

29 October 2024



AMTEL HOLDINGS BERHAD
[199601037096 (409449-A)]
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD FINANCIAL QUARTER ENDED
31 AUGUST 2024

AMTEL HOLDINGS BERHAD

[199601037096 (409449-A)]

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2024

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT PERIOD QUARTER 31/08/2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/08/2023 RM'000	CURRENT PERIOD 31/08/2024 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/08/2023 RM'000
Revenue	18,172	19,001	55,224	53,266
Operating expenses	(16,967)	(17,394)	(50,324)	(48,716)
Other operating income	253	299	982	692
Profit from operations	1,458	1,906	5,882	5,242
Finance costs	(12)	(17)	(39)	(51)
Share of results of associates	14	57	110	188
Profit before tax	1,460	1,946	5,953	5,379
Income tax expense	(337)	(526)	(1,764)	(1,550)
Profit for the financial period	1,123	1,420	4,189	3,829
Other comprehensive income, net of tax <i>Items that may be reclassified subsequently to Profit or Loss:</i>				
Foreign currency translation	-	-	-	-
Total comprehensive income for the financial period	1,123	1,420	4,189	3,829
<u>Profit for the financial period attributable to:-</u>				
Owners of the Company	1,125	1,420	4,198	3,829
Non-controlling Interests	(2)	-	(9)	-
	1,123	1,420	4,189	3,829
<u>Total comprehensive income attributable to:-</u>				
Owners of the Company	1,125	1,420	4,198	3,829
Non-controlling Interests	(2)	-	(9)	-
	1,123	1,420	4,189	3,829
Earnings Per Share:-				
Basic (sen)	1.18	1.48	4.40	4.01
Diluted (sen)	1.18	1.41	4.40	3.80

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 30 November 2023 and the accompanying explanatory notes attached to the interim financial report.

AMTEL HOLDINGS BERHAD

[199601037096 (409449-A)]
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2024 (The figures have not been audited)

	UNAUDITED	AUDITED
	AS AT	AS AT
	CURRENT	PRECEDING
	FINANCIAL	FINANCIAL
	PERIOD	YEAR ENDED
	31/08/2024	30/11/2023
Notes	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	26,974	27,306
Investment Properties	4,107	4,083
Investments in Associates	999	882
Other Investments	250	250
Intangible Assets	1,600	-
Deferred Tax Assets	1,039	1,003
	34,969	33,524
Current Assets		
Inventories	6,760	5,793
Trade & Other Receivables, Deposits and Prepayments	8,330	9,991
Contract Assets	4,084	3,848
Other Investments	18,528	10,740
Cash Deposits with Licensed Banks	4,006	3,934
Cash and Bank Balances	15,851	21,436
	57,559	55,742
TOTAL ASSETS	92,528	89,266
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share Capital	(1) 40,624	40,537
Treasury Shares	(1,858)	(1,858)
Reserves	37,211	33,013
Equity Attributable to Owners of the Parent	75,977	71,692
Non-controlling Interests ("NCI")	791	-
Total Equity	76,768	71,692
Non-Current Liabilities		
Lease Liabilities	139	167
Deferred Tax Liabilities	24	24
	163	191
Current Liabilities		
Trade & Other Payables and Accruals	12,891	14,383
Contract Liabilities	1,587	880
Short Term Borrowings	600	870
Tax Liabilities	482	1,208
Lease Liabilities	37	42
	15,597	17,383
Total Liabilities	15,760	17,574
TOTAL EQUITY AND LIABILITIES	92,528	89,266
Net Assets Per Share (RM)	(2) 0.7961	0.7523

Notes:

(1) Kindly refer to Paragraph 8(1) of Page 6 of Notes to this interim financial report.

(2) The net asset per share of the Company is calculated based on the net assets at the end of the reporting period of RM75.98 million (30.11.2023: RM71.69 million) divided by the number of shares in issue at the end of the reporting period of 95,432,857 (30.11.2023: 95,298,532), after deducting the treasury shares of 2.852 million.

