

29 January 2024



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

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH FINANCIAL QUARTER ENDED
30 NOVEMBER 2023

AMTEL HOLDINGS BERHAD

[199601037096 (409449-A)]

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023 (The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT PERIOD QUARTER 30-11-2023	PRECEDING YEAR CORRESPONDING QUARTER 30-11-2022	CURRENT YEAR 30-11-2023	PRECEDING YEAR CORRESPONDING PERIOD 30-11-2022
	RM'000	RM'000	RM'000	RM'000
Revenue	18,418	15,375	71,684	60,500
Operating expenses	(17,472)	(15,380)	(66,188)	(58,317)
Other operating income	726	618	1,418	1,236
Profit from operations	1,672	613	6,914	3,419
Finance costs	(17)	(19)	(68)	(65)
Share of results of associates	(50)	49	138	56
Profit before tax	1,605	643	6,984	3,410
Income tax expense	72	(556)	(1,478)	(1,320)
Profit for the financial year	1,677	87	5,506	2,090
Other comprehensive income, net of tax <i>Items that may be reclassified subsequently to Profit or Loss:</i>				
Foreign currency translation	-	(6)	-	14
Total comprehensive income for the financial year	1,677	81	5,506	2,104
<u>Profit for the financial year attributable to:-</u>				
Owners of the Company	1,677	87	5,506	2,090
<u>Total comprehensive income attributable to:-</u>				
Owners of the Company	1,677	81	5,506	2,104
Earnings Per Share:-				
Basic (sen)	1.76	0.09	5.79	2.15
Diluted (sen)	1.70	0.09	5.58	2.10

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 2022 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 30 NOVEMBER 2023

(The figures have not been audited)

	<u>UNAUDITED</u>	<u>AUDITED</u>
	AS AT CURRENT FINANCIAL YEAR ENDED 30/11/2023	AS AT PRECEDING FINANCIAL YEAR ENDED 30/11/2022
Note	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	27,306	27,781
Investment Properties	4,083	3,367
Investments in Associates	1,203	1,309
Other Investments	250	250
Deferred Tax Assets	1,003	357
	<u>33,845</u>	<u>33,064</u>
Current Assets		
Inventories	5,797	5,495
Trade & Other Receivables	10,377	14,036
Contract Assets	5,732	5,693
Other Investments	10,740	9,590
Cash Deposits with Licensed Banks	3,934	6,293
Cash and Bank Balances	21,436	8,349
	<u>58,016</u>	<u>49,456</u>
TOTAL ASSETS	<u>91,861</u>	<u>82,520</u>
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share Capital	(1) 40,537	40,149
Treasury Shares	(1,858)	(1,305)
Reserves	32,953	27,447
Total Equity	<u>71,632</u>	<u>66,291</u>
Non-Current Liabilities		
Lease Liabilities	163	100
Deferred Tax Liabilities	24	104
	<u>187</u>	<u>204</u>
Current Liabilities		
Trade & Other Payables	13,294	10,388
Contract Liabilities	1,583	2,620
Provisions	3,040	1,799
Short Term Borrowings	870	587
Tax Liabilities	1,209	565
Lease Liabilities	46	66
	<u>20,042</u>	<u>16,025</u>
Total Liabilities	<u>20,229</u>	<u>16,229</u>
TOTAL EQUITY AND LIABILITIES	<u>91,861</u>	<u>82,520</u>
Net Assets Per Share (RM)	(2) 0.7517	0.6938

Notes:

(1) Kindly refer to Paragraph 7(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 RM71.63 million (30.11.2022: RM66.29 million) divided by the number of shares in issue at the end of the reporting period of 95,298,532 (30.11.2022: 95,553,682), after deducting 2,852,900 units of treasury shares (30.11.2022: 2.00 million units).

