

29 January 2021



AMTEL HOLDINGS BERHAD
[Registration No. 199601037096 (409449-A)]
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FORTH FINANCIAL QUARTER AND FINANCIAL YEAR ENDED
30 NOVEMBER 2020

AMTEL HOLDINGS BERHAD
[Registration No. 199601037096 (409449-A)]
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2020**
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT PERIOD QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR	PRECEDING YEAR
	30-11-2020	30-11-2019	30-11-2020	30-11-2019
	RM'000	RM'000	RM'000	RM'000
Revenue	20,371	17,408	56,013	63,170
Operating expenses	(18,801)	(15,460)	(51,278)	(58,283)
Other operating income	269	333	1,033	1,141
Profit from operations	1,839	2,281	5,768	6,028
Finance costs	(14)	(16)	(56)	(78)
Share of results of associates	126	112	334	346
Profit before taxation	1,951	2,377	6,046	6,296
Taxation	(778)	(350)	(1,733)	(1,468)
Profit for the financial year	1,173	2,027	4,313	4,828
Other comprehensive income, net of tax				
<i>Items that may be reclassified subsequently to Profit or Loss:</i>				
Foreign currency translation	(1)	1	-	2
<i>Items that will not be reclassified subsequently to Profit or Loss:</i>				
Fair value loss on investments in equity instruments designated at fair value through other comprehensive income	25	-	-	-
Total comprehensive income for the financial year	1,197	2,028	4,313	4,830
<u>Profit After Tax Attributable to:-</u>				
Owners of the Company	1,173	2,027	4,313	4,828
Non-controlling Interests	-	-	-	-
	1,173	2,027	4,313	4,828
<u>Total Comprehensive Income Attributable to:-</u>				
Owners of the Company	1,197	2,028	4,313	4,830
Non-controlling Interests	-	-	-	-
	1,197	2,028	4,313	4,830
<u>Earnings Per Share Attributable to Owners of the Company :-</u>				
Basic (sen)	2.11	3.74	7.78	8.91
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 2019 and the accompanying explanatory notes attached to the interim financial report.

AMTEL HOLDINGS BERHAD
[Registration No. 199601037096 (409449-A)]
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2020
(The figures have not been audited)

	<u>UNAUDITED</u>	<u>AUDITED</u>
	AS AT CURRENT FINANCIAL YEAR ENDED 30/11/2020 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 30/11/2019 RM'000
NOTE		
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	23,734	2,006
Investment Properties	3,069	1,654
Investments in Associates	1,584	1,216
Deferred Tax Assets	528	445
Other Investments	1,983	250
	<u>30,898</u>	<u>5,571</u>
Current Assets		
Inventories	4,658	3,850
Trade & Other Receivables	11,024	10,889
Contract Assets	2,261	1,321
Other Investments	6,094	21,195
Cash Deposits with Licensed Banks	8,372	8,922
Cash and Bank Balances	15,801	13,750
	<u>48,210</u>	<u>59,927</u>
TOTAL ASSETS	<u>79,108</u>	<u>65,498</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	1 40,149	32,301
Reserves	22,036	17,723
Equity Attributable to Owners of the Parent	<u>62,185</u>	<u>50,024</u>
Non-controlling Interests ("NCI")	-	-
Total Equity	<u>62,185</u>	<u>50,024</u>
Non-Current Liabilities		
Finance Lease Payables	130	240
Deferred Tax Liabilities	87	87
	<u>217</u>	<u>327</u>
Current Liabilities		
Trade & Other Payables	13,761	12,738
Provisions	1,369	1,012
Short Term Borrowings	389	136
Tax Liabilities	1,077	1,134
Finance Lease Payables	110	127
	<u>16,706</u>	<u>15,147</u>
Total Liabilities	<u>16,923</u>	<u>15,474</u>
TOTAL EQUITY AND LIABILITIES	<u>79,108</u>	<u>65,498</u>
Net assets per share attributable to owners of the parent (RM)	2 <u>0.9562</u>	<u>0.9230</u>

Notes:-

- During the financial quarter, the Company allotted a total of 10,839,000 ordinary shares via Private Placement which raised a total proceeds of RM7,847,436. As a result, the issued and paid up share capital of the Company increased from RM32.301 million to RM40.149 million.
- The net asset value per share of the Company is calculated based on the net assets at the end of the reporting period of RM62.265 million (2019: RM50.024 million) divided by the number of shares in issue at the end of the reporting period of 65,036,066 (2019: 54,197,066).

