

28 July 2020



**AMTEL HOLDINGS BERHAD**

*[Registration No.: 199601037096 (409449-A)]*

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE SECOND FINANCIAL QUARTER ENDED 31 MAY 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 PERIOD ENDED 31 MAY 2020**  
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT PERIOD QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT PERIOD	PRECEDING PERIOD
	31-05-2020	31-05-2019	31-05-2020	31-05-2019
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>6,554</b>	16,919	<b>17,918</b>	30,558
Operating expenses	<b>(6,568)</b>	(15,611)	<b>(16,875)</b>	(28,478)
Other operating income	<b>201</b>	286	<b>520</b>	479
Profit from operations	<b>187</b>	1,594	<b>1,563</b>	2,559
Finance costs	<b>(10)</b>	(19)	<b>(28)</b>	(41)
Share of results of associates	<b>(4)</b>	71	<b>(6)</b>	154
<b>Profit before taxation</b>	<b>173</b>	1,646	<b>1,529</b>	2,672
Taxation	<b>(43)</b>	(474)	<b>(416)</b>	(770)
<b>Profit for the financial period</b>	<b>130</b>	1,172	<b>1,113</b>	1,902
<b>Other comprehensive income, net of tax</b>				
Items that may be reclassified subsequently to Profit or Loss:				
Foreign currency translation	<b>2</b>	1	<b>2</b>	1
<b>Total comprehensive income for the financial period</b>	<b>132</b>	<b>1,173</b>	<b>1,115</b>	<b>1,903</b>
<u>Profit Attributable to:-</u>				
Owners of the Company	<b>130</b>	1,172	<b>1,113</b>	1,902
Non-controlling Interests	-	-	-	-
	<b>130</b>	1,172	<b>1,113</b>	1,902
<u>Total Comprehensive Income Attributable to:-</u>				
Owners of the Company	<b>132</b>	1,173	<b>1,115</b>	1,903
Non-controlling Interests	-	-	-	-
	<b>132</b>	1,173	<b>1,115</b>	1,903
<u>Earnings Per Share Attributable to Owners of the Company :-</u>				
Basic (sen)	<b>0.24</b>	2.16	<b>2.05</b>	3.51
Fully Diluted (sen)	<b>N/A</b>	N/A	<b>N/A</b>	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)]  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MAY 2020**  
(The figures have not been audited)

	<u>UNAUDITED</u>	<u>AUDITED</u>
	AS AT CURRENT FINANCIAL PERIOD ENDED	AS AT PRECEDING FINANCIAL YEAR ENDED
	31/05/2020	30/11/2019
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	21,451	2,006
Investment Properties	2,017	1,654
Investments in Associates	1,244	1,216
Deferred Tax Assets	442	445
Other Investments	250	250
	<u>25,404</u>	<u>5,571</u>
<b>Current Assets</b>		
Inventories	4,699	3,850
Trade & Other Receivables	7,509	10,889
Contract Assets	275	1,321
Other Investments	8,543	21,195
Cash Deposits with Licensed Banks	8,906	8,922
Cash and Bank Balances	7,798	13,750
	<u>37,730</u>	<u>59,927</u>
<b>TOTAL ASSETS</b>	<u><b>63,134</b></u>	<u><b>65,498</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share Capital	32,301	32,301
Reserves	18,838	17,723
<b>Equity Attributable to Owners of the Parent</b>	<u>51,139</u>	<u>50,024</u>
Non-controlling Interests ("NCI")	-	-
<b>Total Equity</b>	<u><b>51,139</b></u>	<u><b>50,024</b></u>
<b>Non-Current Liabilities</b>		
Finance Lease Payables	122	240
Deferred Tax Liabilities	87	87
	<u>209</u>	<u>327</u>
<b>Current Liabilities</b>		
Trade & Other Payables	8,959	12,738
Provisions	1,110	1,012
Short Term Borrowings	485	136
Tax Liabilities	1,051	1,134
Finance Lease Payables	181	127
	<u>11,786</u>	<u>15,147</u>
<b>Total Liabilities</b>	<u><b>11,995</b></u>	<u><b>15,474</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>63,134</b></u>	<u><b>65,498</b></u>
Net assets per share attributable to owners of the parent (RM)	<b>0.9436</b>	<b>0.9230</b>

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.