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 2022 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 YEAR ENDED 30 NOVEMBER 2023 (The figures have not been audited)

<----- Attributable to Owners of the Company ----->						
	Share Capital RM'000	Treasury Shares RM'000	Fair Value Reserve RM'000	Foreign Exchange Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
12 months ended 30 November 2023						
At 1 December 2022	40,149	(1,305)	159	54	27,234	66,291
Transactions with owners:						
Share repurchased	-	(553)	-	-	-	(553)
Issuance of shares pursuant to exercise of warrants	388					388
Total transactions with owner	388	(553)	-	-	-	(165)
Comprehensive Income:						
Profit for the financial year	-	-	-	-	5,506	5,506
Foreign currency translation	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	-	-	5,506	5,506
At 30 November 2023	40,537	(1,858)	159	54	32,740	71,632
12 months ended 30 November 2022						
At 1 December 2021	40,149	-	159	41	25,144	65,493
Transactions with owners:						
Shares repurchased	-	(1,305)	-	-	-	(1,305)
Comprehensive Income:						
Profit for the financial year	-	-	-	-	2,090	2,090
Foreign currency translation	-	-	-	20	-	20
Total comprehensive income for the financial year	-	-	-	20	2,090	2,110
At 30 November 2022	40,149	(1,305)	159	61	27,234	66,298

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 2022 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 2023

(The figures have not been audited)

	CURRENT FINANCIAL YEAR ENDED 30/11/2023 RM'000	PRECEDING FINANCIAL YEAR ENDED 30/11/2022 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	6,984	3,410
Adjustments for:-		
Non-cash items	1,456	2,547
Non-operating items	(460)	(790)
Share of results of associates	(138)	(56)
Operating profit before changes in working capital	7,842	5,111
Changes in working capital		
Contract assets	(1,076)	172
Inventories	(302)	1,252
Net changes in current assets	3,136	(3,590)
Net changes in current liabilities	4,402	(3,695)
Cash generated from/(used in) operations	14,002	(750)
Interest received	316	190
Interest paid	(68)	(65)
Net income tax paid	(1,698)	(1,561)
Net cash from/(used in) operating activities	12,552	(2,186)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(937)	(2,341)
Proceeds from disposal of property, plant and equipment	13	102
Proceeds from disposal of quoted equity securities	26	-
Acquisition of quoted equity securities	-	(854)
Placement of fixed income funds	(1,069)	(1,829)
Changes in pledged cash & cash equivalent under lien	2,471	2,182
Distribution income from income funds	150	148
Additions to investment properties	(760)	-
Proceeds from partial disposal of associate	-	6
Net repayments from/(advances to) associates	331	(45)
Dividend income from quoted equity shares	44	516
Dividend received from an associate	228	470
Net cash from/(used in) investing activities	497	(1,645)
CASH FLOW FROM FINANCING ACTIVITIES		
Net (payment)/drawdown of finance lease	(94)	24
Purchase of treasury shares	(553)	(1,305)
Proceeds from issuance of new shares	388	-
Net cash used in financing activities	(259)	(1,281)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	12,790	(5,112)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	7,776	12,874
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	20,566	7,762
Cash and cash equivalents at end of the financial year comprise of:-		
Cash at banks and in hand	21,436	8,349
Cash deposits with licensed banks	3,934	6,293
Bank overdrafts	(870)	(587)
	24,500	14,055
Less: Cash deposits with licensed banks under lien	(3,934)	(6,293)
	20,566	7,762

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 2022 and the accompanying explanatory notes attached to the interim financial report.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH FINANCIAL QUARTER ENDED 30 NOVEMBER 2023

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 group of companies ("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 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the latest audited financial statements of our Group for the financial year ended 30 November 2022 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 2022.

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 the financial year ended 30 November 2022.

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 expects that the initial application of the accounting standards, amendments or interpretations are unlikely to have material financial impacts 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 the financial year ended 30 November 2022 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 year under review.

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5. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows of the Group during the financial year 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 changes in estimates of amount reported in prior financial periods that have a material effect in the current financial year ended 30 November 2023.

7. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and 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 year is as follows:-

	Number of ordinary shares		←----- Amount -----→	
	30/11/2023 Units	30/11/2022 Units	30/11/2023 RM	30/11/2022 RM
At beginning of the financial year	97,553,682	97,553,682	40,148,639	40,148,639
Issuance of shares pursuant to exercise of warrants during the financial year	597,750	-	388,537	-
At end of the financial year	<u>98,151,432</u>	<u>97,553,682</u>	<u>40,537,176</u>	<u>40,148,639</u>

(2) Treasury Shares

On 25 April 2023, the Company repurchased 50,000 shares from the open market at an average price of RM0.68 per share. The total consideration paid for the repurchased shares was RM34,265 and was financed by internally generated funds.

On 2 June 2023, the Company repurchased 802,900 shares from the open market at an average price of RM0.65 per share. The total consideration paid for the repurchased shares was RM518,420 and was financed by internally generated funds

The shares repurchased were retained as treasury shares. As at the current financial year ended 30 November 2023, the Company held a total of 2,852,900 of the Company's shares at an carrying amount of RM1,857,975. The number of outstanding shares in issue as at 30 November 2023 after setting treasury shares off against equity are 95,298,532 (30/11/2022: 95,553,682).

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

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7. Debt and Equity Securities (Cont'd)

(3) Warrants

During the financial year, a total of 528,750 new ordinary shares were issued pursuant to the exercise of 528,750 warrants at the exercise price of RM0.65 per share. The shares were listed and quoted on the Bursa Securities on 17 January 2023, 25 April 2023 and 28 April 2023 respectively. Please refer to our announcements to Bursa Securities on these dates for further details of the above conversions.

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

The movement in the Company's warrants during the financial year is as follows:-

	<-- Number of warrants (Units) -->	
	Current year 30/11/2023	Preceding Year 30/11/2022
At beginning of the financial year	48,776,330	48,776,330
Conversion during the financial year	(597,750)	-
At end of the financial year	<u>48,178,580</u>	<u>48,776,330</u>

8. Dividends Paid

There was no dividend paid during the financial year ended 30 November 2023.

9. Changes in the Composition of the Group

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

(1) On 1 September 2023, the Company acquired 100 ordinary shares representing the entire share capital of Amtel Digital Sdn Bhd, a dormant company incorporated on 9 June 2023 for a cash consideration of RM100.

(2) On 4 September 2023, Amtel Pte Ltd the wholly owned subsidiary of Amtel Cellular Sdn Bhd, has been struck off from the register of Accounting and Corporate Regulatory Authority of Singapore.

10. Capital and Other Commitments

The Group has entered into the following capital commitment as at 30 November 2023:-

Group	As At 30/11/2023 RM'000
Approved and contracted for:-	
- Purchase and development of software applications	<u>1,600</u>

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11. Related Party Transactions

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

12. Segmental Reporting

The Group's segment information for the financial year ended 30 November 2023 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.

12 months ended 30 November 2023

	Information & Communication Technology ("ICT")	Telecommunications, Infrastructure & Services ("TIS")	Others	Elimination	Consolidated
GROUP	RM'000	RM'000	RM'000	RM'000	RM'000
SEGMENT REVENUE					
External revenue	59,248	12,261	175	-	71,684
Inter-segment revenue	1,295	-	3,638	(4,933)	-
Total revenue	60,543	12,261	3,813	(4,933)	71,684
SEGMENT RESULTS	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000	
Profit/(Loss) from operations	6,983	236	(305)	6,914	
Finance costs	(17)	(51)	-	(68)	
Share of results of associates	123	15	-	138	
Profit/(Loss) before tax	7,089	200	(305)	6,984	
Income tax expense	(1,513)	35	-	(1,478)	
Profit/(Loss) for the year	5,576	235	(305)	5,506	
FINANCIAL POSITION	ICT	TIS	Others	Consolidated	
As at 30 November 2023	RM'000	RM'000	RM'000	RM'000	
Total segment assets	39,921	12,940	39,000	91,861	
Total segment liabilities	12,946	6,733	550	20,229	
<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	588	54	295	937	
Depreciation of property, plant and equipment	545	283	583	1,411	
Depreciation of investment properties	-	-	44	44	