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 2023 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 2024 (The figures have not been audited)

	<----- Attributable to Owners of the Company ----->						Non-controlling	Total
	Share Capital	Treasury Shares	Fair Value Reserve	Foreign Exchange Reserve	Retained Earnings	Sub-total	Interests	Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9 months ended 31 August 2024								
At 1 December 2023	40,537	(1,858)	159	-	32,854	71,692	-	71,692
Transactions with owner:								
Subscription of shares by NCI in a subsidiary	-	-	-	-	-	-	800	800
Issuance of shares pursuant to exercise of warrants	87	-	-	-	-	87	-	87
Total transactions with owner	87	-	-	-	-	87	800	887
Comprehensive Income:								
Profit/(Loss) for the financial period	-	-	-	-	4,198	4,198	(9)	4,189
Total comprehensive income for the financial period	-	-	-	-	4,198	4,198	(9)	4,189
At 31 August 2024	40,624	(1,858)	159	-	37,052	75,977	791	76,768
9 months ended 31 August 2023								
At 1 December 2022	40,149	(1,305)	159	54	27,234	66,291	-	66,291
Transactions with owner:								
Share repurchased	-	(553)	-	-	-	(553)	-	(553)
Issuance of shares pursuant to exercise of warrants	388	-	-	-	-	388	-	388
Total transactions with owner	388	(553)	-	-	-	(165)	-	(165)
Comprehensive Income:								
Profit for the financial period	-	-	-	-	3,829	3,829	-	3,829
Total comprehensive income for the financial period	-	-	-	-	3,829	3,829	-	3,829
At 31 August 2023	40,537	(1,858)	159	54	31,063	69,955	-	69,955

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 2023 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 2024

(The figures have not been audited)

	9 MONTHS ENDED	
	31/08/2024	31/08/2023
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	5,953	5,379
Adjustments for:-		
Non-cash items	581	952
Non-operating items	(325)	(685)
Share of results of associates	(110)	(188)
Operating profit before changes in working capital	6,099	5,458
Changes in working capital:-		
Inventories	(967)	(416)
Net changes in contract assets and liabilities	471	(1,321)
Net changes in current assets	1,561	4,726
Net changes in current liabilities	(2,673)	4,156
Cash generated from operations	4,491	12,603
Interest received	102	216
Dividend received	20	27
Interest paid	(39)	(51)
Net income tax paid	(1,345)	(1,099)
Net cash from operating activities	3,229	11,696
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(645)	(545)
Proceeds from disposal of property, plant and equipment	18	1
Proceeds from disposal of quoted equity securities	568	26
Placement of fixed income funds	(7,855)	(2,497)
Changes in pledged cash & cash equivalent under lien	-	996
Distribution income from income funds	343	110
Additions to investment properties	(66)	(750)
Additions to intangible assets	(1,600)	-
Net (advances to)/repayments from associates	(161)	202
Dividend income from an associate	-	228
Net cash used in investing activities	(9,398)	(2,229)
CASH FLOW FROM FINANCING ACTIVITIES		
Net payments of finance lease	(33)	(76)
Purchase of treasury shares	-	(553)
Proceeds from issuance of new shares	87	388
Subscription of new shares by NCI in a subsidiary	800	-
Net cash from/(used in) financing activities	854	(241)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(5,315)	9,226
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	20,566	7,776
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	15,251	17,002
Cash and cash equivalents at end of the financial period comprise of:-		
Cash at banks and in hand	15,851	17,725
Cash deposits with licensed banks	4,006	5,374
Bank overdrafts	(600)	(723)
	19,257	22,376
Less: Cash deposits with licensed banks under lien	(4,006)	(5,374)
	15,251	17,002

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 2023 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 2024 ("Q3 FY2024")

NOTES TO THE INTERIM FINANCIAL REPORT

PART (A): EXPLANATORY NOTES PURSUANT TO MFRS 134: *INTERIM FINANCIAL REPORTING*

1. Basis of Preparation

This interim financial report of Amtel Holdings Berhad ("AMTEL/the Company") group of companies ("AMTEL Group/the Group") are unaudited and 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 condensed consolidated interim financial report should be read in conjunction with the latest audited financial statements of AMTEL Group for the financial year ended 30 November 2023 and the accompanying explanatory notes attached to this interim financial report. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 November 2023 ("FY 2023").

2. Significant Accounting Policies

The accounting policies and methods of computation adopted by the Group in the preparation of this interim financial report are consistent with those used in the preparation of the Group's audited financial statements for FY 2023.

Our 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. Nevertheless, the Group and the Company expect that the initial application of the accounting standards, amendments or interpretations are not expected to have significant impact to the current period and prior period financial statements of the Group and the Company.

3. Audit Qualification

The audit report on the Group's financial statements for FY 2023 did not contain any qualification.

4. Seasonal or cyclical Factors

The Group's operations are not affected by seasonal or cyclical factors during the financial quarter under review.

