

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER  
 ENDED 30 SEPTEMBER 2018**
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
 (THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS		
	3-MONTH PERIOD ENDED		9-MONTH PERIOD ENDED		
	Note	30 SEPTEMBER 2018	30 SEPTEMBER 2017	30 SEPTEMBER 2018	30 SEPTEMBER 2017
	RM	RM	Unaudited RM	Unaudited RM	
Revenue		45,192,082	28,699,560	82,849,413	71,741,962
Cost of sales		(34,458,320)	(18,670,445)	(60,985,634)	(46,640,626)
Gross Profit		10,733,762	10,029,115	21,863,779	25,101,336
Other income		536,438	487,386	30,233,356	945,769
Administrative expenses		(14,852,934)	(8,925,464)	(54,410,698)	(28,447,518)
Profit / (Loss) from operations		(3,582,734)	1,591,037	(2,313,563)	(2,400,413)
Share of results of associate		-	(373,591)	(2,680,182)	(4,106,961)
Profit / (Loss) before interest and taxation		(3,582,734)	1,217,446	(4,993,745)	(6,507,374)
Finance costs		(642,101)	(427,051)	(1,118,118)	(1,861,447)
Profit / (Loss) before taxation		(4,224,835)	790,395	(6,111,863)	(8,368,821)
Taxation		167,559	(369,481)	19,356	(655,215)
Profit / (Loss) for the period		(4,057,276)	420,914	(6,092,507)	(9,024,036)
<b>Profit / (Loss) attributable to:</b>					
Owners of the Company		(2,324,704)	(203,513)	(1,914,490)	(9,731,773)
Non-controlling interests		(1,732,572)	624,427	(4,178,017)	707,737
		(4,057,276)	420,914	(6,092,507)	(9,024,036)

**Earnings per share attributable to  
 Owner of the Company**

- Basic (sen)	B9	(0.57)	(0.06)	(0.49)	(3.03)
- Diluted (sen)	B9	(0.57)	(0.06)	(0.49)	(3.03)

**Note:**

The unaudited condensed consolidated Statement of Comprehensive Income should be read in conjunction with the notes to the interim financial report and the audited financial statements of the Group for the financial year ended 31 December 2017.

QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2018

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME  
(THE FIGURES HAVE NOT BEEN AUDITED)

Note	INDIVIDUAL QUARTER 3-MONTH PERIOD ENDED		CUMULATIVE QUARTERS 9-MONTH PERIOD ENDED	
	30 SEPTEMBER 2018	30 SEPTEMBER 2017	30 SEPTEMBER 2018	30 SEPTEMBER 2017
	RM	RM	Unaudited RM	Unaudited RM
(Loss)/Profit for the period	(4,057,276)	420,914	(6,092,507)	(9,024,036)
<b>OTHER COMPREHENSIVE INCOME</b>				
Exchange difference arising on translation of foreign operations	(14,276)	(89,484)	195,234	(96,676)
Amortisation of revaluation reserve	-	(11,173)	10,950	(33,521)
Other comprehensive (loss)/income, net of tax	(14,276)	(100,657)	206,184	(130,197)
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD</b>	<b>(4,071,552)</b>	<b>320,257</b>	<b>(5,886,323)</b>	<b>(9,154,233)</b>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the Company	(2,338,980)	(304,170)	(1,708,306)	(9,861,970)
Non-controlling interests	(1,732,572)	624,427	(4,178,017)	707,737
	<b>(4,071,552)</b>	<b>320,257</b>	<b>(5,886,323)</b>	<b>(9,154,233)</b>

