

28 October 2020



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

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD FINANCIAL QUARTER ENDED 31 AUGUST 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 AUGUST 2020

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT PERIOD	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT PERIOD	PRECEDING PERIOD
	31-08-2020	31-08-2019	31-08-2020	31-08-2019
	RM'000	RM'000	RM'000	RM'000
Revenue	17,724	15,204	35,642	45,762
Operating expenses	(15,602)	(14,345)	(32,477)	(42,823)
Other operating income	244	329	764	808
Profit from operations	2,366	1,188	3,929	3,747
Finance costs	(14)	(21)	(42)	(62)
Share of results of associates	214	80	208	234
Profit before taxation	2,566	1,247	4,095	3,919
Taxation	(539)	(348)	(955)	(1,118)
Profit for the financial period	2,027	899	3,140	2,801
Other comprehensive income, net of tax				
<i>Items that may be reclassified subsequently to Profit or Loss:</i>				
Foreign currency translation	(1)	-	1	1
<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)	-	(25)	-
Total comprehensive income for the financial period	2,001	899	3,116	2,802
<u>Profit After Tax Attributable to:-</u>				
Owners of the Company	2,027	899	3,140	2,801
Non-controlling Interests	-	-	-	-
	2,027	899	3,140	2,801
<u>Total Comprehensive Income Attributable to:-</u>				
Owners of the Company	2,001	899	3,116	2,802
Non-controlling Interests	-	-	-	-
	2,001	899	3,116	2,802
<u>Earnings Per Share Attributable to Owners of the Company :-</u>				
Basic (sen)	3.74	1.66	5.79	5.17
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 31 AUGUST 2020
 (The figures have not been audited)

	<u>UNAUDITED</u>	<u>AUDITED</u>
	AS AT CURRENT FINANCIAL PERIOD ENDED <u>31/08/2020</u> RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED <u>30/11/2019</u> RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	21,537	2,006
Investment Properties	3,121	1,654
Investments in Associates	1,458	1,216
Deferred Tax Assets	442	445
Other Investments	1,690	250
	<u>28,248</u>	<u>5,571</u>
Current Assets		
Inventories	4,694	3,850
Trade & Other Receivables	11,535	10,889
Contract Assets	1,913	1,321
Other Investments	6,060	21,195
Cash Deposits with Licensed Banks	9,532	8,922
Cash and Bank Balances	6,801	13,750
	<u>40,535</u>	<u>59,927</u>
	<u>68,783</u>	<u>65,498</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity		
Share Capital	32,301	32,301
Reserves	20,839	17,723
Equity Attributable to Owners of the Parent	<u>53,140</u>	<u>50,024</u>
Non-controlling Interests ("NCI")	-	-
Total Equity	<u>53,140</u>	<u>50,024</u>
Non-Current Liabilities		
Finance Lease Payables	160	240
Deferred Tax Liabilities	87	87
	<u>247</u>	<u>327</u>
Current Liabilities		
Trade & Other Payables	11,656	12,738
Provisions	1,249	1,012
Short Term Borrowings	1,018	136
Tax Liabilities	1,360	1,134
Finance Lease Payables	113	127
	<u>15,396</u>	<u>15,147</u>
Total Liabilities	<u>15,643</u>	<u>15,474</u>
	<u>68,783</u>	<u>65,498</u>
TOTAL EQUITY AND LIABILITIES		
Net assets per share attributable to owners of the parent (RM)	0.9805	0.9230

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 PERIOD ENDED 31 AUGUST 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		
9 months ended 31 August 2020							
At 1 December 2019	32,301	159	38	17,526	50,024	-	50,024
Comprehensive Income:							
Profit for the financial period	-	-	-	3,140	3,140	-	3,140
Other comprehensive income/(loss)	-	(25)	1	-	(24)	-	(24)
Total comprehensive income for the financial period	-	(25)	1	3,140	3,116	-	3,116
At 31 August 2020	32,301	134	39	20,666	53,140	-	53,140
9 months ended 31 August 2019							
At 1 December 2018	32,301	159	37	12,698	45,195	-	45,195
Comprehensive Income:							
Profit for the financial period	-	-	-	2,801	2,801	-	2,801
Other comprehensive income/(loss)	-	-	1	-	1	-	1
Total comprehensive income for the financial period	-	-	1	2,801	2,802	-	2,802
At 31 August 2019	32,301	159	38	15,499	47,997	-	47,997

