

29 April 2019



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

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST FINANCIAL QUARTER ENDED 28 FEBRUARY 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 28 FEBRUARY 2019**
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT PERIOD QUARTER	PRECEDING YEAR CORRESPONDING QUARTER AS RESTATED	CURRENT PERIOD	PRECEDING YEAR AS RESTATED
	28-02-2019	28-02-2018	28-02-2019	28-02-2018
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	13,639	10,747	13,639	10,747
Operating expenses	(12,867)	(10,791)	(12,867)	(10,791)
Other operating income	193	185	193	185
Profit from operations	965	141	965	141
Finance costs	(22)	(24)	(22)	(24)
Share of results of associates	83	(67)	83	(67)
Profit before taxation	1,026	50	1,026	50
Taxation	(296)	(145)	(296)	(145)
Profit/(Loss) for the financial period from continuing operations	730	(95)	730	(95)
Loss for the financial period from discontinued operation, net of tax	-	(30)	-	(30)
Profit/(Loss) for the financial period	730	(125)	730	(125)
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to Profit or Loss:				
Foreign currency translation	-	(1)	-	(1)
Total comprehensive profit/(loss) for the period	730	(126)	730	(126)
Profit/(Loss) Attributable to:-				
Owners of the Company	730	(96)	730	(96)
- From continuing operations	730	(66)	730	(66)
- From discontinued operation	-	(30)	-	(30)
Non-controlling Interests	-	(29)	-	(29)
	730	(125)	730	(125)
Total Comprehensive Income/(Loss) Attributable to:-				
Owners of the Company	730	(97)	730	9
- From continuing operations	730	(67)	730	39
- From discontinued operation	-	(30)	-	(30)
Non-controlling Interests	-	(29)	-	(135)
	730	(126)	730	(126)
Earnings Per Share Attributable to Owners of the Company :-				
Basic (sen)				
- From continuing operations	1.35	-0.13	1.35	-0.13
- From discontinued operation	0.00	-0.06	0.00	-0.06
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 28 FEBRUARY 2019
(The figures have not been audited)

	<u>UNAUDITED</u>	<u>AUDITED</u>
	AS AT CURRENT FINANCIAL PERIOD 28/02/2019	AS AT PRECEDING FINANCIAL YEAR ENDED 30/11/2018
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	2,374	2,567
Investment Properties	169	169
Investments in Associates	1,154	1,078
Other Investments	250	250
	<u>3,947</u>	<u>4,064</u>
Current Assets		
Inventories	3,867	3,388
Trade & Other Receivables	20,605	23,219
Contract Assets	2,781	-
Other Investments	14,836	4,076
Cash deposits with licensed banks	8,654	8,626
Cash and Bank Balances	8,258	18,159
	<u>59,001</u>	<u>57,468</u>
	<u>62,948</u>	<u>61,532</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity		
Share Capital	32,301	32,301
Reserves	13,626	12,894
Equity Attributable to Owners of the Parent	<u>45,927</u>	<u>45,195</u>
Non-controlling Interests ("NCI")	-	-
Total Equity	<u>45,927</u>	<u>45,195</u>
Non-Current Liabilities		
Finance Lease Payables	263	289
Deferred Tax Liabilities	142	142
	<u>405</u>	<u>431</u>
Current Liabilities		
Trade & Other Payables	13,790	13,898
Contract Liabilities	1,148	-
Provisions	638	535
Short Term Borrowings	802	1,216
Tax Liabilities	126	140
Finance Lease Payables	112	117
	<u>16,616</u>	<u>15,906</u>
Total Liabilities	<u>17,021</u>	<u>16,337</u>
	<u>62,948</u>	<u>61,532</u>
TOTAL EQUITY AND LIABILITIES		
Net assets per share attributable to owners of the parent (RM)	0.8474	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 28 FEBRUARY 2019
(The figures have not been audited)