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5. Unusual Items

There were no unusual items affecting the Group's assets, liabilities, equity, net income, or cash flows during the financial quarter and financial period under review.

6. Material Changes in Estimates of Amounts Reported

There were no changes in estimates of amounts reported in the prior financial year or estimates of amounts reported in prior financial periods that have a material effect in the current financial quarter ended 31 August 2024.

7. Dividends Paid

There was no dividend paid during the financial period ended 31 August 2024.

8. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities for the financial quarter and financial period under review, except for the following:-

(1) Share Capital

The movement in the Company's issued and paid-up share capital during the financial period is as follows:-

	Number of ordinary shares Financial period ended		<----- Amount -----> Financial period ended	
	31/8/2024 Units	31/8/2023 Units	31/8/2024 RM	31/8/2023 RM
At beginning of the financial period	98,151,432	97,553,682	40,537,176	40,148,639
Issuance of shares pursuant to the exercise of warrants during the financial period	134,325	597,750	87,252	388,537
At end of the financial period	<u>98,285,757</u>	<u>98,151,432</u>	<u>40,624,428</u>	<u>40,537,176</u>

(2) Treasury Shares

As at the current financial period ended 31 August 2024, the Company held 2,852,900 (2023: 2,852,900) treasury shares out of its 98,285,757 (2023: 98,151,432) issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM1,857,975 (2023: RM1,857,975).

No treasury shares were sold during the current financial quarter and financial period.

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8. Debt and Equity Securities (Cont'd)

(3) Warrants

The movement in the Company's warrants during the financial quarter and financial period is as follows:-

	←----- Number of warrants (Units) -----→			
	Current Quarter 31/8/2024	Preceding Year Corresponding Quarter 31/8/2023	Current Period 31/8/2024	Preceding Year Corresponding Period 31/8/2023
At beginning of the financial quarter/period	-	48,178,580	48,178,580	48,776,330
Conversion during the financial quarter/period	-	-	(134,325)	(597,750)
Unexercised warrants*	-	-	(48,044,255)	-
At end of the financial quarter/period	-	48,178,580	-	48,178,580

*The warrants expired on 18 March 2024.

The proceeds from the conversion of warrants are to be utilized for the Group's working capital requirements and partial repayment of bank borrowings.

During the financial period ended 31 August 2024, a total of 134,325 new ordinary shares were issued pursuant to the exercise of 134,325 warrants at the exercise price of RM0.65 per share. These shares were listed and quoted on the Bursa Securities on 5 March 2024, 11 March 2024, and 18 March 2024 respectively. Please refer to our announcements to Bursa Securities on these dates for further details of the above conversions.

9. Changes in the Composition of the Group

There was no change in the composition of the Group during the current financial quarter and financial period other than as mentioned below:-

- (1) On 17 January 2024, Amtel Cellular Sdn Bhd, a wholly owned subsidiary of the Company, acquired 100 ordinary shares representing 100% equity interest in AIT Tech Sdn Bhd for a total cash consideration of RM100.
- (2) On 30 January 2024, Amtel Digital Sdn Bhd ("ADSB"), the wholly owned subsidiary of the Company, increased its issued and fully paid-up share capital from 100 ordinary shares to 2.0 million ordinary shares whereby the Company subscribed for 1,199,900 ordinary shares amounting RM1,199,900. The remaining 800,000 ordinary shares amounting RM800,000 were subscribed by CS & Lock Sdn Bhd representing 40% of the enlarged issued and paid-up share capital of ADSB. As a result, the Company's equity interest in ADSB has been reduced from 100% to 60%.

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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 quarter and financial period.

11. Segmental Reporting

The Group's segment information for the financial period ended 31 August 2024 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.

9 months ended 31 August 2024

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	44,415	10,672	137	-	55,224
Inter-segment revenue	1,332	-	2,932	(4,264)	-
Total revenue	45,747	10,672	3,069	(4,264)	55,224
SEGMENT RESULTS	ICT	TIS	Others	Consolidated	
	RM'000	RM'000	RM'000	RM'000	
Profit/(Loss) from operations	4,349	1,941	(408)	5,882	
Finance costs	(8)	(31)	-	(39)	
Share of results of associates	105	5	-	110	
Profit/(Loss) before tax	4,446	1,915	(408)	5,953	
Income tax expense	(1,032)	(454)	(278)	(1,764)	
Profit/(Loss) for the period	3,414	1,461	(686)	4,189	
FINANCIAL POSITION	ICT	TIS	Others	Consolidated	
As at 31 August 2024	RM'000	RM'000	RM'000	RM'000	
Total segment assets	38,359	12,901	41,268	92,528	
Total segment liabilities	10,190	5,168	402	15,760	
<u>Other segment information</u>	ICT	TIS	Others	Consolidated	
	RM'000	RM'000	RM'000	RM'000	
Capital expenditure:					
- additions to property, plant and equipment	507	71	67	645	
Depreciation of property, plant and equipment	369	178	427	974	
Depreciation of investment properties	-	-	42	42	

