	<u>17,594</u>	<u>7,967</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 THIRD FINANCIAL QUARTER ENDED 31 AUGUST 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 August 2019.

9. Segmental Reporting

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

9 months ended 31 August 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	40,480	5,282	-	-	45,762
Inter-segment revenue	844	229	2,778	(3,851)	-
Total revenue	41,324	5,511	2,778	(3,851)	45,762
SEGMENT RESULTS	ICT	TIS	Others	Consolidated	
	RM'000	RM'000	RM'000	RM'000	
Profit/(Loss) from operations	4,533	91	(877)	3,747	
Finance costs	(46)	(16)	-	(62)	
Share of associates' results	234	-	-	234	
Profit/(Loss) before taxation	4,721	75	(877)	3,919	
Taxation	(1,220)	-	102	(1,118)	
Profit/(Loss) after taxation	3,501	75	(775)	2,801	
FINANCIAL POSITION	ICT	TIS	Others	Consolidated	
As at 31 August 2019	RM'000	RM'000	RM'000	RM'000	
Total segment assets	27,041	12,909	25,229	65,179	
Total segment liabilities	12,592	4,097	493	17,182	

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

9 months ended 31 August 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	30,863	3,710	169	67	-	34,809
Inter-segment revenue	1,045	-	536	-	(1,581)	-
Total revenue	31,908	3,710	705	67	(1,581)	34,809

SEGMENT RESULTS	ICT RM'000	TIS RM'000	Others RM'000	Discontinued Operation RM'000	Consolidated RM'000
Profit/(Loss) from operations	1,120	219	(644)	(689)	6
Finance costs	(45)	(17)	-	-	(62)
Share of associates' results	214	(68)	-	-	146
Profit/(Loss) before taxation	1,289	134	(644)	(689)	90
Taxation	(475)	(45)	(10)	-	(530)
Profit/(Loss) after taxation	814	89	(654)	(689)	(440)

FINANCIAL POSITION	ICT RM'000	TIS RM'000	Others RM'000	Discontinued Operation RM'000	Consolidated RM'000
As at 31 August 2018					
Total segment assets	23,383	11,903	11,991	15,721	62,998
Total segment liabilities	11,561	4,712	536	4,994	21,803

(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
	31/8/2019 RM'000	31/8/2018 RM'000	31/8/2019 RM'000	31/8/2018 RM'000
Malaysia	15,204	12,031	45,762	34,809

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9. Segmental Reporting (Cont'd)

(iii) Discontinued Operation

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

GROUP	Preceding Year		Preceding Year	
	Current Quarter	Corresponding Quarter	Current Period	Corresponding Period
	31/8/2019 RM'000	31/8/2018 RM'000	31/8/2019 RM'000	31/8/2018 RM'000
Revenue	-	-	-	67
Operating expenses	-	(43)	-	(876)
Other income	-	1	-	120
Loss before taxation from discontinued operation	-	(42)	-	(689)
Taxation	-	-	-	-
Loss after taxation from discontinued operation	-	(42)	-	(689)

(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
	31/8/2019 RM'000	31/8/2018 RM'000	31/8/2019 RM'000	31/8/2018 RM'000
Interest income	-	(1)	-	(120)

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 other than as mentioned below:-

On 14 August 2019, the Company via its wholly owned subsidiary, namely Metrarama Sdn Bhd, entered into sale and purchase agreements with M Tree Hill Sdn Bhd for the acquisition of three units of three-storey terrance houses located in Teluk Kumbar, Penang for a total purchase consideration of RM2,700,000. The total deposit paid amounting RM270,000 is reported as Investment Properties in the Consolidated Statement of Financial Position as at 31 August 2019.

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 August 2019 that has not been reflected in the financial statements or to be disclosed as at the date of this report.

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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 August 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.

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 31/8/2019
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>679</u>
Group	
<u>Contingent Liabilities – Secured*</u>	
Bank guarantees	<u>385</u>

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

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

As at the reporting date, the capital commitment of the Group is as follows:-

	As At 31/8/2019
Group	
	RM'000
Purchase of investment properties	
- Contracted but not provided for	<u>2,430</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

The Group reported a revenue of RM15.20 million and profit after tax of RM0.90 million for the current financial quarter, as compared to revenue of RM12.03 million and profit after tax of RM0.33 million reported in the preceding year corresponding quarter. The increase in revenue and profit was primarily due to sales increase from the ICT segment.

For the nine months ended 31 August 2019, the Group's revenue from continuing operations was RM45.76 million which is approximately 31.7% higher than RM34.74 million reported in the preceding year corresponding period. In tandem with the increase in sales, the Group registered a profit after tax of RM2.80 million for current financial period as compared to profit after tax of RM0.25 million recorded in the preceding year corresponding period. The current period's improvement in revenue and profit was mainly due to higher sales and profit achieved by the ICT segment as a result of increase in the supply of Telematics products and automotive accessories.

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 Corresponding Quarter		Current Year 9 Months	Preceding Year 9 Months	
	31/8/2019 RM'000	31/8/2018 RM'000	Changes %	31/8/2019 RM'000	31/8/2018 RM'000	Changes %
Segment revenue	12,781	10,184	25.5	40,480	30,863	31.2
Segment profit after taxation	1,123	326	244.5	3,501	814	330.1

ICT segment contributed approximately 88.5% of the Group's revenue for current financial period and continue to steer the Group's results to achieve higher sales and improved performance in the current quarter and financial period. The increase in the supply of our products to automakers was a result of higher sales volume of car models fitted with our Telematics products and automotive accessories.