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 2019 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 YEAR ENDED 30 NOVEMBER 2020
(The figures have not been audited)

	←----- Attributable to Owners of the Parent -----→				Sub-total RM'000	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			
12 months ended 30 November 2020							
At 1 December 2019	32,301	159	38	17,526	50,024	-	50,024
Comprehensive Income:							
Profit for the financial year	-	-	-	4,313	4,313	-	4,313
Other comprehensive income/(loss)	-	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	-	4,313	4,313	-	4,313
Issuance of shares pursuant to Private Placement (Note 1)	7,848	-	-	-	7,848	-	7,848
At 30 November 2020	40,149	159	38	21,839	62,185	-	62,185
12 months ended 30 November 2019							
At 1 December 2018	32,301	159	37	12,698	45,195	-	45,195
Comprehensive Income:							
Profit for the financial year	-	-	-	4,828	4,828	-	4,828
Other comprehensive income/(loss)	-	-	1	-	1	-	1
Total comprehensive income for the financial year	-	-	1	4,828	4,829	-	4,829
At 30 November 2019	32,301	159	38	17,526	50,024	-	50,024

Note (1):-

During the financial quarter, the Company allotted a total of 10,839,000 ordinary shares via Private Placement which raised a total proceeds of RM7,847,436. As a result, the issued and paid up share capital of the Company increased from RM32.301 million to RM40.149 million.

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 2019 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2020
(The figures have not been audited)

	CURRENT FINANCIAL YEAR ENDED 30/11/2020 RM'000	PRECEDING FINANCIAL YEAR ENDED 30/11/2019 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	6,046	6,296
Adjustments for:-		
Non-cash items	881	1,512
Non-operating items	(1,106)	(1,001)
Share of results of associates	(334)	(346)
Operating profit before changes in working capital	5,487	6,461
Changes in working capital		
Net changes in current assets	(1,099)	494
Net changes in current liabilities	684	(1,169)
Cash generated from operations	5,072	5,786
Interest received	385	465
Interest paid	(56)	(78)
Net income tax paid	(1,470)	(384)
Net cash generated from operating activities	3,931	5,789
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment		
- payments for purchases	(22,609)	(473)
- proceeds from disposals	-	199
Dividend received from associate	-	184
Withdrawal/(Placement) of fixed income funds & quoted unit trusts	13,758	(17,119)
Net change in pledged deposits	550	884
Distribution income from income funds	276	538
Additions in other investments	(1,619)	-
Additions in investment properties	(1,415)	(1,485)
(Advances to)/Repayments from associates	26	1,258
Repayment from a former subsidiary	-	8,201
Net cash used in investing activities	(11,033)	(7,813)
CASH FLOW FROM FINANCING ACTIVITIES		
Net payments of finance lease	(127)	(125)
Proceeds from issuance of new shares	7,848	-
Net cash generated from/(used in) financing activities	7,721	(125)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	619	(2,149)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	14,793	16,942
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	15,412	14,793
Cash and cash equivalents at end of the financial year comprise of:-		
Cash at banks and in hand	15,801	13,750
Cash deposits with licensed banks	8,372	8,922
Bank overdrafts	(389)	(136)
	23,784	22,536
Less: Cash deposits with licensed banks under lien	(8,372)	(7,743)
	15,412	14,793

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 2019 and the accompanying explanatory notes attached to the interim financial report.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FORTH FINANCIAL QUARTER & FINANCIAL YEAR ENDED 30 NOVEMBER 2020

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 2019 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 2019.

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 2019, except for the adoption of the amendments/improvements that are mandatory for the current financial year.

(i) New MFRSs and 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 16 as disclosed below:-

MFRS 16 Leases

Currently under MFRS 117 Leases, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from the finance leases. MFRS 16 eliminates the distinction between finance and operating leases for lessees. Instead, all leases are brought onto the statement of financial position except for short-term and low value asset leases.

On adoption of this standard, the Group is required to capitalise its rented premises and equipment on the statements of financial position by recognising them as “rights-of-use” assets and their corresponding lease liabilities for the present value of future lease payments.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of office equipment and rented premises that have a lease term of 12 months or less and leases of low value assets based on the value of the underlying asset when new, such as office equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The adoption of MFRS 16 has no significant financial impact to the Group and the Company.