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**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2018**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<i>Unaudited</i> <b>30 SEPTEMBER 2018</b>	<i>Audited</i> <b>31 DECEMBER 2017</b>
	<b>RM</b>	<b>RM</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant & equipment	114,156,838	5,110,569
Investment in associate	72,915	129,158,862
Goodwill on consolidation	131,406,579	2,851,352
Intangible assets	2,702,263	1,500,000
Other investment	18,022,835	-
Deferred tax assets	79,739	5,022
	<u>266,441,169</u>	<u>138,625,805</u>
<b>CURRENT ASSETS</b>		
Inventories	1,003,256	703,448
Trade and other receivables	72,785,372	58,089,406
Tax recoverable	3,597,832	1,843,518
Deposits placed with licensed banks	1,298,025	1,260,560
Cash and bank balances	14,330,565	4,371,719
	<u>93,015,050</u>	<u>66,268,651</u>
Assets classified as held for sale	1	-
<b>TOTAL ASSETS</b>	<b><u>359,456,220</u></b>	<b><u>204,894,456</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	83,669,163	76,637,392
Treasury shares	(125,023)	(123,298)
Share based payment reserve	3,728,368	3,804,184
Revaluation reserve	2,200,998	2,190,048
Foreign currency translation reserve	1,457,066	1,261,832
Statutory reserve	203,809	203,809
Retained earnings	60,205,608	62,131,048
	<u>151,339,989</u>	<u>146,105,015</u>
Non-controlling interests	102,683,026	3,694,237
<b>TOTAL EQUITY</b>	<b><u>254,023,015</u></b>	<b><u>149,799,252</u></b>
<b>NON-CURRENT LIABILITIES</b>		
Loans and borrowings	28,825,765	11,757,306
Deferred tax liabilities	-	601
	<u>28,825,765</u>	<u>11,757,907</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	69,981,435	18,895,137
Provisions	-	1,589,821
Amount due to related companies	-	2,990,004
Loans and borrowings	4,462,957	17,385,457
Tax payables	892	927
Overdrafts - secured	2,162,156	2,475,951
	<u>76,607,440</u>	<u>43,337,297</u>
<b>TOTAL LIABILITIES</b>	<b><u>105,433,205</u></b>	<b><u>55,095,204</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>359,456,220</u></b>	<b><u>204,894,456</u></b>
Number of ordinary shares (unit)	407,046,775	361,957,575
Net assets per share attributable to owners of the Company (sen)	<u>37.2</u>	<u>40.4</u>

Note:

- a) With the Companies Act 2016 ("New Act") which came into effect on 31 January 2017, the credit standing in the share premium and capital redemption reserve accounts of RM34,509,031, has been transferred to the share capital account. Pursuant to subsection 618(3) and 618(4) of the New Act, the Group may exercise its right to use the credit amount being transferred from share premium and capital redemption reserve accounts within 24 months after the commencement of the New Act. The Board of Directors will make a decision thereon by 31 January 2019.

The unaudited condensed consolidated Statement of Financial Position should be read in conjunction with the notes to the interim financial report and the audited financial statements of the Group for the financial year ended 31 December 2017.

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER  
 ENDED 30 SEPTEMBER 2018**
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 (THE FIGURES HAVE NOT BEEN AUDITED)**

	Non-Distributable									Non Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Share Premium	Share Based Payment Reserve	Foreign Currency Translation Reserve	Revaluation Reserve	Statutory Reserve	Retained Profits	Sub-total		
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Current period ended 30 SEPTEMBER 2018</b>											
As at 1 January 2018	76,637,392	(123,298)	-	3,804,184	1,261,832	2,190,048	203,809	62,131,048	146,105,015	3,694,237	149,799,252
(Loss)/Profit for the period	-	-	-	-	-	-	-	(1,914,490)	(1,914,490)	(4,178,017)	(6,092,507)
Other Comprehensive income for the period	-	-	-	-	195,234	10,950	-	(10,950)	195,234	-	195,234
Total comprehensive (loss)/income for the period	-	-	-	-	195,234	10,950	-	(1,925,440)	(1,719,256)	(4,178,017)	(5,897,273)
Issuance of shares pursuant to :-											
- Private Placement	5,657,500	-	-	-	-	-	-	-	5,657,500	-	5,657,500
- ESOS exercised	1,374,271	-	-	-	-	-	-	-	1,374,271	-	1,374,271
Acquisition of Subsidiary	-	-	-	-	-	-	-	-	-	104,030,806	104,030,806
Share-based payment	-	-	-	(75,816)	-	-	-	-	(75,816)	-	(75,816)
Repurchase of shares	-	(1,725)	-	-	-	-	-	-	(1,725)	-	(1,725)
Interim dividend paid to Non Controlling Interests	-	-	-	-	-	-	-	-	-	(864,000)	(864,000)
Balance as at 30 September 2018	83,669,163	(125,023)	-	3,728,368	1,457,066	2,200,998	203,809	60,205,608	151,339,989	102,683,026	254,023,015
<b>Corresponding period ended 30 SEPTEMBER 2017</b>											
As at 1 January 2017	29,735,313	(2,432,951)	34,509,031	2,279,687	1,484,038	2,234,743	203,809	(34,431,873)	33,581,797	2,591,582	36,173,379
Profit for the period	-	-	-	-	-	-	-	(9,731,773)	(9,731,773)	707,737	(9,024,036)
Other comprehensive income for the period	-	-	-	-	(96,676)	(33,521)	-	33,521	(96,676)	-	(96,676)
Total comprehensive income for the period	-	-	-	-	(96,676)	(33,521)	-	(9,698,252)	(9,828,449)	707,737	(9,120,712)
Issuance of shares pursuant to :-											
- ESOS exercised	4,005,335	-	-	-	-	-	-	-	4,005,335	-	4,005,335
- Warrants Converted	7,921,102	-	-	-	-	-	-	-	7,921,102	-	7,921,102
Transfer in accordance with Section 618(2) of CA 2016 (Note (a))	34,509,031	-	(34,509,031)	-	-	-	-	-	-	-	-
Acquisition of Subsidiary	-	-	-	-	-	-	-	-	-	131,768	131,768
Disposal of treasury shares	-	2,310,478	-	-	-	-	-	-	2,310,478	-	2,310,478
Loss on Disposal of Treasury shares	-	-	-	-	-	-	-	(1,053,137)	(1,053,137)	-	(1,053,137)
Share-based payment	-	-	-	1,392,494	-	-	-	-	1,392,494	-	1,392,494
Repurchase of shares	-	(825)	-	-	-	-	-	-	(825)	-	(825)
Interim dividend paid to Non Controlling Interests	-	-	-	-	-	-	-	-	-	(351,651)	(351,651)
Balance as at 30 September 2017	76,170,781	(123,298)	-	3,672,181	1,387,362	2,201,222	203,809	(45,183,262)	38,328,795	3,079,436	41,408,231