	<----- Attributable to Owners of the Parent ----->					Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Fair Value Reserve RM'000	Currency Translation Reserve RM'000	Retained Earnings RM'000	Sub-total RM'000		
3 months ended 28 February 2019							
At 1 December 2018	32,301	159	37	12,698	45,195	-	45,195
Comprehensive Income:							
Profit for the financial period	-	-	-	730	730	-	730
Foreign currency translation	-	-	2	-	2	-	2
Total comprehensive income for the financial period	-	-	2	730	732	-	732
At 28 February 2019	32,301	159	39	13,428	45,927	-	45,927
3 months ended 28 February 2018							
At 1 December 2017	29,246	159	35	11,620	41,060	1,890	42,950
Comprehensive Income:							
Loss for the financial period	-	-	-	(96)	(96)	(29)	(125)
Foreign currency translation	-	-	(1)	-	(1)	-	(1)
Total comprehensive loss for the financial period	-	-	(1)	(96)	(97)	(29)	(126)
At 28 February 2018	29,246	159	34	11,524	40,963	1,861	42,824

Note (1):-

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 28 FEBRUARY 2019
(The figures have not been audited)

	CURRENT FINANCIAL PERIOD ENDED 28/02/2019 RM'000	PRECEDING FINANCIAL PERIOD ENDED 28/02/2018 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation		
- continuing operations	1,026	50
- discontinued operation	-	(30)
	1,026	20
Adjustments for:-		
Non-cash items	73	557
Non-operating items	(112)	(121)
Share of results of associates	(83)	67
Operating profit before changes in working capital	904	523
Changes in working capital		
Net changes in property development costs	-	(20)
Net changes in current assets	(728)	(1,708)
Net changes in current liabilities	1,143	2,212
Cash generated from operations	1,319	1,007
Interest received	74	43
Interest paid	(22)	(24)
Net income tax paid	(127)	(70)
Net cash generated from operating activities	1,244	956
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(44)	(96)
Proceeds from disposal of property, plant and equipment	13	-
Withdrawal/(Placement) of fixed income funds & quoted unit trusts	(10,707)	(750)
Placement of pledged cash & cash equivalent under lien	(28)	276
Dividend income	67	102
Net cash used in investing activities	(10,699)	(468)
CASH FLOW FROM FINANCING ACTIVITIES		
Net payments of finance lease	(31)	(34)
Net cash used in financing activities	(31)	(34)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT	(9,486)	454
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	16,942	3,459
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	7,456	3,913
Cash and cash equivalents at end of the financial year comprise of:-		
Cash at banks and in hand	8,258	4,666
Cash deposits with licensed banks	8,654	7,841
Bank overdrafts	(802)	(753)
	16,110	11,754
Less: Cash deposits with licensed banks under lien	(8,654)	(7,841)
	7,456	3,913

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 FIRST FINANCIAL QUARTER ENDED 28 FEBRUARY 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 28 February 2019.

9. Segmental Reporting

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

3 months ended 28 February 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	12,567	1,072	-	-	13,639
Inter-segment revenue	198	-	288	(486)	-
Total revenue	<u>12,765</u>	<u>1,072</u>	<u>288</u>	<u>(486)</u>	<u>13,639</u>
	ICT	TIS	Others	Consolidated	
SEGMENT RESULTS					
Profit/(Loss) from operations	1,326	(86)	(275)	965	
Finance costs	(18)	(4)	-	(22)	
Share of associates' results	83	-	-	83	
Profit/(Loss) before taxation	<u>1,391</u>	<u>(90)</u>	<u>(275)</u>	<u>1,026</u>	
Taxation	(290)	(6)	-	(296)	
Profit/(Loss) for the period	<u>1,101</u>	<u>(96)</u>	<u>(275)</u>	<u>730</u>	
	ICT	TIS	Others	Consolidated	
FINANCIAL POSITION					
As at 28 February 2018	RM'000	RM'000	RM'000	RM'000	
Total segment assets	<u>25,768</u>	<u>11,743</u>	<u>25,437</u>	<u>62,948</u>	
Total segment liabilities	<u>12,626</u>	<u>3,878</u>	<u>517</u>	<u>17,021</u>	