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2. Significant Accounting Policies (Cont'd)

(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 not yet effective for the Group's current financial year.

3. Audit Qualification

The audit report of the Group's financial statements for the financial year ended 30 November 2019 did not contain any qualification.

4. Seasonal or cyclical Factors

The Group's operations are not affected 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.

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 year.

8. Dividends Paid

There was no dividend paid during the financial year ended 30 November 2020.

9. Property, Plant and Equipment

(i) Valuation

Property, plant and equipment which are stated at cost have been brought forward without amendment from the previous annual financial statements.

(ii) Material acquisition or disposal

There was no material acquisition or disposal of property, plant and equipment by the Group other than as mentioned below:-

During the financial year, the additions to property, plant and equipment mainly comprised the freehold industrial land together with a four storeys office/factory building located at Bandar Glenmarie, Selangor amounting RM18.88 million. The incidental expenses capitalized in respect of the acquisition of this property amounted to approximately RM1.0 million.

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10. Segmental Reporting

The Group's segment information for the financial year ended 30 November 2020 is as follows:-

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.

12 months ended 30 November 2020

GROUP	Information & Communication Technology ("ICT") RM'000	Telecommunications, Infrastructure & Services ("TIS") RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
SEGMENT REVENUE					
External revenue	44,227	11,488	298	-	56,013
Inter-segment revenue	219	-	3,431	(3,650)	-
Total revenue	44,446	11,488	3,729	(3,650)	56,013

SEGMENT RESULTS	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000
Profit/(Loss) from operations	5,457	1,013	(702)	5,768
Finance costs	(48)	(8)	-	(56)
Share of associates' results	292	42	-	334
Profit/(Loss) before taxation	5,701	1,047	(702)	6,046
Taxation	(1,505)	(228)	-	(1,733)
Profit/(Loss) for the year	4,196	819	(702)	4,313

FINANCIAL POSITION As at 30 November 2020	ICT M'000	TIS RM'000	Others RM'000	Consolidated RM'000
Total segment assets	32,046	10,492	36,570	79,108
Total segment liabilities	13,473	2,850	600	16,923

Other segment information	ICT M'000	TIS RM'000	Others RM'000	Consolidated RM'000
Capital expenditure:				
- additions to property, plant and equipment	629	328	21,652	22,609
- additions to investment properties	-	-	1,415	1,415
Depreciation of property, plant and equipment	620	228	139	987

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

12 months ended 30 November 2019

GROUP	ICT RM'000	TIS RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
SEGMENT REVENUE					
External revenue	53,972	9,198	-	-	63,170
Inter-segment revenue	943	229	6,576	(7,748)	-
Total revenue	<u>54,915</u>	<u>9,427</u>	<u>6,576</u>	<u>(7,748)</u>	<u>63,170</u>

SEGMENT RESULTS	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000
Profit/(Loss) from operations	6,293	864	(1,129)	6,028
Finance costs	(58)	(20)	-	(78)
Share of associates' results	346	-	-	346
Profit/(Loss) before taxation	<u>6,581</u>	<u>844</u>	<u>(1,129)</u>	<u>6,296</u>
Taxation	(1,572)	(20)	124	(1,468)
Profit/(Loss) for the year	<u>5,009</u>	<u>824</u>	<u>(1,005)</u>	<u>4,828</u>

FINANCIAL POSITION As at 30 November 2019	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000
Total segment assets	<u>26,550</u>	<u>13,312</u>	<u>25,636</u>	<u>65,498</u>
Total segment liabilities	<u>11,279</u>	<u>3,732</u>	<u>463</u>	<u>15,474</u>

<u>Other segment information</u>	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000
Capital expenditure:				
- additions to property, plant and equipment	190	269	14	473
- additions to investment properties	-	-	1,485	1,485
Depreciation of property, plant and equipment	<u>744</u>	<u>182</u>	<u>17</u>	<u>943</u>

11. Material Event Subsequent to the End of Financial Period

There was no material event subsequent to the end of the financial year ended 30 November 2020 that has not been reflected in the financial statements or to be disclosed as at the date of this report other than the corporate proposals mentioned in Paragraph 15(ii) of Page 10 to this quarterly 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 year except as mentioned below:-