**Note:**

(a) With the Companies Act 2016 ("New Act") which came into effect on 31 January 2017, the credit standing in the share premium and capital redemption reserve accounts of RM34,509,031, has been transferred to the share capital account. Pursuant to subsection 618(3) and 618(4) of the New Act, the Group may exercise its right to use the credit amount being transferred from share premium and capital redemption reserve accounts within 24 months after the commencement of the New Act. The Board of Directors will make a decision thereon by 31 January 2019.

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER  
 ENDED 30 SEPTEMBER 2018**
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
 (THE FIGURES HAVE NOT BEEN AUDITED)**

	<b>CURRENT PERIOD ENDED 30 SEPTEMBER 2018</b>	<b>CORRESPONDING PERIOD ENDED 30 SEPTEMBER 2017</b>
	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	(6,111,863)	(8,368,821)
Adjustments for:		
Depreciation	4,786,905	1,215,075
Reversal of allowance of doubtful debts	(82,063)	(6,987)
Amortisation of intangible assets	59,998	417,650
Interest income	(25,694)	(40,140)
Interest expense	1,118,118	1,861,447
Share of result of associate	2,680,182	4,106,961
Loss/(gain) on disposal of property, plant and equipment	(113,647)	1,418
Loss/(gain) on disposal of Subsidiary	72,946	-
Reversal of impairment of investment & fair value adjustment in associat	(29,024,281)	-
Impairment of goodwill	17,685,442	-
Share-based payments reserved in relating to ESOS	(75,816)	1,392,494
Property, plant and equipment written off	4,520	-
Provision for doubtful debts	345,036	67,950
Unrealised foreign exchange (gain)/loss	-	8,025
Operating profit before working capital changes	<u>(8,680,217)</u>	<u>655,072</u>
Changes in working capital		
Receivables	(523,061)	(16,955,839)
Payables	(11,840,493)	19,747,601
Inventories	(299,808)	(408,587)
Cash (used in)/generated from operations	<u>(21,343,579)</u>	<u>3,038,247</u>
Tax paid	(1,355,594)	(2,006,999)
Tax refunded	525,145	453,050
Interest expense	(114,715)	(213,834)
Interest received	25,694	40,140
<b>Net cash generated from/(used in) operating activities</b>	<b><u>(22,263,049)</u></b>	<b><u>1,310,604</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(16,193,926)	(587,804)
Proceeds from shares placement	42,000,000	-
Deposit held as security	(37,465)	(465,240)
Net cash inflow on investment in subsidiary	-	131,768
Net cash inflow on acquisition of subsidiary	2,337,078	-
Net cash outflow on disposal of subsidiary	(802)	-
Proceeds from disposal of property, plant & equipment	116,418	4,057
Interim Dividend Paid to Non-controlling interests	(864,000)	(351,651)
Purchase of Intellectual rights / Intangible Asset	(89,196)	-
<b>Net cash generated from/(used in) investing activities</b>	<b><u>27,268,107</u></b>	<b><u>(1,268,870)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from disposal of subsidiaries	12	-
Proceeds on issuance of shares	7,031,772	12,979,575
Proceeds from disposal of treasury shares	-	1,258,191
Loss on disposal in treasury shares	-	(1,053,137)
Term Loan Drawdown	28,000,000	-
Shares margin loan drawdown	2,000,000	-
Purchase of treasury shares	(1,725)	(1,675)
Repayment of hire purchase payables	(88,899)	(148,203)
Repayment of term loan	(30,461,939)	(7,911,050)
Interest paid	(1,003,403)	(1,647,613)
<b>Net cash generated from/(used in) financing activities</b>	<b><u>5,475,818</u></b>	<b><u>3,476,088</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>10,480,876</b>	<b>3,517,822</b>
Effect of foreign exchange rate change	(208,235)	(96,240)
Opening balance of cash and cash equivalents	<u>1,895,768</u>	<u>2,997,747</u>
<b>Closing balance of cash and cash equivalents</b>	<b><u>12,168,409</u></b>	<b><u>6,419,329</u></b>