**AMTEL HOLDINGS BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 MAY 2020**  
 (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		
<b>6 months ended 31 May 2020</b>							
<b>At 1 December 2019</b>	32,301	159	38	17,526	50,024	-	50,024
<b>Comprehensive Income:</b>							
Profit for the financial period	-	-	-	1,113	1,113	-	1,113
Other comprehensive income - foreign currency translation	-	-	2	-	2	-	2
Total comprehensive income for the financial period	-	-	2	1,113	1,115	-	1,115
<b>At 31 May 2020</b>	<b>32,301</b>	<b>159</b>	<b>40</b>	<b>18,639</b>	<b>51,139</b>	<b>-</b>	<b>51,139</b>
<b>6 months ended 31 May 2019</b>							
<b>At 1 December 2018</b>	32,301	159	37	12,698	45,195	-	45,195
<b>Comprehensive Income:</b>							
Profit/(Loss) for the financial period	-	-	-	1,902	1,902	-	1,902
Other comprehensive income - foreign currency translation	-	-	1	-	1	-	1
Total comprehensive income for the financial period	-	-	1	1,902	1,903	-	1,903
<b>At 31 May 2019</b>	<b>32,301</b>	<b>159</b>	<b>38</b>	<b>14,600</b>	<b>47,098</b>	<b>-</b>	<b>47,098</b>

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 PERIOD ENDED 31 MAY 2020**  
(The figures have not been audited)

	<b>CURRENT FINANCIAL PERIOD ENDED 31/05/2020 RM'000</b>	<b>PRECEDING FINANCIAL PERIOD ENDED 31/05/2019 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,529	2,672
Adjustments for:-		
Non-cash items	482	1,440
Non-operating items	(396)	(362)
Share of results of associates	6	(154)
Operating profit before changes in working capital	<u>1,621</u>	<u>3,596</u>
Changes in working capital		
Net changes in current assets	3,580	5,819
Net changes in current liabilities	(3,954)	(1,912)
Cash generated from operations	<u>1,247</u>	<u>7,503</u>
Interest received	161	147
Interest paid	(28)	(41)
Net income tax paid	(297)	(235)
Net cash generated from operating activities	<u>1,083</u>	<u>7,374</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment		
- payments for purchases	(19,931)	(264)
- proceeds from disposals	-	28
Withdrawal/(Placement) of fixed income funds & quoted unit trusts	12,872	(16,370)
Changes in pledged cash & cash equivalent under lien	(98)	-
Distribution income from income funds	220	232
Additions in investment properties	(363)	-
(Advances to)/Repayments from associates	(13)	1,288
Net cash used in investing activities	<u>(7,313)</u>	<u>(15,086)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net payments of finance lease	(64)	(62)
Net cash used in financing activities	<u>(64)</u>	<u>(62)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENT</b>	<b>(6,294)</b>	<b>(7,774)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>14,793</b>	<b>16,942</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b><u>8,499</u></b>	<b><u>9,168</u></b>
Cash and cash equivalents at end of the financial period comprise of:-		
Cash at banks and in hand	7,798	10,244
Cash deposits with licensed banks	8,906	8,699
Bank overdrafts	(485)	(1,076)
	<u>16,219</u>	<u>17,867</u>
Less: Cash deposits with licensed banks under lien	(7,720)	(8,699)
	<u>8,499</u>	<u>9,168</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 2019 and the accompanying explanatory notes attached to the interim financial report.

# AMTEL HOLDINGS BERHAD

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## UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 31 MAY 2020

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### 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 period.

##### (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.

Based on initial assessment, 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 period.

## 3. Audit Qualification

The audit report of the Group's financial statements for the year ended 30 November 2019 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.

## 7. Debt and Equity Securities.

There is no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and financial period to-date.