- (i) On 11 December 2019, Amtel Resources Sdn Bhd (“ARSB”) a wholly-owned subsidiary of the Company, disposed of 68% equity shares in WAMM Bersekutu Sdn. Bhd. (“WAMM”) (formerly known as Amtel Networks Sdn. Bhd.). As a result, ARSB’s equity interest in WAMM has been reduced from 100% to 32%; and
- (ii) On 13 January 2020, Amtel Cellular Sdn. Bhd. (“AMCSB”), a wholly-owned subsidiary of the Company incorporated a subsidiary namely Amtel Intelligence Sdn. Bhd. (“AISB”) with the subscription of 2 ordinary shares representing 100% equity interest in AISB for a cash consideration of RM2. On 16 June 2020, AISB increased its issued share capital from RM2 to RM500,000 and the entire 499,998 additional ordinary shares were allotted to and subscribed by AMCSB.

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 2019, except for the following:-

	As At 30/11/2020
Company	
<u>Contingent Liabilities – Secured</u>	RM’000
The maximum exposure to credit risk amounts representing the outstanding credit facilities of the subsidiaries and associate company guaranteed by the Company	<u>475</u>
Group	
<u>Contingent Liabilities – Secured*</u>	
Bank guarantees	<u>542</u>

* The bank guarantees are secured against the fixed deposit of the associate company.

At the reporting date, there was no indication that these subsidiaries and associates will default on their repayments.

14. Capital and Other Commitments

The Group and the Company have entered into the following capital commitments as at 30 November 2020:-

	As At 30/11/2020 RM’000
Group	
Approved and contracted for:-	
- Purchase of investment properties	1,013
- Property, plant and equipment	<u>3,601</u>
	<u>4,614</u>

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15. Significant Events During the Financial Quarter

(i) Private Placement

On 7 September 2020, the Company announced that it intends to undertake a private placement of up to twenty percent (20%) of the total number of issued shares of AHB to third party investor(s) ("Proposed Private Placement"). The application for the listing of and quotation for up to 10,839,413 Placement Shares was approved by Bursa Malaysia Securities Berhad (Bursa Securities) on 21 September 2020, subject to certain terms and conditions.

On 19 October 2020, the Company allotted 10,839,000 Placement Shares at an issue price of RM0.724 per share, which raised total proceeds of RM7,847,436. These shares were listed and quoted on the Main Market of Bursa Securities on 20 October 2020. Arising therefrom, the issued share capital of the Company increased from the existing RM32,301,203 to RM40,148,639.

(ii) Proposed Bonus Issue of Shares and Proposed Issue of Free Warrants

On 19 November 2020, the Company announced that it intends to undertake the following:-

a) Proposed Bonus Issue of Shares

Bonus issue of up to 32,518,033 new ordinary shares in the Company on the basis of 1 Bonus Share for every 2 existing shares held on an entitlement date to be determined and announced later by the board of directors ("Board") of the Company; and

b) Proposed Issue of Free Warrants

Issuance of up to 48,777,049 free warrants in the Company on the basis of 1 warrant for every 2 shares held on an entitlement date, which will be after the bonus entitlement date, to be determined and announced later by the Board.

The Proposed Bonus Issue of Shares and Proposed Issue of Free Warrants are collectively referred to as the "Proposals".

The Proposals were approved by Bursa Securities on 15 December 2020 and by the Company's shareholders at the Extraordinary General Meeting held on 27 January 2021.

Please refer to our announcements to Bursa dated 19 November 2020, 8 December 2020, 15 December 2020, 31 December 2020, 4 January 2021 and 27 January 2021 for further details on the above Proposals.

16. Related Party Transactions

There is no related party transaction entered into by the Company and/or its subsidiaries during the financial year.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH FINANCIAL QUARTER & FINANCIAL YEAR ENDED 30 NOVEMBER 2020

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

1. Review of Performance

For the current quarter ended 30 November 2020, the Group achieved revenue of RM20.37 million and profit after tax of RM1.17 million, as compared to revenue of RM17.41 million and profit after tax of RM2.03 million in the previous year corresponding quarter. The improved revenue during the current quarter was mainly driven by higher sales generated by both the ICT and TIS segments. Despite the improvement in revenue, the Group's lower profit after tax for the current quarter was mainly attributed to the write down of inventories in the ICT segment and the write off of professional, consultancy fees and certain initial expenses on the acquisition of the four-storey office building amounting RM163,000 and RM542,000 respectively.