	<b>CURRENT PERIOD ENDED 30 SEPTEMBER 2018</b>	<b>CORRESPONDING PERIOD ENDED 30 SEPTEMBER 2017</b>
	RM	RM
<b>Cash and cash equivalents</b>		
Fixed deposits with licensed bank	1,298,025	1,215,975
Cash and bank balances	14,330,565	8,556,963
Overdraft	<u>(2,162,156)</u>	<u>(2,137,634)</u>
	13,466,434	7,635,304
Less: Deposits held as security	<u>(1,298,025)</u>	<u>(1,215,975)</u>
<b>Closing balance of cash and cash equivalents</b>	<b><u>12,168,409</u></b>	<b><u>6,419,329</u></b>

Note:

The unaudited condensed consolidated Statement of Cash Flow should be read in conjunction with the notes to the interim financial report and the audited financial statements of the Group for the financial year ended 31 December 2017.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018****PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134****A1 Basis of Preparation**

- a) These interim financial statements of SMRT Holdings Berhad ("SMRT" or the "Company") and its subsidiaries (the "Group") are unaudited and have been prepared in accordance with MFRS 134 - Interim Financial Reporting issued by the Malaysian Financial Standards Board ("MASB") and Appendix 9B of the Bursa Malaysia Securities Berhad's ("Bursa Securities") ACE Market Listing Requirements ("AMLR").

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended ("FYE") 31 December 2017. These explanatory notes attached to the interim financial statements 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 FYE 31 December 2017.

**b) Significant Accounting Policies**

The significant accounting policies and presentations adopted by the Group in this quarterly report are consistent with those of the annual financial statements for the FYE 31 December 2017 except that the Group has adopted the Malaysian Financial Reporting Standards (MFRS) framework issued by Malaysian Accounting Standards Boards (MASB) which are effective for annual periods beginning on or after 1 January 2018 as disclosed below: -

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 1	First time adoption of MFRSs
Amendments to MFRS 2	Classification and Measurement of Share-based payment transaction
Amendments to MFRS 128	Investment in Associates and Joint Ventures
Amendments to MFRS 140	Transfers of Investment Property

The adoption of the abovementioned accounting standards and amendments have no material impact on the financial statements of the Group upon their initial application except for the following:

**MFRS 9 Financial Instruments**

MFRS 9 replaces MFRS 139 "Financial Instruments: Recognition and Measurement". The adoption of MFRS 9 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets.

Based on the analysis of the Group's financial assets and liabilities, the impact of MFRS 9 to the Group's financial statements are as follows:

**(a) Classification and measurement**

The Group do not expect a significant impact on its statement of financial position or equity on applying the classification and measurement requirements of MFRS 9. They expect to continue measuring at fair value all financial assets currently held at fair value.

Trade receivables, other receivables, deposits, cash and bank balances classified as loans and receivables under MFRS 139 are now classified as financial asset measured at amortised cost under MFRS 9. They will continue to be measured on the same basis as is previously adopted under MFRS 139.

**(b) Impairment of financial assets**

MFRS 9 replaces the "incurred loss" model in MFRS 139 with an "expected credit loss" (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt instruments measured at fair value through other comprehensive income, but not to investments in equity instruments.

On the date of initial application, MFRS 9 did not affect the classification and measurement of the Group's financial assets and financial liabilities, except that the allowance for impairment in Minda Global Berhad ("Minda"), has increased by RM596,000 as at 1 January 2018 as a result of applying the ECL model on receivables. As permitted by the transitional provisions of MFRS 9, Minda has elected not to restate comparative figures and thus these adjustments were recognised in the opening accumulated losses of the current period.

Minda became a subsidiary of the Group on 14 February 2018. Due to the above, the Group's pre-acquisition reserves in relation to the acquisition of Minda has been adjusted, and accordingly, the resulting goodwill on consolidation.

## **MFRS 15 Revenue from Contracts with Customers**

MFRS 15 'Revenue from Contracts with Customers' replaces MFRS 118 'Revenue' and MFRS 111 'Construction Contracts' and their related interpretations. MFRS 15 provides a principle based approach for revenue recognition and introduces the concept of recognising revenue for performance obligations as they are satisfied. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, that is when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

MFRS 15 also requires that the costs attributable to obtaining a contract with a customer shall be recognised as an asset and amortised on a systematic basis that is consistent with the transfer to the customer of goods or services to which the asset relates.