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

3 months ended 28 February 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	9,577	1,114	56	67	-	10,814
Inter-segment revenue	318	-	179	-	(497)	-
Total revenue	9,895	1,114	235	67	(497)	10,814

SEGMENT RESULTS	ICT RM'000	TIS RM'000	Others RM'000	Discontinued Operation RM'000	Consolidated RM'000
Profit/(Loss) from operations	354	16	(229)	(30)	111
Finance costs	(17)	(7)	-	-	(24)
Share of associates' results	1	(68)	-	-	(67)
Profit/(Loss) before taxation	338	(59)	(229)	(30)	20
Taxation	(136)	(9)	-	-	(145)
Profit/(Loss) for the period	202	(68)	(229)	(30)	(125)

FINANCIAL POSITION As at 28 February 2018	ICT RM'000	TIS RM'000	Others RM'000	Discontinued Operation RM'000	Consolidated RM'000
Total segment assets	21,964	11,732	14,573	14,720	62,989
Total segment liabilities	10,243	3,887	703	5,332	20,165

(ii) Geographical Segments

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

GROUP	Revenue	
	Current Year Quarter 28 February 2018	Preceding Year Corresponding Quarter 28 February 2018
	RM'000	RM'000
Malaysia	13,639	10,814
Singapore	-	-
Total	13,639	10,814

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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	
	Current Year Quarter 2019 RM'000	Preceding Year Corresponding Quarter 2018 RM'000
Revenue	-	67
Operating expenses	-	(103)
Other income	-	6
Loss before taxation from discontinued operation	<u>-</u>	<u>(30)</u>
Taxation:-	<u>-</u>	<u>-</u>
Loss for the financial period from discontinued operation	<u><u>-</u></u>	<u><u>(30)</u></u>

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

	GROUP	
	Current Year Quarter 2019 RM'000	Preceding Year Corresponding Quarter 2018 RM'000
Interest income	<u>-</u>	<u>(6)</u>

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 28 February 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 except.

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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 28/2/2019
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>1,079</u>
Group	
<u>Contingent Liabilities – Secured*</u>	
Bank guarantees	<u>117</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 28 February 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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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST FINANCIAL QUARTER ENDED 28 FEBRUARY 2019**

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

1. Review of Performance

For the first quarter ended 28 February 2019, the Group's revenue from continuing operations was RM13.64 million which is approximately 26.9% higher than that recorded in preceding year corresponding quarter of RM10.75 million. The increase was mainly due to higher sales reported by ICT segment which contributed 92.1% of the Group's sales in the current quarter. ICT segment achieved revenue of RM12.76 million which is approximately an increase of 29.0% as compared to preceding year corresponding quarter of RM9.89 million.

In tandem with the increased sales, the Group posted a profit after tax of RM0.73 million for current quarter as compared to loss after tax of RM0.95 million registered in preceding year corresponding quarter.

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

ICT Segment

Revenue from ICT segment for current quarter was RM12.76 million, which is approximately 29.0% higher than RM9.89 million reported in preceding year corresponding quarter. Profit after tax in the ICT segment for the current quarter was RM1.10 million, substantial increase compared to RM202 thousand recorded in preceding year corresponding quarter. The improved performance was attributed to the continuing high sales volume of car models which were fitted with our Telematics products and automotive accessories.

TIS Segment

Total revenue from TIS segment for current quarter was RM1.07 million, marginally lower as compared to RM1.11 million posted in preceding year corresponding quarter. Loss after tax for current quarter was RM96 thousand as compared to preceding year corresponding quarter of RM68 thousand. Overall, TIS segment performance was lower due to smaller civil infrastructure project works.