For the twelve months' financial performance, the Group registered total revenue of RM56.01 million which is approximately 11.3% lower compared to revenue of RM63.17 million in the previous financial year. The lower revenue recorded in current financial year was primarily due to the enforcement of the Movement Control Order ("MCO") by our Government which disrupted the Group's business activities in the second financial quarter. However, with the resumption of the Group's business operations after the relaxation of MCO in May 2020, the Group was able to report a profit after tax of RM4.31 million for the financial year ended 30 November 2020, as compared to RM4.83 million recorded in the previous financial year.

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	Changes %	Current Year	Preceding Year	Changes %
	30/11/2020 RM'000	30/11/2019 RM'000		30/11/2020 RM'000	30/11/2019 RM'000	
Segment revenue	16,083	13,492	19.2	44,227	53,972	-18.1
Segment profit after taxation	1,255	1,508	-16.8	4,196	5,009	-16.2

For the current financial quarter, ICT segment reported revenue of RM16.08 million which is approximately 19.2% higher as compared to revenue of RM13.49 million posted in the previous year corresponding quarter. Despite the increase in revenue, the segment's lower profit after tax for the current quarter was mainly attributed to the write down/off of inventories and the professional, consultancy fees and certain initial expenses on the acquisition of the four-storey office building amounting RM163,000 and RM323,000 respectively

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1. Review of Performance (Cont'd)

ICT Segment (Cont'd)

The segment revenue of RM44.23 million for the current financial year is approximately 18.1% lower than RM53.97 million reported in the preceding financial year. The drop in sales for the financial year was mainly due to the disruption in business activities during MCO in the second financial quarter of 2020. The resumption of normal business operations and improved production activities came about after May 2020 saw the increase in customers' demand and higher sales orders. This had led to higher sales reported in the second half of financial year 2020 and a profit after tax of RM4.20 million was posted for the current financial year.

TIS Segment

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

	Preceding		Changes	Preceding		Changes
	Current	Year		Current	Year	
	Quarter	Quarter		Year	Year	
	30/11/2020	30/11/2019		30/11/2020	30/11/2019	
	RM'000	RM'000	%	RM'000	RM'000	%
Segment revenue	4,201	3,916	7.2	11,488	9,198	24.9
Segment profit after taxation	156	749	-79.2	819	824	-0.6

For the current financial quarter, the segment revenue of RM4.20 million is approximately 7.2% higher as compared to revenue of RM3.92 million recorded in the previous year corresponding quarter. However, the lower profit after tax reported in the current quarter was mainly because of the reduced margins on the on-going civil infrastructure project works due to competitive pricing and the charge out of some renovation costs amounting RM219,000 at the four-storey office building.

The segment revenue for the current financial year of RM11.49 million was higher by 24.9% as compared to RM9.20 million posted in the preceding financial year. Despite the temporary disruption in infrastructure works activities in the second financial quarter of 2020 due to MCO, TIS segment was able to deliver a higher revenue and reported a profit after tax during the current financial year in tandem with the overall increase in its revenue and better cost management.

Others Segment

Others segment comprised inter-group dividends, management fees income and corporate related expenses. Lower loss was posted in the current financial year mainly due to the emergence of rental income received from the letting of a section of the four-storey office/factory building.

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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 30/11/2020 RM'000	Immediate Preceding Quarter 31/8/2020 RM'000	Changes %
Total revenue	20,371	17,724	14.9
Profit before taxation	1,951	2,566	-24.0
Profit after taxation	1,173	2,027	-42.1

The improved revenue during the current quarter was mainly driven by higher sales reported by both the ICT and TIS segments. Despite the improvement in revenue, the Group's lower profit before tax for the current quarter was mainly attributed to the write down/off of inventories in the ICT segment and the professional, consultancy fees and certain initial expenses on the acquisition of the four-storey office building.

3. Commentary on the Group's Prospects

The continuous imposition of the MCO by our government is expected to cause some disruption to our Group's business activities and the financial impact has yet to be determined.

