

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER  
 ENDED 31 DECEMBER 2018**
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
 (THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS		
	3-MONTH PERIOD ENDED		12-MONTH PERIOD ENDED		
	Note	31 DECEMBER 2018	31 DECEMBER 2017	31 DECEMBER 2018	31 DECEMBER 2017
	RM	RM	Unaudited RM	Audited RM	
Revenue		43,568,028	29,872,954	126,417,441	101,614,916
Cost of sales		(31,687,196)	(21,219,422)	(92,672,830)	(67,860,048)
Gross Profit		11,880,832	8,653,532	33,744,611	33,754,868
Other income		4,997,311	115,909,157	35,230,667	116,854,926
Administrative expenses		(13,313,826)	(12,696,013)	(67,724,524)	(41,143,531)
Profit / (Loss) from operations		3,564,317	111,866,676	1,250,754	109,466,263
Share of results of associate		1,641,686	(2,113,942)	(1,038,496)	(6,220,903)
Profit / (Loss) before interest and taxation		5,206,003	109,752,734	212,258	103,245,360
Finance costs		(878,430)	(732,212)	(1,996,548)	(2,593,659)
Profit / (Loss) before taxation		4,327,573	109,020,522	(1,784,290)	100,651,701
Taxation		646,830	(1,088,698)	666,186	(1,743,913)
Profit / (Loss) for the period		4,974,403	107,931,824	(1,118,104)	98,907,788
<b>Profit / (Loss) attributable to:</b>					
Owners of the Company		5,530,973	107,303,137	3,616,483	97,571,364
Non-controlling interests		(556,570)	628,687	(4,734,587)	1,336,424
		4,974,403	107,931,824	(1,118,104)	98,907,788
<b>Earnings per share attributable to Owner of the Company</b>					
- Basic (sen)	B9	1.36	29.69	0.91	28.28
- Diluted (sen)	B9	1.36	29.69	0.91	25.40

**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 FOURTH QUARTER  
ENDED 31 DECEMBER 2018

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

Note	INDIVIDUAL QUARTER 3-MONTH PERIOD ENDED		CUMULATIVE QUARTERS 12-MONTH PERIOD ENDED	
	31 DECEMBER 2018	31 DECEMBER 2017	31 DECEMBER 2018	31 DECEMBER 2017
	RM	RM	Unaudited RM	Unaudited RM
(Loss)/Profit for the period	4,974,403	107,931,824	(1,118,104)	98,907,788
<b>OTHER COMPREHENSIVE INCOME</b>				
Exchange difference arising on translation of foreign operations	(1,294,021)	(125,530)	(1,098,787)	(222,206)
Amortisation of revaluation reserve	(54,751)	(11,174)	(43,801)	(44,695)
Other comprehensive (loss)/income, net of tax	(1,348,772)	(136,704)	(1,142,588)	(266,901)
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD</b>	<b>3,625,631</b>	<b>107,795,120</b>	<b>(2,260,692)</b>	<b>98,640,887</b>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the Company	4,182,201	107,166,433	2,473,895	97,304,463
Non-controlling interests	(556,570)	628,687	(4,734,587)	1,336,424
	<b>3,625,631</b>	<b>107,795,120</b>	<b>(2,260,692)</b>	<b>98,640,887</b>