## 8. Dividends Paid

There was no dividend paid during the financial period ended 31 May 2020.

## 9. Property, Plant and Equipment

### (1) Valuation

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

### (2) 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 quarter, the additions to property, plant and equipment mainly comprised of 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 period ended 31 May 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.

### 6 months ended 31 May 2020

<b>GROUP</b>	<b>Information &amp; Communication Technology ("ICT")</b> RM'000	<b>Telecommunications, Infrastructure &amp; Services ("TIS")</b> RM'000	<b>Others</b> RM'000	<b>Elimination</b> RM'000	<b>Consolidated</b> RM'000
<b>SEGMENT REVENUE</b>					
External revenue	15,777	2,057	84	-	17,918
Inter-segment revenue	109	-	2,838	(2,947)	-
<b>Total revenue</b>	<b>15,886</b>	<b>2,057</b>	<b>2,922</b>	<b>(2,947)</b>	<b>17,918</b>

<b>SEGMENT RESULTS</b>	<b>ICT</b> RM'000	<b>TIS</b> RM'000	<b>Others</b> RM'000	<b>Consolidated</b> RM'000
Profit/(Loss) from operations	1,852	(65)	(224)	1,563
Finance costs	(24)	(4)	-	(28)
Share of associates' results	(7)	1	-	(6)
Profit/(Loss) before taxation	1,821	(68)	(224)	1,529
Taxation	(402)	-	(14)	(416)
<b>Profit/(Loss) for the period</b>	<b>1,419</b>	<b>(68)</b>	<b>(238)</b>	<b>1,113</b>

<b>FINANCIAL POSITION</b> <b>As at 31 May 2020</b>	<b>ICT</b> M'000	<b>TIS</b> RM'000	<b>Others</b> RM'000	<b>Consolidated</b> RM'000
Total segment assets	23,033	9,350	30,751	63,134
Total segment liabilities	7,937	3,648	410	11,995

<b>Other segment information</b>	<b>ICT</b> M'000	<b>TIS</b> RM'000	<b>Others</b> RM'000	<b>Consolidated</b> RM'000
Capital expenditure:				
- additions to property, plant and equipment	4	47	19,880	19,931
- additions to investment properties	-	-	363	363
Depreciation of property, plant and equipment	310	107	34	451



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

#### 6 months ended 31 May 2019

GROUP	ICT RM'000	TIS RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<b>SEGMENT REVENUE</b>					
External revenue	27,699	2,859	-	-	30,558
Inter-segment revenue	679	91	576	(1,346)	-
Total revenue	<u>28,378</u>	<u>2,950</u>	<u>576</u>	<u>(1,346)</u>	<u>30,558</u>
<b>SEGMENT RESULTS</b>					
	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000	
Profit/(Loss) from operations	3,018	55	(514)	2,559	
Finance costs	(32)	(9)	-	(41)	
Share of associates' results	154	-	-	154	
Profit/(Loss) before taxation	<u>3,140</u>	<u>46</u>	<u>(514)</u>	<u>2,672</u>	
Taxation	(762)	-	(8)	(770)	
Profit/(Loss) for the period	<u>2,378</u>	<u>46</u>	<u>(522)</u>	<u>1,902</u>	
<b>FINANCIAL POSITION</b>					
<b>As at 31 May 2019</b>					
Total segment assets	<u>26,712</u>	<u>12,731</u>	<u>23,732</u>	<u>63,175</u>	
Total segment liabilities	<u>12,153</u>	<u>3,666</u>	<u>258</u>	<u>16,077</u>	
<b>Other segment information</b>					
	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000	
Capital expenditure:					
- additions to property, plant and equipment	137	198	14	349	
- additions to investment properties	-	-	-	-	
Depreciation of property, plant and equipment	<u>372</u>	<u>84</u>	<u>9</u>	<u>465</u>	

### 11. Material Event Subsequent to the End of Financial Period

There was no material event subsequent to the end of the financial period ended 31 May 2020 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 except as mentioned below:-

- (a) 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
- (b) 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.