Despite these challenges, the Group will continue to focus on its core ICT business activities and undertake progressive strategies to expand and enhance its products variety to strengthen its sales and long-term growth. The Group will also realign costs and practice prudent spending to remain resilient through this challenging time. Therefore, barring any further unforeseen circumstances, we are optimistic that the Group's overall performance will remain positive in the next financial year.

4. Variances of Actual Profit from Forecast Profit

Not applicable.

5. Status of Corporate Proposals

There are no corporate proposals announced, but yet to be completed as at the date of issue of this quarterly report other than the corporate proposals mentioned in Paragraph 15(ii) of Page 10 to this quarterly report.

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6. Tax Expense

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

	Preceding Year		Current Year	Preceding Year
	Current Quarter	Corresponding Quarter		
	30/11/2020	30/11/2019	30/11/2020	30/11/2019
	RM'000	RM'000	RM'000	RM'000
<u>Tax expense:-</u>				
Based on results for the year	(867)	(798)	(1,819)	(2,075)
Under provision in prior years	-	(17)	-	(17)
Transfer to deferred tax assets	89	-	86	-
Transferred from deferred tax liability	-	465	-	500
	<u>(778)</u>	<u>(350)</u>	<u>(1,733)</u>	<u>(1,592)</u>
<u>Real property gain tax</u>				
Over provision in prior financial year	-	-	-	124
Total	<u>(778)</u>	<u>(350)</u>	<u>(1,733)</u>	<u>(1,468)</u>

The effective tax rate of the Group for current quarter and financial year was higher than the statutory tax rate mainly due to certain expenses which were not deductible for tax purposes.

7. Group Borrowings and Debt Securities

The Group's total borrowings (all denominated in Ringgit Malaysia) as at 30 November 2020 are as follows:-

	As at 30/11/2020 (Unaudited) RM'000	As at 30/11/2019 (Audited) RM'000
(i) <u>Short Term Borrowings:-</u>		
- <u>Secured</u>		
Overdrafts	<u>389</u>	<u>136</u>
Finance leases payable within the next 12 months	<u>110</u>	<u>127</u>
(ii) <u>Long Term Borrowings:-</u>		
Finance leases payable after the next 12 months	<u>130</u>	<u>240</u>

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

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8. Other Investments – Non-current Assets

Included in other investments of the Group was investments in quoted shares amounting RM1.73 million as at 30 November 2020 (30 November 2019: RM nil).

There was no disposal of quoted shares during the quarter under review.

9. Earnings Per Share

(i) Basic earnings per share

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

	Current Quarter 30/11/2020	Preceding Year Corresponding quarter 30/11/2019	Current Year 30/11/2020	Preceding Year 30/11/2019
Profit after tax attributable to owners of the Company	1,173	2,027	4,313	4,828
Weighted average number of shares (unit)	55,470,500	54,197,066	55,470,500	54,197,066
Basic earnings per share (sen)	2.11	3.74	7.78	8.91

(ii) Diluted earnings per share

Not applicable.

10. Material Litigation

There were no material litigations as at the date of issue of this quarterly report.

11. Dividend

The Board of Directors does not recommend any payment of dividend for the current financial year ended 30 November 2020.

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12. Notes to the Condensed Consolidated Statement of Profit Or Loss and Comprehensive Income

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

Group	Current	Preceding	Current	Preceding
	Quarter	Year	Year	Year
	30/11/2020	Corresponding	30/11/2020	30/11/2019
	RM'000	Quarter	RM'000	RM'000
		30/11/2019		
		RM'000		
1. Interest income	(71)	(247)	(385)	(456)
2. Distribution income from income funds	(21)	(153)	(276)	(538)
3. Other income excluding interest and dividend income	(27)	(184)	(137)	(319)
4. Interest expense	14	16	56	78
5. Depreciation of property, plant & equipment	285	241	987	943
6. (Gain)/Loss on disposal of property, plant & equipment	-	-	-	(24)
7. Net foreign exchange loss/(gain)	(37)	(65)	(22)	(32)
8. Net provision/(reversal) of warranty costs	271	42	348	497
9. Inventories written down	163	15	264	15
10. Inventories written off	64	8	64	8
11. Property, plant & equipment written off	4	1	4	1
12. Fair value gain on other investments	(114)	-	(114)	-

By Order of the Board
AMTEL HOLDINGS BERHAD

TEE LEE LENG
Company Secretary