Others Segment

Loss recorded during the current quarter was mainly due to lower management fee income charges.

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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	
	28 February 2019	30 November 2018	Changes
Continuing operations:	RM'000	RM'000	%
Total revenue	13,639	15,806	-13.7%
Share of results of associates	83	(6)	+>100%
Profit before tax	1,026	668	+53.6%
Profit after tax	730	503	+45.1%

The Group's current quarter revenue of RM13.64 million is 13.7% lower as compared to immediate preceding quarter ended 30 November 2018 of RM15.81 million. The lower revenue reported during the current quarter was mainly attributed to lower sales due to smaller infrastructure works completed by the TIS segment. On the other hand, the higher sales and better performance achieved by ICT segment during the quarter was able to offset the lower performance of TIS segment, leading to the Group recording a higher profit after tax during the current quarter.

3. Commentary on the Group's Prospects

The Board expect ICT segment to continue driving the Group's performance in this financial year, with our Telematics products and automotive accessories continuing its sales momentum. Nevertheless, the management shall remain vigilant in monitoring the Group's performance to maintain an overall healthy financial position. The Group continues to explore new business opportunities to widen its earning base and to attain long term sustainability. Barring any unforeseen circumstances, the Group expects the results for this financial year to be satisfactory.

4. Variances of Actual Profit from Forecast Profit

Not applicable.

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 28/2/2019 RM'000	Preceding Year Corresponding Quarter 28/2/2018 RM'000
<u>Tax expense:-</u>		
Based on results for the period	(296)	(145)

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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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

The Company obtained the shareholders' approval via the Extraordinary General Meeting held on 17 May 2017 to vary the financial assistance provided to associated company Milan Utama Sdn Bhd ("MUSB"), to include on a pool basis with Amtel Networks Sdn Bhd ("ANSB"). The amounts of financial assistance provided as of 28 February 2019 to MUSB was RM5.29 million.

No financial assistance has been provided to ANSB 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 2019 are as follows:-

	As at 28/2/2019 (Unaudited) RM'000	As at 30/11/2018 (Audited) RM'000
(1) <u>Short Term Borrowings:-</u>		
- <u>Secured</u> Overdrafts	802	1,216
- Finance leases payable within the next 12 months	112	118
(2) <u>Long Term Borrowings:-</u>		
- Finance leases payable after the next 12 months	263	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 28 February 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 Year Quarter	Preceding Year Corresponding Quarter
	28/2/2019 RM'000	28/2/2018 RM'000 (Restated)
Continuing Operations		
1. Interest income	(74)	(37)
2. Dividend income	(67)	(102)
3. Other income excluding interest, dividend & rental income	(44)	(33)
4. Interest expense	22	24
5. Depreciation of property, plant & equipment	231	480
6. Property, plant & equipment written-off	-	5
7. Gain on disposal of property, plant & equipment	(7)	-
8. Loss on disposal of subsidiary	-	17
9. Net foreign exchange loss/(gain)	2	(30)
10. Net provision of warranty costs	140	85

12. Earnings Per Share

(1) Basic earnings per share

The basic earnings per share for the current quarter and financial year is calculated by dividing the consolidated net 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	Preceding Year Corresponding Quarter
	28/2/2019	28/2/2018
Net profit/(loss) attributable to owners of the Company:		
- From continuing operations RM'000)	730	(66)
- From discontinued operations (RM'000)	-	(30)
Weighted average number of shares	54,197,066	49,277,066
Basic earnings per shares:		
- From continuing operations (sen)	1.35	(0.13)
- From discontinued operations (sen)	-	(0.06)

(2) Diluted earnings per share

Not applicable.

AMTEL HOLDINGS BERHAD (409449-A)
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AMTEL HOLDINGS BERHAD
By Order of the Board

LIM LEE CHIN
Company Secretary