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**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER  
 ENDED 31 DECEMBER 2018**
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<i>Unaudited</i> 31 DECEMBER 2018	<i>Audited</i> 31 DECEMBER 2017
	RM	RM
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant & equipment	161,212,155	5,110,569
Investment in associate	72,915	129,158,862
Goodwill on consolidation	130,987,048	2,851,352
Intangible assets	1,541,981	1,500,000
Deferred tax assets	660,853	5,022
	<u>294,474,952</u>	<u>138,625,805</u>
<b>CURRENT ASSETS</b>		
Inventories	1,003,256	703,448
Trade and other receivables	65,753,145	58,089,406
Tax recoverable	2,487,746	1,843,518
Deposits placed with licensed banks	1,311,067	1,260,560
Cash and bank balances	4,956,221	4,371,719
	<u>75,511,435</u>	<u>66,268,651</u>
Assets classified as held for sale	13,598,755	-
<b>TOTAL ASSETS</b>	<b><u>383,585,142</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	84,504,033	76,637,392
Treasury shares	(125,023)	(123,298)
Share based payment reserve	2,893,498	3,804,184
Revaluation reserve	2,146,247	2,190,048
Foreign currency translation reserve	163,045	1,261,832
Statutory reserve	-	203,809
Retained earnings	87,824,960	62,131,048
	<u>177,406,760</u>	<u>146,105,015</u>
Non-controlling interests	93,412,364	3,694,237
<b>TOTAL EQUITY</b>	<b><u>270,819,124</u></b>	<b><u>149,799,252</u></b>
<b>NON-CURRENT LIABILITIES</b>		
Loans and borrowings	28,441,260	11,757,306
Deferred tax liabilities	8,307,457	601
	<u>36,748,717</u>	<u>11,757,907</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	69,797,051	18,895,137
Provisions	-	1,589,821
Amount due to related companies	-	2,990,004
Loans and borrowings	4,417,522	17,385,457
Tax payables	62,984	927
Overdrafts - secured	1,739,744	2,475,951
	<u>76,017,301</u>	<u>43,337,297</u>
<b>TOTAL LIABILITIES</b>	<b><u>112,766,018</u></b>	<b><u>55,095,204</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>383,585,142</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>43.6</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 FOURTH QUARTER  
 ENDED 31 DECEMBER 2018**
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 (THE FIGURES HAVE NOT BEEN AUDITED)**

	Non-Distributable										
	Share Capital	Treasury Shares	Share Premium	Share Based Payment Reserve	Foreign Currency Translation Reserve	Revaluation Reserve	Statutory Reserve	Retained Profits	Sub-total	Non Controlling Interests	Total Equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Current period ended</b>											
<b>31 DECEMBER 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	-	-	-	-	-	-	-	3,616,483	3,616,483	(4,734,587)	(1,118,104)
Other Comprehensive income for the period	-	-	-	-	(1,098,787)	(43,801)	-	43,801	(1,098,787)	-	(1,098,787)
Total comprehensive (loss)/income for the period	-	-	-	-	(1,098,787)	(43,801)	-	3,660,284	2,517,696	(4,734,587)	(2,216,891)
Issuance of shares pursuant to :-											
- Private Placement	5,657,500	-	-	-	-	-	-	-	5,657,500	-	5,657,500
- ESOS exercised	2,209,141	-	-	(834,870)	-	-	-	-	1,374,271	-	1,374,271
Acquisition of Subsidiary	-	-	-	-	-	-	-	22,033,628	22,033,628	95,098,903	117,132,531
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)
Disposal of investment in subsidiaries	-	-	-	-	-	-	(203,809)	-	(203,809)	217,811	14,002
Balance as at 31 December 2018	84,504,033	(125,023)	-	2,893,498	163,045	2,146,247	-	87,824,960	177,406,760	93,412,364	270,819,124
<b>Corresponding period ended</b>											
<b>31 DECEMBER 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	-	-	-	-	-	-	-	97,571,364	97,571,364	1,336,424	98,907,788
Other comprehensive income for the period	-	-	-	-	(222,206)	(44,695)	-	44,695	(222,206)	-	(222,206)
Total comprehensive income for the period	-	-	-	-	(222,206)	(44,695)	-	97,616,059	97,349,158	1,336,424	98,685,582
Issuance of shares pursuant to :-											
- Private Placement	3,503,016	-	-	-	-	-	-	-	3,503,016	-	3,503,016
- ESOS exercised	878,929	-	-	(332,162)	-	-	-	-	546,767	-	546,767
- Warrants Converted	8,011,102	-	-	-	-	-	-	-	8,011,102	-	8,011,102
Transfer of share capital	34,509,031	-	(34,509,031)	-	-	-	-	-	-	-	-
Acquisition of Subsidiary	-	-	-	-	-	-	-	-	-	-	-
Disposal of treasury shares	-	2,311,328	-	-	-	-	-	(1,053,137)	1,258,191	-	1,258,191
Loss on Disposal of Treasury shares	-	-	-	-	-	-	-	-	-	-	-
Share options granted under ESOS	-	-	-	1,856,659	-	-	-	-	1,856,659	-	1,856,659
Repurchase of shares	-	(1,675)	-	-	-	-	-	-	(1,675)	-	(1,675)
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	-	-	-	(233,769)	(233,769)
Balance as at 31 December 2017	76,637,391	(123,298)	-	3,804,184	1,261,832	2,190,048	203,809	62,131,049	146,105,015	3,694,237	149,799,252