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

12 months ended 30 November 2022

GROUP	ICT RM'000	TIS RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
SEGMENT REVENUE					
External revenue	52,289	8,023	188	-	60,500
Inter-segment revenue	114	-	3,207	(3,321)	-
Total revenue	52,403	8,023	3,395	(3,321)	60,500
SEGMENT RESULTS					
	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000	
Profit/(Loss) from operations	4,652	(335)	(898)	3,419	
Finance costs	(30)	(35)	-	(65)	
Share of results of associates	71	(15)	-	56	
Profit/(Loss) before tax	4,693	(385)	(898)	3,410	
Income tax expense	(1,315)	(5)	-	(1,320)	
Profit/(Loss) for the year	3,378	(390)	(898)	2,090	
FINANCIAL POSITION					
As at 30 November 2022	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000	
Total segment assets	31,308	14,359	36,853	82,520	
Total segment liabilities	8,586	6,703	940	16,229	
Other segment information					
	ICT M'000	TIS RM'000	Others RM'000	Consolidated RM'000	
Capital expenditure:					
- additions to property, plant and equipment	341	450	1,550	2,341	
Depreciation of property, plant and equipment	828	295	432	1,555	
Depreciation of investment property	-	-	20	20	

(ii) Geographical Segments

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

13. 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.

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13. Valuation of Property, Plant and Equipment (Cont'd)

(2) There was no material acquisition or disposal of property, plant and equipment by the Group during the financial year other than as mentioned below:-

On 6 June 2023, the Company via its wholly owned subsidiary, namely Metrarama Sdn Bhd completed the acquisition of three (3) units three-storey terrace houses located in Penang upon making final cash payment amounting RM675,000 for the remaining purchase price.

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 30 November 2023 that has not been reflected in the financial statements or to be disclosed as at the date of issue of this quarterly report other than as mentioned below:-

On 17 January 2024, the Company via its wholly owned subsidiary namely Amtel Cellular Sdn Bhd, acquired 100 ordinary shares representing the entire share capital of AIT Tech Sdn Bhd, a dormant company incorporated on 28 December 2023 for a cash consideration of RM100.

15. 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 2022, except for the following:-

	As At 30/11/2023
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>1,461</u>
Group	
<u>Financial guarantees – Secured*</u>	
Bank guarantees	<u>2,683</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.

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

1. Review of Performance

Analysis of financial quarter performance

For the fourth financial quarter ended 30 November 2023, our Group reported a total revenue of RM18.42 million and profit after tax of RM1.68 million as compared to revenue of RM15.38 million and profit after tax of approximately RM87,000 respectively recorded in the preceding year corresponding quarter. The higher revenue and profit after tax recorded in the current financial quarter was largely due to the increase in sales from the ICT segment.

Analysis of yearly financial performance

Our Group's delivered a remarkable growth in the overall financial results for the financial year ended 30 November 2023 ("FY 2023"), supported by the substantial increase in the sales and profits from the ICT and TIS segments.

The Group's total revenue of RM71.68 million in FY 2023 was up by 18.5% as compared to RM60.50 million in last financial year 2022 ("FY 2022"). As a results, our Group reported a profit after tax of RM5.51 million in FY 2023 which improved notably as compared to profit after tax of RM2.09 million posted in FY 2022.