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

9 months ended 31 August 2023

GROUP	ICT RM'000	TIS RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
SEGMENT REVENUE					
External revenue	43,419	9,716	131	-	53,266
Inter-segment revenue	844	-	3,139	(3,983)	-
Total revenue	44,263	9,716	3,270	(3,983)	53,266
SEGMENT RESULTS					
	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000	
Profit/(Loss) from operations	5,328	569	(655)	5,242	
Finance costs	(13)	(38)	-	(51)	
Share of results of associates	168	20	-	188	
Profit/(Loss) before tax	5,483	551	(655)	5,379	
Income tax expense	(1,528)	(22)	-	(1,550)	
Profit/(Loss) for the period	3,955	529	(655)	3,829	
FINANCIAL POSITION					
As at 31 August 2023	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000	
Total segment assets	37,951	12,956	38,732	89,639	
Total segment liabilities	12,181	6,470	1,033	19,684	
Other segment information					
	ICT M'000	TIS RM'000	Others RM'000	Consolidated RM'000	
Capital expenditure:					
- additions to property, plant and equipment	415	10	236	661	
Depreciation of property, plant and equipment	424	217	441	1,082	
Depreciation of investment property	-	-	15	15	

(ii) Geographical Segments

The Group operates predominantly in Malaysia and hence, no geographical segment is presented.

12. Capital and Other Commitments

The Group has made commitment for the following:-

Group

Approved and contracted for:-

- Purchase and development of software applications

As At
31/8/2024
RM'000

1,600

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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 2023, except for the following:-

	As At 31/8/2024
Company	
<u>Financial guarantees – 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>1,041</u>
Group	
<u>Financial guarantees – Secured*</u>	
Bank guarantees	<u>2,120</u>

* The bank guarantees are secured against the fixed deposits of the subsidiary and associate companies.

At the reporting date, there was no indication that these subsidiaries and associates will default on its repayments during the guarantee period.

14. Significant Event Subsequent to the End of the Interim Period

There was no significant event subsequent to the end of the reporting financial period ended 31 August 2024 that has not been reflected in the financial statements or to be disclosed as at the date of issue of this quarterly report.

15. Related Party Transactions

The recurrent related party transactions between the Company and the Group with Milan Utama Sdn Bhd ("MUSB"), an associate company in which a director and shareholder of AMTEL has a financial interest, are summarised as follows:-

<u>Group</u>	Current Quarter 31/8/2024 RM'000	Current Period 31/8/2024 RM'000
Income		
1. Rental income from MUSB	23	38
Expenses		
2. Purchases from MUSB	780	1,560

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 AUGUST 2024 ("Q3 FY2024")

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

1. Review of Group Performance

Analysis of financial quarter performance

For the third financial quarter ended 31 August 2024, our Group posted total revenue of RM18.17 million and a profit after tax of RM1.12 million compared to revenue of RM19.00 million and profit after tax of RM1.42 million respectively reported in the preceding year's corresponding quarter. The drop in the financial performance was mainly due to the lower contributions from our ICT and TIS segments and the increase in certain operating expenses.

Analysis of the 9-month financial performance

For the cumulative quarters ended 31 August 2024, our Group revenue was RM55.22 million, up 3.7% compared to the preceding year's corresponding period of RM53.27 million. The rise in revenue was driven by higher sales recorded by both the ICT and TIS segments in the preceding Q1 and Q2 of FY2024.

Correspondingly, our Group achieved a higher profit after tax of RM4.19 million during the financial period under review compared to a profit after tax of RM3.83 million recorded in the preceding year's corresponding period.

The details of the financial performance of the respective business segment are summarised as follows:-

ICT Segment

The financial performance of the ICT segment is summarised as per the table below:-

Group	Preceding Year			Preceding Year		
	Current Quarter	Corresponding Quarter		Current Period	Corresponding Period	
	31/8/2024	31/8/2023	Changes	31/8/2024	31/8/2023	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Segment revenue	15,256	14,618	4.4	44,415	43,419	2.3
Segment profit after tax	1,098	1,188	-7.6	3,414	3,955	-13.7

ICT business remained the Group's primary revenue generator, contributing approximately 80.4% (Q3 FY 2023: 81.5%) of AMTEL Group's revenue, and was also the main contributor to the Group's profit.