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 AUGUST 2020
(The figures have not been audited)

	CURRENT FINANCIAL PERIOD ENDED 31/08/2020 RM'000	PRECEDING FINANCIAL PERIOD ENDED 31/08/2019 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	4,095	3,919
Adjustments for:-		
Non-cash items	539	1,493
Non-operating items	(973)	(657)
Share of results of associates	(208)	(234)
Operating profit before changes in working capital	<u>3,453</u>	<u>4,521</u>
Changes in working capital		
Net changes in current assets	(2,066)	7,412
Net changes in current liabilities	(1,336)	(384)
Cash generated from operations	<u>51</u>	<u>11,549</u>
Interest received	314	209
Interest paid	(42)	(62)
Net income tax paid	(528)	(335)
Net cash (used in)/generated from operating activities	<u>(205)</u>	<u>11,361</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment		
- payments for purchases	(20,217)	(264)
- proceeds from disposals	-	36
Withdrawal/(Placement) of fixed income funds & quoted unit trusts	15,390	(12,070)
Distribution income from income funds	255	385
Additions in other investments	(1,465)	-
Additions in investment properties	(1,467)	-
(Advances to)/Repayments from associates	(3)	1,302
Net cash used in investing activities	<u>(7,507)</u>	<u>(10,611)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net payments of finance lease	(94)	(98)
Net cash used in financing activities	<u>(94)</u>	<u>(98)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT	(7,806)	652
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	14,793	16,942
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>6,987</u>	<u>17,594</u>
Cash and cash equivalents at end of the financial period comprise of:-		
Cash at banks and in hand	6,801	17,849
Cash deposits with licensed banks	9,532	8,727
Bank overdrafts	(1,018)	(255)
	<u>15,315</u>	<u>26,321</u>
Less: Cash deposits with licensed banks under lien	(8,328)	(8,727)
	<u>6,987</u>	<u>17,594</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.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 AUGUST 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 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 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 period to-date.

8. Dividends Paid

There was no dividend paid during the financial period ended 31 August 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 period, 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 period ended 31 August 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.

9 months ended 31 August 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	28,144	7,287	211	-	35,642
Inter-segment revenue	165	-	3,123	(3,288)	-
Total revenue	28,309	7,287	3,334	(3,288)	35,642

SEGMENT RESULTS	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000
Profit/(Loss) from operations	3,607	772	(450)	3,929
Finance costs	(36)	(6)	-	(42)
Share of associates' results	175	33	-	208
Profit/(Loss) before taxation	3,746	799	(450)	4,095
Taxation	(805)	(136)	(14)	(955)
Profit/(Loss) for the period	2,941	663	(464)	3,140

FINANCIAL POSITION As at 31 August 2020	ICT M'000	TIS RM'000	Others RM'000	Consolidated RM'000
Total segment assets	27,535	10,497	30,751	68,783
Total segment liabilities	11,067	4,164	412	15,643

Other segment information	ICT M'000	TIS RM'000	Others RM'000	Consolidated RM'000
Capital expenditure:				
- additions to property, plant and equipment	49	288	19,880	20,217
- additions to investment properties	-	-	1,467	1,467
Depreciation of property, plant and equipment	460	164	78	702

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

9 months ended 31 August 2019

GROUP	ICT RM'000	TIS RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
SEGMENT REVENUE					
External revenue	40,480	5,282	-	-	45,762
Inter-segment revenue	844	229	2,778	(3,851)	-
Total revenue	<u>41,324</u>	<u>5,511</u>	<u>2,778</u>	<u>(3,851)</u>	<u>45,762</u>

SEGMENT RESULTS	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000
Profit/(Loss) from operations	4,533	91	(877)	3,747
Finance costs	(46)	(16)	-	(62)
Share of associates' results	234	-	-	234
Profit/(Loss) before taxation	<u>4,721</u>	<u>75</u>	<u>(877)</u>	<u>3,919</u>
Taxation	(1,220)	-	102	(1,118)
Profit/(Loss) for the period	<u>3,501</u>	<u>75</u>	<u>(775)</u>	<u>2,801</u>