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

ICT Segment

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

	Current Quarter	Preceding Year Quarter		Current Year 12 Months	Preceding Year 12 Months	
	30/11/2023	30/11/2022	Changes	30/11/2023	30/11/2022	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Segment revenue	15,829	13,303	19.0	59,248	52,289	13.3
Segment profit after tax	1,621	386	>100	5,576	3,378	65.1

For the current financial quarter and FY 2023, ICT segment continued to be the main driver for the Group's commendable financial performance with its sales accounted for approximately 82.7% of the Group's revenue.

For the current financial quarter and FY 2023, ICT segment contributed revenue of RM15.83 million and RM59.25 million respectively, which are higher as compare to RM13.30 million and RM52.29 million respectively reported in the preceding year corresponding quarter and FY 2022. Henceforth, ICT segment achieved higher profit after tax in the current financial quarter and FY 2023, backed by the strong growth in sales.

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1. Review of Performance (Cont'd)

TIS Segment

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

	Current Quarter 30/11/2023 RM'000	Preceding Year Quarter 30/11/2022 RM'000	Changes %	Current Year 12 Months 30/11/2023 RM'000	Preceding Year 12 Months 30/11/2022 RM'000	Changes %
Segment revenue	2,545	2,029	25.4	12,261	8,023	52.8
Segment profit/(loss) after tax	(294)	(113)	>100	235	(390)	>100

TIS segment's financial results was lower during the current financial quarter mainly due to the impairment loss on trade receivables amounting RM230,000. However, TIS segment's overall performance for FY 2023 improved greatly as compared to FY 2022 mainly due to higher sales and profit from the civil infrastructure works in progress.

Others Segment

The loss reported by the investment holding company attributed mainly to the rental and management fees income not being sufficient to compensate the operating and corporate expenses.

2. Material Changes in the Profit After Tax for the Quarter Reported as 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 30/11/2023 RM'000	Immediate Preceding Quarter 31/8/2023 RM'000	Changes %
Total revenue	18,418	19,001	-3.1
Profit before tax	1,605	1,946	-17.5
Profit after tax	1,677	1,420	18.1

For the current financial quarter, our Group's revenue is marginally lower as compared to immediate preceding quarter mainly due to lower sales reported by the TIS segment.

Profit before tax was lower in the current financial quarter mainly due to the impairment loss on trade receivables amounting RM230,000 and impairment loss on inventories amounting RM147,000. On the other hand, the higher profit after tax in the current financial quarter was attributed to the deferred tax assets recognized and the reversal of tax expense over provided in the previous financial year.

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3. Commentary on the Group's Prospects

Moving ahead, our Group will continue with our concerted efforts in prudent capital management, to improve efficiencies and effective cost management across major functions to maximise returns.

While we remain focusing in our core business of ICT products and services, we are proactively identifying new business opportunities for future expansion and strategic alliance with potential business partners that align with Amtel's objective to bring innovative and high-quality products and services to our customers.

We have successfully launched our latest groundbreaking one-of-a-kind product – *Lokatag Pro*, the first and only Connected Toll Reader and Dashcam on 23 January 2024, in collaboration with Zurich Insurance. *Lokatag Pro* is not just a traditional hardware. It symbolizes our brand - Lokatag's vision and core values as we usher in a new era of automotive accessories, where safety, innovation and connectivity converge seamlessly into one intelligent platform known as "*Loka Ecosystem*".

It marks the beginning of our group exciting foray into providing Smart Mobility Services in the region, catering for the growing need for efficient and sustainable mobility solutions.

The Board believes that the Group's prospects for the next financial year remains promising.

4. Income Tax Expense

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

Group	Current Quarter	Preceding Year Corresponding Quarter	Current year	Preceding Year Corresponding Period
	30/11/2023 RM'000	30/11/2022 RM'000	30/11/2023 RM'000	30/11/2022 RM'000
<u>Current tax expense:</u>				
Based on results for the financial year	(666)	(458)	(2,318)	(1,338)
Over/(Under) provision in prior financial year	114	(148)	114	(32)
<u>Deferred tax expense:</u>				
Net (reversal)/origination of temporary differences	624	50	726	50
Tax expense	72	(556)	(1,478)	(1,320)

The effective tax rate of the Group for the financial quarter 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 which are not allowed for tax deduction purposes.