Despite higher revenue in the current quarter and cumulative quarters of FY2024, the overall performance was marred by comparatively higher operating expenses. One of the main reasons for the increase in operating expenses was the rise in headcount, driven by the recruitment of new talent to support our business growth and expansion in the areas of Smart Mobility Services.

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1. Review of Performance (Cont'd)

TIS Segment

The financial performance of the TIS segment is summarised as per the table below:-

Group	Current Quarter	Preceding Year Corresponding Quarter	Changes %	Current Period	Preceding Year Corresponding Period	Changes %
	31/8/2024 RM'000	31/8/2023 RM'000		31/8/2024 RM'000	31/8/2023 RM'000	
Segment revenue	2,874	4,339	-33.8	10,672	9,716	9.8
Segment profit after tax	285	354	-19.5	1,461	529	>100

During the financial quarter, the TIS segment's performance dropped compared to the same quarter in 2023 because of reduced contributions from projects approaching completion.

For the financial period ended 31 August 2024, the segment experienced an improvement in financial results compared to the preceding year's corresponding period mainly driven by the higher project billings and profits recorded in Q1 and Q2 of FY 2024 and the improvement in the control of project and operating costs.

Others Segment

The financial performance of the Others segment is summarised as per the table below:-

Group	Current Quarter	Preceding Year Corresponding Quarter	Changes %	Current Period	Preceding Year Corresponding Period	Changes %
	31/8/2024 RM'000	31/8/2023 RM'000		31/8/2024 RM'000	31/8/2023 RM'000	
Segment revenue	42	44	-4.5	137	131	4.6
Segment loss after tax	(260)	(122)	>100.0	(686)	(655)	-4.7

The segment loss relates mainly to the investment holding company's operating and corporate expenses.

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

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

Group	Current Quarter	Immediate Preceding Quarter	Changes %
	31/8/2024 RM'000	31/5/2024 RM'000	
Total revenue	18,172	19,451	-6.6
Profit before tax	1,460	2,480	-41.1
Profit after tax	1,123	1,566	-28.3

The drop in financial results in the current quarter compared to the preceding Q2 FY2024 was mainly due to the decrease in sales and profit margin reported by the ICT and TIS segments and, to a certain extent, the lower share of associates' profits.

3. Commentary on the Group's Prospects

Looking ahead, the global economic and business landscape will continue evolving due to the US-China trade war heating up, geopolitical conflicts in advanced economies, and the volatility of commodity prices. However, on the domestic front, the recent ringgit appreciation over other major currencies was driven by strong local economic conditions and the prospect of further gains in the near term. The government's push for digital transformation, infrastructure development, and green technology adoption is expected to drive new opportunities.

We remain focused on capitalising on these growth opportunities while being mindful of external risks. Our Group will continue to monitor the evolving market conditions closely, ensuring we stay agile and responsive to any challenges, without compromising the quality of our products and services. At the same time, we will pursue strategic investments and business expansions that align with the Group's long-term growth objectives.

Henceforth, we remain optimistic about the Group's prospects and positive financial performance.

4. Variances of Actual Profit from Forecast Profit

Not applicable.

5. Status of Corporate Proposals

There is no corporate proposal announced, but yet to be completed as at the date of issue of this quarterly report other than as mentioned below:-

Long-Term Incentive Plan ("LTIP")

The LTIP which comprises the Employees Share Option Scheme ("ESOS") and the Share Grant Plan ("SGP") of up to fifteen percent (15%) of the total number of issued shares in the Company (excluding treasury shares of the Company, if any) for the eligible person(s) during the LTIP period, approved by the shareholders at the Extraordinary General Meeting of the Company held on 25 May 2022 was implemented on 3 October 2022. The LTIP shall be in force for five (5) years until 2 October 2027. No ESOS and/or SGP was granted or awarded during the financial period that ended 31 August 2024.