FINANCIAL POSITION As at 31 August 2019	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000
Total segment assets	<u>27,041</u>	<u>12,909</u>	<u>25,229</u>	<u>65,179</u>
Total segment liabilities	<u>12,592</u>	<u>4,097</u>	<u>493</u>	<u>17,182</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	145	198	14	357
- additions to investment properties	-	-	-	-
Depreciation of property, plant and equipment	<u>557</u>	<u>132</u>	<u>13</u>	<u>702</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 August 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 proposal mentioned in Paragraph 6(ii) of Page 13 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 period 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 31/8/2020
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>1,483</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 its repayments.

14. Capital and Other Commitments

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

	As At 31/8/2020 RM’000
Group	
Approved and contracted for:-	
Purchase of investment properties	<u>1,013</u>

15. Related Party Transactions

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

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 AUGUST 2020

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

1. Review of Performance

For the quarter ended 31 August 2020, the Group posted total revenue of RM17.72 million and profit after tax of RM2.03 million, as compared to revenue of RM15.20 million and profit after tax of RM899,000 in the previous year corresponding quarter. The improved performance during the current quarter was mainly driven by higher sales and profit contributions from both the ICT and TIS segments.

For the nine months' financial performance, the Group registered total revenue of RM35.64 million which is approximately 22.1% lower compared to revenue of RM45.76 million in the previous year corresponding period. The lower revenue recorded in current period was primarily due to the enforcement of the Movement Control Order ("MCO") by our Government which halted the Group's business activities in the preceding financial quarter. However, with the resumption of business operations during the current quarter, the Group was able to report higher profit after tax of RM3.14 million for nine months ended 31 August 2020 as compared to RM2.80 million recorded 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 31/8/2020 RM'000	Preceding Year Quarter 31/8/2019 RM'000	Changes %	Current Year 9 Months 31/8/2020 RM'000	Preceding Year 9 Months 31/8/2019 RM'000	Changes %
Segment revenue	12,367	12,781	-3.2	28,144	40,480	-30.5
Segment profit after taxation	1,522	1,123	35.5	2,941	3,501	-16.0

The segment revenue of RM12.37 million and RM28.14 million for the current quarter and period to date is approximately 3.2% and 30.5% lower than RM12.78 million and RM40.48 million respectively reported in the preceding year corresponding quarter and financial period. The drop in sales was mainly due to the temporary halt in business activities during MCO in the preceding financial quarter.

The resumption of normal business operations during the current financial quarter saw the increase in demand and higher sales orders from customers. Hence, in tandem with the increase in sales and improved production activities, this segment registered a higher profit after tax and improved performance during the current financial quarter.

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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 9 Months	Preceding Year 9 Months	Changes
	31/8/2020 RM'000	31/8/2019 RM'000	%	31/8/2020 RM'000	31/8/2019 RM'000	%
Segment revenue	5,230	2,423	115.8	7,287	5,282	38.0
Segment profit/(loss) after taxation	<u>731</u>	<u>29</u>	2420.7	<u>663</u>	<u>75</u>	784.0

TIS segment's revenue for current quarter was higher as compared to preceding year corresponding quarter. The increase was mainly attributed to higher progress billings from the on-going projects. Despite the temporary halt in infrastructure works activities in the preceding financial quarter during the MCO, TIS segment clinched a higher profit after tax during the current financial period in tandem with the substantial increase in revenue during the current financial quarter.

Others Segment

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

2. Material Changes in the Profit After Tax for the Quarter Reported as Compared with the Immediate Preceding Quarter.

The Group's performance for the current financial quarter and the immediate preceding quarter are summarized as follows:-

	Current Quarter	Immediate Preceding Quarter	Changes
	31/8/2020 RM'000	31/5/2020 RM'000	%
Total revenue	17,724	6,554	170.4
Profit before taxation	2,566	173	1,383.2
Profit after taxation	<u>2,027</u>	<u>130</u>	1,459.2

The Group's lower performance reported in the preceding financial quarter was due to the MCO that caused the Group's business activities to be temporary halted. In tandem with the increase in sales and productions activities during the current financial quarter, the Group posted a higher revenue and profit contribution.