### 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 31/5/2020
<b>Company</b>	
<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>940</u>
<b>Group</b>	
<u>Contingent Liabilities – Secured*</u>	
Bank guarantees	<u>535</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 its repayments during the guarantee period.

### 14. Capital and Other Commitments

The Group and the Company have entered into the following capital commitments as at 31 May 2020:-

	As At 31/5/2020 RM’000
<b>Group</b>	
Approved and contracted for:-	
Purchase of investment properties	<u>2,074</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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## UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 31 MAY 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 31 May 2020, the Group recorded a total revenue of RM6.55 million and profit after tax of approximately RM130,000, as compared to revenue of RM16.92 million and profit after tax of RM1.17 million reported in the previous year corresponding quarter. The main reason for the current quarter's drop in the performance both in the ICT and TIS segments was primarily due to the enforcement of the Movement Control Order ("MCO") by our Government to curb the spread of COVID-19 pandemic. The MCO had halted the Group's business activities from 18 March 2020 until mid May 2020.

For the six months performance, the Group posted a total revenue of RM17.92 million which is approximately 41.4% lower than RM30.56 million reported in the preceding year corresponding period. In line with the drop in revenue, the Group registered a lower profit after tax of RM1.11 million for current financial period as compared to profit after tax of RM1.90 million achieved in the previous year corresponding period.

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

#### ICT Segment

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

	Current Quarter	Preceding Year Quarter	Changes	Current Year 6 Months	Preceding Year 6 Months	Changes
	31/5/2020 RM'000	31/5/2019 RM'000	%	31/5/2020 RM'000	31/5/2019 RM'000	%
Segment revenue	5,490	15,132	-63.7	15,777	27,699	-43.0
Segment profit after taxation	321	1,277	-74.9	1,419	2,378	-40.3

The segment revenue of RM5.49 million and RM15.78 million for the current quarter and period to date is approximately 63.7% and 43.0% lower than RM15.13 million and RM27.70 million respectively reported in the preceding year corresponding quarter and period to date. Consequently, a lower profit after tax was posted both during the current quarter and financial period.

The drop in sales was caused by the decrease in sales orders and delay in deliveries by customers whose operations were disrupted due to the MCO. Although our ICT segment received the Ministry of International Trade and Industry's ("MITI") approval to resume operations during phase 3 of MCO, our operations resumed gradually in stages during May 2020 to ensure the work processes are in compliance with MITI's Standard Operating Procedures ("SOPs") while we worked towards meeting the sales orders and deliveries requested by customers. The segment profit after tax for the current quarter was achieved via implementation of cost cutting and austerity measures to cushion the negative impact.

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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 Quarter	Changes	Current Year 6 Months	Preceding Year 6 Months	Changes
	31/5/2020 RM'000	31/5/2019 RM'000	%	31/5/2020 RM'000	31/5/2019 RM'000	%
Segment revenue	980	1,787	-45.16	2,057	2,859	48.9
Segment profit/(loss) after taxation	<u>(114)</u>	<u>142</u>		<u>(68)</u>	<u>46</u>	

TIS segment's revenue for current quarter was lower as compared to preceding year corresponding quarter. The decrease was mainly caused by the slowdown in civil infrastructure works due to the enforcement of MCO and lower progress billings. Thus, TIS segment reported a loss after tax during the current quarter and financial period as opposed to profit after tax posted in the previous year corresponding quarter and period.

#### Others Segment

Higher inter-segment revenue was reported in the current quarter mainly due to dividend income received by the company from subsidiary. With inter-company's 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. However, lower loss was reported in the current period mainly due to rental received from letting of a partial of the four-storey office/factory building and savings from austerity measures undertaken during the quarter.

### 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
	31/5/2020 RM'000	29/02/2020 RM'000	%
<u>Continuing operations:</u>			
Total revenue	6,554	11,364	-42.3
Profit before taxation	173	1,356	-87.2
Profit after taxation	<u>130</u>	<u>983</u>	-86.8

The Group's revenue for the current financial quarter decreased to RM6.55 million as compared to immediate preceding quarter of RM11.36 million, mainly attributed to lower sales registered by both the ICT and TIS segments. As a result, a lower profit after tax is reported in the current financial quarter.