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6. Income Tax Expense

The movement in income tax expense for the Group for the current financial quarter and financial period under review is summarised as follows:-

Group	Preceding Year		Preceding Year	
	Current Quarter	Corresponding Quarter	Current Period	Corresponding Period
	31/8/2024	31/8/2023	31/8/2024	31/8/2023
	RM'000	RM'000	RM'000	RM'000
<u>Current tax expense:</u>				
Based on results for the financial period	(252)	(598)	(1,524)	(1,652)
Under provision in prior financial years	(15)	-	(276)	-
Deferred tax	(70)	72	36	102
Tax expense	<u>(337)</u>	<u>(526)</u>	<u>(1,764)</u>	<u>(1,550)</u>

The effective tax rate is higher than the statutory income tax rate mainly due to the losses of certain subsidiaries not being available for set off against taxable profits of other subsidiaries and certain expenses that are not allowed for tax deduction purposes.

7. Group Borrowings and Debt Securities

The Group's total borrowings (all denominated in Ringgit Malaysia) as at 31 August 2024 are as follows:-

Group	As at 31/8/2024 (Unaudited) RM'000	As at 30/11/2023 (Audited) RM'000
(1) <u>Short Term Borrowings:-</u>		
- <u>Secured</u>		
Overdrafts	600	870
- Lease payables within the next 12 months	<u>37</u>	<u>42</u>
(2) <u>Long Term Borrowings:-</u>		
- Lease payables after the next 12 months	<u>139</u>	<u>167</u>

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

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9. Earnings Per Share (“EPS”)

(1) Basic EPS

The basic EPS of the Group is calculated based on the consolidated profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the financial quarter and financial period, excluding treasury shares held by the Company as shown below:-

	Current Quarter 31/8/2024	Preceding Year Corresponding Quarter 31/8/2023	Current Period 31/8/2024	Preceding Year Corresponding Period 31/8/2023
Group				
Profit for the financial quarter/period attributable to owners of the Company (RM'000)	1,125	1,420	4,198	3,829
Weighted average number of shares (unit)	95,427,545	95,901,257	95,363,569	95,579,234
Basic EPS (sen)	<u>1.18</u>	<u>1.48</u>	<u>4.40</u>	<u>4.01</u>

(2) Diluted EPS

The calculation of diluted EPS is based on the consolidated profit attributable to owners of the Company divided by the weighted average number of ordinary shares outstanding during the financial quarter and financial period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, calculated as follows:-

	Current Quarter 31/8/2024	Preceding Year Corresponding Quarter 31/8/2023	Current Period 31/8/2024	Preceding Year Corresponding Period 31/8/2023
Group				
Profit for the financial quarter/period attributable to owners of the Company (RM'000)	1,125	1,420	4,198	3,829
Weighted average number of shares for basic EPS (unit)	95,427,545	95,901,257	95,363,569	95,579,234
Effect of dilution from warrants (unit)	-	5,115,984	-	5,115,984
Weighted average number of shares for diluted EPS (unit)	<u>95,427,545</u>	<u>101,017,241</u>	<u>95,363,569</u>	<u>100,695,218</u>
Diluted EPS (sen)	<u>1.18[#]</u>	<u>1.41</u>	<u>4.40[#]</u>	<u>3.80</u>

[#]The diluted earnings per share for the current quarter and period-to-date are equivalent to the basic EPS as the Company does not have any dilutive instruments for the current financial period ended 31 August 2024.

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10. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	Current Quarter 31/8/2024 RM'000	Preceding Year Corresponding Quarter 31/8/2023 RM'000	Current Period 31/8/2024 RM'000	Preceding Year Corresponding Period 31/8/2023 RM'000
1. Interest income	(40)	(89)	(102)	(216)
2. Dividend income	-	(7)	(20)	(27)
3. Distribution income from income funds	(145)	(18)	(343)	(110)
4. Rental income	(12)	-	(22)	(11)
5. Other income excluding interest and dividend income	-	(1)	(63)	(2)
6. Interest expense	12	17	39	51
7. Depreciation of property, plant & equipment ("PPE")	334	337	974	1,082
8. Depreciation of investment properties	14	5	42	15
9. Inventories written down	-	100	75	177
10. Net foreign exchange loss/(gain)	194	28	106	(183)
11. Net provision of warranty costs	59	72	384	418
12. Fair value loss/(gain) on other investments	199	(28)	7	36
13. Net gain from disposals of PPE	-	(1)	(15)	(1)
14. Gain on disposals of other investments	(80)	-	(165)	-

11. Dividend

The Board of Directors does not recommend any payment of dividend for the current financial quarter ended 31 August 2024.

By Order of the Board

CHIN MUN YEE (SSM PC No. 201908002785) (MAICSA 7019243)

HOH YIT FOONG (SSM PC No. 201908000074) (LS0000018)

Company Secretaries

29 October 2024