On the date of initial application, the Group adopted the new standard using the modified retrospective method. The adoption of MFRS 15 does not have significant effect of the Group's financial statements, except that Minda's accumulated losses have decreased by RM594,000 as at 1 January 2018 as a result of the recognition of incremental contract costs in accordance with the principles of this standard. As permitted by the transitional provisions of MFRS 15, Minda has elected not to restate comparative figures and thus these adjustments were recognised in the opening accumulated losses of the current period.

Minda became a subsidiary of the Group on 14 February 2018. Due to the above, the Group's pre-acquisition reserves in relation to the acquisition of Minda has been adjusted, and accordingly, the resulting goodwill on consolidation.

### **A2 Audit Report of the preceding Annual Financial Statements**

The audit report for the annual financial statements of the Group for the FYE 31 December 2017 was not subject to any qualification.

### **A3 Seasonal or Cyclical Factors**

The Group's operations were not materially affected by seasonal or cyclical changes.

### **A4 Changes in Estimates**

There were no estimates provided for the last financial quarter under review.

### **A5 Debt and Equity Securities**

There was no issuance, cancellation or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares, repurchase and resale of treasury shares for the current financial quarter under review except for the following :-

- a) During the current financial quarter under review, the Company issued additional 3,000,000 new ordinary shares at an exercise price of RM0.16 each pursuant to the Employee Shares Option Scheme ("ESOS").
- b) During the current financial quarter under review, the Company repurchased 5,000 of its issued shares from the open market at RM0.15 per share. The repurchase transactions were financed from internally generated funds. The shares repurchased are being held as treasury shares.

The detailed movements of the issued and paid up capital and share premium reserved for the Company for the current quarter under review are as follows:-

	<b>No. of shares Issued and fully paid up '000</b>	<b>Share Capital RM '000</b>
As at 1 July 2018	404,047	83,189
Issuance of shares via Private Placement	-	-
Issuance of shares via ESOS	3,000	480
As at 30 September 2018	<b>407,047</b>	<b>83,669</b>

- b) With the Companies Act 2016 ("New Act") which came into effect on 31 January 2017, the credit standing in the share premium and capital redemption reserve accounts of RM34,509,031, has been transferred to the share capital account. Pursuant to subsection 618(3) and 618(4) of the New Act, the Group may exercise its right to use the credit amount being transferred from share premium and capital redemption reserve accounts within 24 months after the commencement of the New Act. The Board of Directors will make a decision thereon by 31 January 2019.

### **A6 Valuation of Property, Plant and Equipment**

The value of office suite has been brought forward, without amendments from the previous year's annual audited financial statements.

### **A7 Dividend Paid**

No dividend was paid during the current quarter under review.



## A8 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items or events, which affected the assets, liabilities, equity, net income or cash flows of the Group since the last annual audited financial statements.

- a) On 14 February 2018, the share exchange between Asiamet Education Group Bhd ("AEGB") and Minda Global Berhad ("Minda Global") was completed, which involved the exchange of all AEGB shares for new Minda Global shares by way of Scheme of Arrangement on the basis of 1 Minda Global share for every 1 AEGB share ("Share Exchange"). On 19 February 2018, Minda Global assumed the listing status of AEGB, with the listing and quotation of the total number of issued shares of Minda Global on the Main Market of Bursa Securities.

With the completion of the said exercises, the Group holds 57% of the equity interest in Minda Global. As a result, the Group recognised the consolidation of Minda Global's financial statement with effect from 1 March 2018 as compared to the previous recognition of share of financial results of AEGB as an associate.

- b) On 19 April 2018, the Company announced the following :-
- disposal of its entire equity interest of 2 ordinary shares in SMR Shared Services Sdn. Bhd., a wholly-owned subsidiary of the Company, for a total cash consideration of RM2;
  - disposal of its entire equity interest of 2 ordinary shares in SMR Voctech Sdn. Bhd., a wholly-owned subsidiary of the Company, for a total cash consideration of RM2;
  - disposal of its entire equity interest of 250,000 ordinary shares in SMR Proelt Sdn. Bhd., a wholly-owned subsidiary of the Company, for a total cash consideration of RM2;
  - disposal of its entire equity interest of 100,000 ordinary shares in SMR HRD Solutions Sdn. Bhd., a wholly-owned subsidiary of the Company, for a total cash consideration of RM2;
  - disposal of its entire equity interest of 2 ordinary shares in SMR Global Links Sdn. Bhd., a wholly-owned subsidiary of the Company, for a total cash consideration of RM2; and
  - disposal of its entire equity interest of 50,000 ordinary shares in Agensi Pekerjaan SMR Talent Search Sdn. Bhd., a wholly-owned subsidiary of the Company, for a total cash consideration of RM2.

Upon completion of the said disposals, all the disposed companies have ceased to be wholly-owned subsidiaries of the Company.