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5. Variances of Actual Profit from Forecast Profit

Not applicable.

6. Group Borrowings and Debt Securities

The Group's total borrowings (all denominated in Ringgit Malaysia) as at 30 November 2023 are as follows:-

Group	As at 30/11/2023 (Unaudited) RM'000	As at 30/11/2022 (Audited) RM'000
(1) <u>Short Term Borrowings:-</u>		
- <u>Secured</u>		
Overdrafts	870	587
- Lease payables within the next 12 months	46	66
(2) <u>Long Term Borrowings:-</u>		
- Lease payables after the next 12 months	163	100

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

7. 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 per centum (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 a period of five (5) years until 2 October 2027.

During the financial year ended 30 November 2023, there was no ESOS and/or SGP granted or awarded.

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 year ended 30 November 2023.

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10. Earnings Per Share

(1) Basic earnings per share

The basic earnings per share 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 year, excluding treasury shares held by the Company as shown below:-

	Current Quarter 30/11/2023	Preceding Year Corresponding quarter 30/11/2022	Current Year 30/11/2023	Preceding Year Corresponding Period 30/11/2022
Group				
Profit for the financial quarter/year attributable to owners of the Company (RM'000)	1,677	87	5,506	2,090
Weighted average number of shares (unit)	95,298,532	97,011,216	95,093,209	97,011,216
Basic earnings per share (sen)	<u>1.76</u>	<u>0.09</u>	<u>5.79</u>	<u>2.15</u>

(2) Diluted earnings per share

The calculation of diluted earnings per share 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 year 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 30/11/2023	Preceding Year Corresponding quarter 30/11/2022	Current Year 30/11/2023	Preceding Year Corresponding Period 30/11/2022
Group				
Profit for the financial quarter/year attributable to owners of the Company (RM'000)	1,677	87	5,506	2,090
Weighted average number of shares for basic earnings per share (unit)	95,298,532	97,011,216	95,093,209	97,011,216
Effect of dilution from warrants (unit)	3,626,959	2,604,561	3,626,959	2,604,561
Weighted average number of shares for diluted earnings per share (unit)	98,925,491	99,615,777	98,720,168	99,615,777
Diluted earnings per share (sen)	<u>1.70</u>	<u>0.09</u>	<u>5.58</u>	<u>2.10</u>

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11. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	Current Quarter 30/11/2023 RM'000	Preceding Year Corresponding Quarter 30/11/2022 RM'000	Current Year 30/11/2023 RM'000	Preceding Year Corresponding Period 30/11/2022 RM'000
1. Interest income	(100)	(58)	(316)	(190)
2. Dividend income	(17)	(472)	(44)	(516)
3. Distribution income from income funds	(40)	(34)	(150)	(148)
4. Rental income	-	-	(11)	-
5. Other income excluding interest and dividend income	(16)	70	(18)	(12)
6. Interest expense	17	19	68	65
7. Depreciation of property, plant & equipment	329	411	1,411	1,555
8. Depreciation of investment properties	29	5	44	20
9. Net gain on disposal of property, plant & equipment	(13)	(4)	(14)	(69)
10. Inventories written down	1	20	178	20
11. Inventories written off	147	-	147	-
12. Impairment loss on trade receivables	230	-	230	-
13. Net foreign exchange loss/(gain)	(10)	133	(193)	35
14. Net provision of warranty costs	189	149	607	553
15. Fair value (gain)/loss on other investments	(48)	280	(12)	352
16. Loss on disposal of other investments	-	225	-	186

By Order of the Board

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

HOH YIT FOONG (SSM PC No. 201908000074) (LS0018)

Company Secretaries

29 January 2024