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1. Review of Performance (Cont'd)

TIS Segment

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

	Current Quarter	Preceding Year Corresponding Quarter	Changes	Current Year 9 Months	Preceding Year 9 Months	Changes
	31/8/2019 RM'000	31/8/2018 RM'000	%	31/8/2019 RM'000	31/8/2018 RM'000	%
Segment revenue	2,423	1,790	35.4	5,282	3,710	42.4
Segment profit after taxation	29	145	-80.0	75	89	-15.7

TIS segment recorded an increase in revenue in the current quarter and period to date as compared to preceding year corresponding quarter and period. This revenue came from progress billings on the completed and on-going civil infrastructure project works. However, despite reported increase in revenue, a lower profit after tax was reported mainly due to less margin achieved as a result of competitive pricing strategies and some start up overheads incurred on certain new projects.

Others Segment

Higher inter-segment revenue was reported in the current quarter mainly due to dividend income received by the investment holding company from the subsidiaries. With inter-companies' dividend eliminated at the Group level, loss posted during the current quarter and period to date was attributed to the 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	Immediate Preceding Quarter	Changes
	31/8/2019 RM'000	31/5/2019 RM'000	%
<u>Continuing operations:</u>			
Total revenue	15,204	16,919	-10.1
Profit before taxation	1,247	1,646	-24.2
Profit after taxation	899	1,172	-23.3

The Group's revenue of RM15.20 million for the current quarter was 10.1% lower than the RM16.92 million reported in the previous quarter. The lower revenue and profit reported during the current quarter was attributed to lower supply of ICT products and related services to automakers. This is mainly due to the lesser production days at automakers' end during the festive month. In addition, there were additional software development costs charged out by the ICT segment as part of our ongoing research and development activities to continuously enhance our Telematics products and at the same time, to explore new technologies.

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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 step up investment in new research and development activities as part of the initiatives to enhance existing products and to offer new products and solutions to existing and new customers. The Group will also continue to explore others investment opportunities to widen its earning base and to pursue long term sustainability.

The Board expect sales of ICT related products and automotive accessories to keep up the momentum in the last financial quarter. Thus, the Directors are optimistic about the Group's performance for financial year ending 30 November 2019.

4. Variances of Actual Profit from Forecast Profit

Not applicable.

5. Status of Corporate Proposals

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

6. 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
	31/8/2019	31/8/2018	31/8/2019	31/8/2018
	RM'000	RM'000	RM'000	RM'000
Continuing operations:				
<u>Current tax expense</u>				
Based on results for the period	(482)	(154)	(1,277)	(530)
Transferred from deferred tax liability	10	-	35	-
	(472)	(154)	(1,242)	(530)
<u>Real property gain tax</u>				
Over provision in prior financial year	124	-	124	-
Total	(348)	(154)	(1,118)	(530)

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.

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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 August 2019, represents approximately 9.58% 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 August 2019 are as follows:-

	As at 31/8/2019 RM'000	As at 30/11/2018 RM'000
(1) <u>Short Term Borrowings:-</u>		
- <u>Secured</u> Overdrafts	255	1,216
- Finance leases payable within the next 12 months	128	118
(2) <u>Long Term Borrowings:-</u>		
- Finance leases payable after the next 12 months	270	289

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 August 2019.

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11. 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 <u>31/8/2019</u> RM'000	Preceding Year Corresponding Quarter <u>31/8/2018</u> RM'000	Current Period <u>31/8/2019</u> RM'000	Preceding Year Corresponding Period <u>31/8/2018</u> RM'000
1. Interest income	(62)	(51)	(209)	(141)
2. Dividend income	(153)	(102)	(385)	(322)
3. Other income excluding interest and dividend income	(68)	(71)	(135)	(260)
4. Interest expense	21	16	62	62
5. Depreciation of property, plant & equipment	237	183	702	776
6. Property, plant and equipment written-off	-	-	-	5
7. Amortisation of intangible assets	-	-	-	581
8. (Gain)/Loss on disposal of property, plant & equipment	(16)	(83)	(24)	(118)
9. Impairment on trade receivables	-	-	-	698
10. Net foreign exchange loss/(gain)	13	(31)	33	(25)
11. Net provision of warranty costs	150	-	455	193
12. Loss on disposal of subsidiary	-	-	-	17
13. Loss on disposal of associate	-	97	-	97
	<u>-</u>	<u>97</u>	<u>-</u>	<u>97</u>

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12. 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 31/8/2019	Preceding Year Corresponding quarter 31/8/2018	Current Period 31/8/2019	Preceding Year Corresponding Period 31/8/2018
Net profit/(loss) attributable to Owners of the Company:				
- From continuing operations (RM'000)	899	366	2,801	275
- From discontinued operations (RM'000)	-	(42)	-	(689)
Weighted average number of shares	54,197,066	49,405,833*	54,197,066	49,405,833*
Basic earnings per shares:				
- From continuing operations (sen)	1.66	0.74	5.17	0.56
- From discontinued operations (sen)	-	(0.08)	-	(1.40)

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

(2) Diluted earnings per share

Not applicable.

AMTEL HOLDINGS BERHAD
By Order of the Board

TEE LEE LENG
Company Secretary