## A9 Segmental Information

### (a) Analysis of segmental revenue and results

	Education RM'000	Training RM'000	Technology RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b>3 Months Ended 30 September 2018</b>						
<b>Revenue</b>						
External customers	24,208	262	20,722	-	-	45,192
Inter-company sales	-	-	2	-	(2)	-
Dividend income	-	-	-	-	-	-
	<u>24,208</u>	<u>262</u>	<u>20,724</u>	<u>-</u>	<u>(2)</u>	<u>45,192</u>

### Results:

*Included in the measure of segment (loss) / profit*

Interest income	20	-	1	-	-	21
Interest expenses	(579)	(19)	(44)	-	-	(642)
Depreciation & Amortisation	(1,732)	(41)	(155)	(20)	-	(1,948)
Other non cash income	3,378	-	-	(2,367)	-	1,011
Share of results of associate	-	-	-	-	-	-
Profit/(Loss) before tax	<u>(2,815)</u>	<u>157</u>	<u>1,689</u>	<u>(3,256)</u>	<u>-</u>	<u>(4,225)</u>
Income tax expense	177	-	(8)	(1)	-	168
Segment profit/(loss)	<u>(2,638)</u>	<u>157</u>	<u>1,681</u>	<u>(3,257)</u>	<u>-</u>	<u>(4,057)</u>

	Education RM'000	Training RM'000	Technology RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b>9 Months Ended 30 September 2018</b>						
<b>Revenue</b>						
External customers	55,580	707	26,562	-	-	82,849
Inter-company sales	-	-	428	-	(428)	-
Dividend income	-	-	-	1,536	(1,536)	-
	<u>55,580</u>	<u>707</u>	<u>26,990</u>	<u>1,536</u>	<u>(1,964)</u>	<u>82,849</u>

**Results:**

*Included in the measure of segment (loss) / profit*

Interest income	24	-	1	1	-	26
Interest expenses	(885)	(45)	(92)	(96)	-	(1,118)
Depreciation & Amortisation	(4,300)	(123)	(365)	(59)	-	(4,847)
Other non cash income	3,189	76	43	8,040	-	11,348
Share of results of associate	(2,680)	-	-	-	-	(2,680)
Profit before tax	<u>(11,224)</u>	<u>259</u>	<u>1,106</u>	<u>3,747</u>	<u>-</u>	<u>(6,112)</u>
Income tax expense	23	-	(10)	6	-	19
Segment profit/(loss)	<u>(11,201)</u>	<u>259</u>	<u>1,096</u>	<u>3,753</u>	<u>-</u>	<u>(6,093)</u>

**(b) Analysis by geographical areas**

	3-months ended 30 September 2018			
	Malaysia RM'000	Overseas RM'000	Elimi- nations RM'000	Conso- lidated RM'000
Revenue				
External sales	45,106	86	-	45,192
Inter-segment	-	2	(2)	-
Total	<u>45,106</u>	<u>88</u>	<u>(2)</u>	<u>45,192</u>

	9-months ended 30 September 2018			
	Malaysia RM'000	Overseas RM'000	Elimi- nations RM'000	Total Operations RM'000
Revenue				
External sales	82,062	787	-	82,849
Inter-segment	426	2	(428)	-
Total	<u>82,488</u>	<u>789</u>	<u>(428)</u>	<u>82,849</u>

Segment assets	644,274	1,907	(286,725)	359,456
Segment liabilities	280,465	859	(175,891)	105,433
Depreciation & amortisation	4,830	17	-	4,847

**A10 Material Events Subsequent to the End of the Current Quarter**

There were no material events subsequent to the end of the current quarter under review.

**A11 Changes in the Composition of the Group**

There were no material changes in the composition of the Group for the financial period ended 30 September 2018 up to the date of this report.

**A12 Contingent Liabilities or Contingent Assets**

**As at 30.09.2018  
RM'000**

Corporate Guarantees issued to financial institutions in respect of banking facilities granted to subsidiary companies

5,196

Save for the above, there were no changes in the contingent liabilities and contingent assets of the Group, since the last audited accounts as at 30 September 2018.

**A13 Capital Commitments**

There were no capital commitments for the current quarter under review.