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3. Commentary on the Group's Prospects

While most economic activities have gradually resumed domestically, there may be disruptions to business activities from the imposition of new measures by our government to combat the resurgence of Covid-19.

Despite these challenges, the Group will continue to focus on our existing revenue generating business activities and undertake progressive strategies to realign cost structure and practice prudent spending to stay resilient. Leveraging on the existing engineering and product design expertise of the ICT segment, the Group will continue to roll out new products to enhance its competitiveness as well as strengthening the Group's performance. Therefore, barring any further unforeseen circumstances, the Group expects its overall performance for this financial year to be positive.

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
	31/8/2020	31/8/2019	31/8/2020	31/8/2019
	RM'000	RM'000	RM'000	RM'000
<u>Tax expense:-</u>				
Based on results for the period	(539)	(482)	(952)	(1,277)
Reversal of deferred tax assets	-	-	(3)	-
Transferred from deferred tax liability	-	10	-	35
	<u>(539)</u>	<u>(472)</u>	<u>(955)</u>	<u>(1,242)</u>
<u>Real property gain tax</u>				
Over provision in prior financial year	-	124	-	124
Total	<u>(539)</u>	<u>(348)</u>	<u>(955)</u>	<u>(1,118)</u>

The effective tax rate of the Group for current quarter and financial period was slightly lower than the statutory tax rate mainly due to tax-exempt dividends income.

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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:-

(i) Proposed Share Buy-Back

On 4 March 2020, the Company announced that it will seek shareholders' approval to purchase the Company's shares of up to 10% of the issued share capital at its 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.

(ii) 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.

7. Group Borrowings and Debt Securities

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

	As at 31/8/2020 (Unaudited) RM'000	As at 30/11/2019 (Audited) RM'000
(i) <u>Short Term Borrowings:-</u>		
- <u>Secured</u>		
Overdrafts	1,018	136
Finance leases payable within the next 12 months	113	127
(ii) <u>Long Term Borrowings:-</u>		
Finance leases payable after the next 12 months	160	240

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

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8. Other Investments

<u>Non-current</u>	Group	
	As at 31/8/2020 (Unaudited) RM'000	As at 30/11/2019 (Audited) RM'000
<u>At fair value</u>		
Transferable club membership	250	250
Quoted equity securities*	1,440	-
Total	1,690	250

* These investments are designated at fair value through other comprehensive income as the Group consider these investments as strategic long term investments and the volatility of market prices of these investments would not affect profit or loss.

There were no disposals of quoted equity securities 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 period as shown below:-

	Current Quarter	Preceding Year Corresponding quarter	Current Year	Preceding Year Corresponding Period
	31/8/2020	31/8/2019	31/8/2020	31/8/2019
Profit after tax attributable to owners of the Company	2,027	899	3,140	2,801
Weighted average number of shares (unit)	54,197,066	54,197,066	54,197,066	54,197,066
Basic earnings per share (sen)	3.74	1.66	5.79	5.17

(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 period ended 31 August 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 period to-date is arrived at after charging/(crediting) the following items:-

Group	Current Quarter	Preceding Year Corresponding Quarter	Current Period	Preceding Year Corresponding Period
	31/8/2020 RM'000	31/8/2019 RM'000	31/8/2020 RM'000	31/8/2019 RM'000
1. Interest income	(153)	(62)	(314)	(209)
2. Distribution income from income funds	(35)	(153)	(255)	(385)
3. Other income excluding interest and dividend income	(31)	(68)	(110)	(135)
4. Interest expense	14	21	42	62
5. Depreciation of property, plant & equipment	251	237	702	702
6. (Gain)/Loss on disposal of property, plant & equipment	-	(16)	-	(24)
7. Net foreign exchange loss/(gain)	9	13	15	33
8. Net provision/(reversal) of warranty costs	(110)	150	77	455
9. Inventories written down	(101)	-	(101)	-
10. Fair value loss on investments in equity instruments designated at fair value through other comprehensive income	(25)	-	(25)	-

By Order of the Board
AMTEL HOLDINGS BERHAD

TEE LEE LENG
Company Secretary