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### 3. Commentary on the Group's Prospects

Since the onslaught of the COVID-19 and MCO, the Group has taken appropriate measures to reassess its business models and operations to adapt and adjust to the new normal. As can be seen from the current quarter's results, the Group is able to sustain and carry on its operations and recorded profit despite all the economic challenges.

With the uncertainties surrounding the economic condition as a consequence of the COVID-19 pandemic, the business environment will remain challenging in the immediate term. Nevertheless, we will continue to focus on our core ICT business and undertake proactive steps to respond to the changing environment and optimize our production capability and product mix to meet the demands of our customers. Henceforth, barring any unforeseen circumstances, the Group is optimistic in its prospect.

### 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:-

	Preceding Year		Preceding Year	
	Current Quarter	Corresponding Quarter	Current Period	Corresponding Period
	31/5/2020	31/5/2019	31/5/2020	31/5/2019
	RM'000	RM'000	RM'000	RM'000
<u>Tax expense:-</u>				
Based on results for the period	(43)	(499)	(413)	(795)
Reversal of deferred tax assets	-	-	(3)	-
Transferred from deferred tax liability	-	25	-	25
Total	<u>(43)</u>	<u>(474)</u>	<u>(416)</u>	<u>(770)</u>

The effective tax rate for the Group was higher than the statutory tax rate in the current quarter and financial period mainly due to losses of certain subsidiaries cannot be used to offset against profits of other companies in the Group

### 6. 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 as mentioned below:-

#### Proposed Share Buy-Back

On 4 March 2020, the Company announced that it intends to seek shareholders' approval in respect of the proposal to purchase the Company's shares of up to 10% of the issued share capital at the forthcoming Annual General Meeting ("AGM") of the Company. The Proposed Share Buy-Back was carried and passed at the AGM held on 15 July 2020. Please refer to our announcements to Bursa dated 4 March 2020 and 30 March 2020 for further details on the Proposed Share Buy-Back.

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### 7. Group Borrowings and Debt Securities

The Group's total borrowings (all denominated in Ringgit Malaysia) as at 31 May 2020 are as follows:-

	As at 31/5/2020 (Unaudited) RM'000	As at 30/11/2019 (Audited) RM'000
(1) <u>Short Term Borrowings:-</u>		
- <u>Secured</u> Overdrafts	<u>485</u>	<u>136</u>
- Finance leases payable within the next 12 months	<u>181</u>	<u>127</u>
(2) <u>Long Term Borrowings:-</u>		
- Finance leases payable after the next 12 months	<u>122</u>	<u>240</u>

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

### 8. 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.

### 9. Dividend

The Board of Directors does not recommend any payment of dividend for the current financial period ended 31 May 2020.

### 10. Earnings Per Share

#### (1) Basic earnings per share

The basic earnings per share for the current quarter and financial period is calculated by dividing the consolidated net profit attributable to owners of the Company of approximately RM130,000 and RM1.11 million respectively by the number of 54,197,066 ordinary shares in issue during the period.

#### (2) Diluted earnings per share

Not applicable.

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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	Preceding Year Corresponding Quarter	Current Period	Preceding Year Corresponding Period
	31/5/2020	31/5/2019	31/5/2020	31/5/2019
	RM'000	RM'000	RM'000	RM'000
1. Interest income	(88)	(73)	(161)	(147)
2. Distribution income from income funds	(58)	(165)	(220)	(232)
3. Other income excluding interest and dividend income	(53)	(23)	(79)	(67)
4. Interest expense	10	19	28	41
5. Depreciation of property, plant & equipment	237	234	451	465
6. (Gain)/Loss on disposal of property, plant & equipment	-	(1)	-	(8)
7. Net foreign exchange loss/(gain)	8	18	6	20
8. Net provision of warranty costs	89	165	187	305

By Order of the Board  
**AMTEL HOLDINGS BERHAD**

**TEE LEE LENG**  
Company Secretary