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE AMLR**

**B1 Review of Performance**

**Financial review for current quarter and financial year-to-date**

	Individual Period			Cumulative Period		
	Current Year Quarter	Preceding Year Corresponding Quarter	Variance	Current Year Period	Preceding Year Corresponding Period	Variance
	30.09.2018 RM'000	30.09.2017 RM'000		30.09.2018 RM'000	30.09.2017 RM'000	
Revenue	45,192	28,700	57%	82,849	71,742	15%
Operating Profit	(3,583)	1,591	325%	(2,314)	(2,400)	4%
Profit /(Loss) Before Interest and Tax	(3,583)	1,217	394%	(4,994)	(6,507)	23%
Profit / (Loss) Before Tax	(4,225)	790	635%	(6,112)	(8,369)	27%
Profit /(Loss) After Tax	(4,057)	421	1064%	(6,093)	(9,024)	32%
Loss Attributable to Ordinary Equity Holders of the Parent	(2,325)	(204)	-1042%	(1,914)	(9,732)	80%

**Current quarter compared to preceding year's corresponding quarter**

The Group recorded an increase in revenue of 57% for the current quarter under review as compared to the preceding year's corresponding quarter (Q3' 2017) ("corresponding quarter"). This is primarily attributable to an increase in revenue from the Technology business segment, as well as the inclusion of revenue from Asia Metropolitan University, Asia Metropolitan Colleges and Asia Metropolitan International School following the consolidation of Minda Global financial results from 1 March 2018.

The Group registered a higher loss before tax of RM4.23 million in the current quarter as compared to a profit before tax of RM0.79 million in the previous corresponding quarter. This increase is largely due to inclusion of losses from Asia Metropolitan University Group following the acquisition of Minda Global in 2018.

**Current financial year-to-date results compared to preceding year's corresponding financial year-to-date results**

The Group recorded an increased in revenue of 15% for the current period under review as compared to the preceding year's corresponding period. This is mainly due to the inclusion of revenue from Asia Metropolitan University, Asia Metropolitan Colleges and Asia Metropolitan International School following the consolidation of Minda Global financial results from 1 March 2018, as well as increased in revenue in Technology the business segment.

The Group recorded a loss before tax of RM6.11 million in the current period as compared to a loss before tax of RM8.37 million in the previous corresponding period. The improved results is primarily due to a one off adjustment resulting from the net reversal of investment in an associate and fair value adjustment totalling RM11.3 million arising from its securing of control of Minda Global from associated company status, upon the share exchange of AEGB shares for Minda Global shares in February 2018.

**B2 Material Change in Profit Before Tax for the Current Quarter as Compared with the Immediate Preceding Quarter**

**Financial review for current quarter compared with immediate preceding quarter**

	Current Year Quarter	Immediate Preceding Quarter	Variance
	30.09.2018	30.06.2018	
	RM'000	RM'000	
Revenue	45,192	26,106	73%
Operating Profit	(3,583)	(8,071)	56%
Profit /(Loss) Before Interest and Tax	(3,583)	(8,071)	56%
Profit /(Loss) Before Tax	(4,225)	(8,384)	50%
Profit /(Loss) After Tax	(4,057)	(8,328)	51%
Loss Attributable to Ordinary Equity Holders of the Parent	(2,325)	(5,863)	60%

The Group recorded a loss before tax to RM4.23 million in the current quarter as compared loss before tax of RM8.38 million in the immediate preceding quarter (Q2'2018). Better results in the current quarter compared to the immediate preceding quarter was mainly attributable by higher revenue and better results from Education and Technology business segments.

### B3 Prospects for the Current Financial Year

The injection of CUCMS Education Sdn Bhd into AEGB for the consideration of AEGB shares and the placement of the AEGB shares were completed in December 2017. The share exchange of all of AEGB shares for Minda Global shares and the listing of Minda Global on the Main Market of Bursa Securities were concluded in February 2018. This exercise merged the education business under one entity, thereby securing control of the entire education spectrum from Asia Metropolitan International School, Asia Metropolitan Colleges to Cyberjaya University College of Medical Sciences and Asia Metropolitan University. This will enable the enlarged education business to scale up and achieve operational efficiencies in the areas of facilities, sales & marketing and support services, and extend its regional reach to Kota Kinabalu, Kuching, Johor Bharu, Kota Bharu and Ipoh. In addition, the proceeds from the placement of AEGB shares were mainly utilised to repay the Group's term loans.

The housing of the Education segment under Minda Global Bhd which is 57% owned by the SMRT Group, will enable SMRT to place its focus on growing its Training and Technology businesses.

The fast-expanding and evolving landscape of the future involves human skills development and technology. Increasing interconnectivity in a globalised world, and the ability of people to adapt to rapid disruptions are crucial areas which businesses will need to focus upon. The opportunities are huge, particularly in emerging markets, as the nature of globalisation changes, and technology reshapes the world. With Malaysia's expected continuing focus on developing a high income nation and substantial investments in Education, Workforce and Technology development, the Group is optimistic of the demand for its solutions in the learning space. The Group is poised to capitalise on these vast opportunities in the human resource development and technology arenas, with a geographical focus on the rapid growth region of South East Asia.

The Group's outlook for the year remains positive despite challenging business conditions and competitive landscape. The Group's strategy remains unchanged and continues to focus on human resource development and technology.

### B4 Variance of Actual Profit from Profit Forecast and Profit Guarantee

The Group has not announced or provided any profit forecast or profit guarantee for the current quarter under review.

### B5 Income Tax Expenses

	Current Quarter 30.09.2018 RM'000	Cumulative Quarter 30.09.2018 RM'000
Income tax		
Current	(175)	(14)
Under/(Over) provision of tax in prior year	7	(4)
Deferred tax liabilities	-	(2)
	<u>(168)</u>	<u>(20)</u>

Income tax expenses are mainly from the provision of income tax expenses in the Education segment.

### B6 Status of Corporate Proposals

There were no other corporate proposals announced but not yet completed as at the date of this quarterly announcement.

### B7 Group Borrowings

	As at 3rd quarter ended	
	30.09.2018 RM'000	30.09.2017 RM'000
<u>Secured short -term</u>		
Overdraft	2,162	2,138
Hire purchase payables	116	182
Term Loan (Islamic)	2,347	16,209
Shares Margin Loan	2,000	-
<u>Secured long -term</u>		
Hire purchase payables	461	93
Term Loan (Islamic)	28,365	15,308
Total borrowings	<u>35,451</u>	<u>33,930</u>

All borrowings are denominated in Ringgit Malaysia.

### B8 Material Litigation

The Company and its subsidiary companies are not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against these companies as at the date of this quarterly report.

**B9 Earnings Per Share ("EPS")**

The basic EPS is calculated based on the Group's profit attributable to ordinary equity holders of the parent for the current quarter and cumulative year-to-date, and divided by the weighted average number of shares in issue for the current quarter and cumulative year-to-date as follows :-

**(a) Basic EPS**

	Current Quarter Ended		Cumulative Year To Date	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
	RM'000	RM'000	RM'000	RM'000
Earnings attributable to ordinary equity holders of the parent	(2,325)	(204)	(1,914)	(9,732)
Weighted average number of ordinary shares in issue				
As at 1 July 2018 / 1 January 2018	404,067	316,603	361,958	297,353
Add: Effect of issuance of shares	2,234	221	29,722	11,935
Add: Effect of conversion of warrants		33,456	-	11,540
Less: Effect of treasury shares held	(1)	(1)	(4)	(4)
As at 30 September 2018	406,299	350,279	391,676	320,824
Basic earnings per ordinary shares (sen)	(0.57)	(0.06)	(0.49)	(3.03)

**(b) Fully diluted earnings per share**

Diluted earnings per share amounts are calculated by dividing the Group's profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	Current Quarter Ended		Cumulative Year To Date	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Earnings attributable to ordinary equity holders of the parent	(2,325)	(204)	(1,914)	(9,732)
Weighted average no. of ordinary shares in issue	406,299	350,279	391,676	320,824
Adjusted weighted average number of ordinary shares in issue and issuable	406,299	350,279	391,676	320,824
Diluted earnings per shares (sen)	(0.57)	(0.06)	(0.49)	(3.03)

\* The average market price is lower than the exercise price. Thus, there is no effect of dilution for ESOS for the current quarter.

**B10 Proposed Dividend**

There was no proposed dividend declared for the current quarter under review.

**B11 Operating Profit**

	3 months ended		Year-to-date	
	30.09.2018 RM'000	30.09.2017 RM'000	30.09.2018 RM'000	30.09.2017 RM'000
Operating profit has been arrived at after charging:-				
Amortisation of intangible assets	38	158	46	418
Depreciation of property, plant and equipment	1,902	370	4,792	1,215
Interest expense	642	427	1,118	1,861
Property, plant and equipment written off	-	-	5	-
Realised loss on foreign exchange	103	130	163	232
Unrealised (gain)/loss on foreign exchange	(1)	1	-	8
After crediting:-				
Gain on disposal of property, plant and equipment	-	2	-	2
Interest Income	21	1	26	40
Rental Income	161	80	388	243
Realised (loss)/gain on foreign exchange	(24)	149	-	149

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

**B12 Status of Utilisation of Proceeds from Placement Shares**

As at 30 September 2018, the Group had fully utilised the proceeds from private placement in the following manner:-

Details of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation	Deviation Amount		Explanations (if the deviation is 5% or more)
				RM'000	%	
Proceeds from Private Placement on 2 April 2018		5,658				
		5,658				
a) General Working capital	4,813	4,058	Within 12 months	755	16%	
b) Acquisition and/or investment in other complementary businesses	1,500	1,500	Within 12 months	-	0%	
c) Estimate expenses in relation to the Private Placement	100	82	Within 12 months	18	18%	
<b>Total</b>	<b>6,413</b>	<b>5,640</b>		<b>773</b>	<b>34%</b>	