**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 FOURTH QUARTER  
 ENDED 31 DECEMBER 2018**
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
 (THE FIGURES HAVE NOT BEEN AUDITED)**

	<b>CURRENT PERIOD ENDED 31 DECEMBER 2018</b>	<b>CORRESPONDING PERIOD ENDED 31 DECEMBER 2017</b>
	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	(1,784,290)	100,651,701
Adjustments for:		
Depreciation	8,749,158	1,694,780
Reversal of allowance of doubtful debts	(581,167)	-
Allowance of impairment for trade receivables	-	591,664
Amortisation of intangible assets	61,171	537,045
Expected credit loss	4,238,540	-
Interest income	(49,905)	(73,434)
Interest expense	1,996,548	2,593,658
Fair Value adjustment in PPA	22,033,628	-
Gain on remeasurement in income	(24,232,233)	-
Share of result of associate	1,038,496	6,220,903
Loss/(gain) on disposal of property, plant and equipment	(146,098)	(119,198)
Loss/(gain) on disposal of investment in subsidiary	(1,178,096)	(110,338,569)
Provision for profit guarantee	-	1,589,821
Reversal of impairment of investment & fair value adjustment in associat	(3,150,362)	(7,298,563)
Reversal of impairment loss in trade and other receivables	-	(30,147)
Share-based payments reserved in relating to ESOS	(910,686)	1,856,659
Property, plant and equipment written off	196,929	36
Provision for doubtful debts	34,467	-
Unrealised foreign exchange (gain)/loss	11,235	-
Operating profit before working capital changes	6,327,335	(2,123,644)
Changes in working capital		
Receivables	12,906,908	(12,475,310)
Payables	(20,602,584)	25,332,381
Inventories	(299,808)	(703,448)
Cash (used in)/generated from operations	(1,668,149)	10,029,979
Tax paid	(1,348,639)	(6,428,332)
Tax refunded	1,811,913	453,050
Interest expense	(1,899,515)	(2,593,658)
Interest received	49,905	73,434
<b>Net cash generated from/(used in) operating activities</b>	<b>(3,054,485)</b>	<b>1,534,473</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment in associate	-	(47,520)
Purchase of property, plant and equipment	(26,823,782)	(3,236,948)
Purchase of Intellectual rights / Intangible Asset	(103,152)	(1,009,917)
Proceeds from shares placement	42,000,000	-
Deposit held as security	(50,506)	(509,825)
Net cash outflows / (inflows) on investment in subsidiaries	(15,944,164)	(518,906)
Net cash outflow / (inflows) on disposal of investment subsidiaries	1,293,805	-
Proceeds from disposal of property, plant & equipment	116,418	126,698
Interim Dividend Paid to Non-controlling interests	(864,000)	-
Interest Income	-	-
<b>Net cash generated from/(used in) investing activities</b>	<b>(375,381)</b>	<b>(5,196,418)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from disposal of subsidiaries	12	-
Proceeds on issuance of shares	7,866,642	12,060,885
Proceeds from disposal of treasury shares	-	1,258,190
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	(120,336)	(263,538)
Repayment of term loan	(31,049,794)	(10,360,050)
Interest paid	(97,033)	-
<b>Net cash generated from/(used in) financing activities</b>	<b>6,597,766</b>	<b>2,693,812</b>

	<b>CURRENT PERIOD ENDED 31 DECEMBER 2018</b>	<b>CORRESPONDING PERIOD ENDED 31 DECEMBER 2017</b>
	RM	RM
<b>Net increase/(decrease) in cash and cash equivalents</b>	3,167,900	(968,133)
Effect of foreign exchange rate change	(1,847,191)	(133,846)
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>3,216,477</u></b>	<b><u>1,895,768</u></b>
 <b>Cash and cash equivalents</b>		
Fixed deposits with licensed bank	1,311,067	1,260,560
Cash and bank balances	4,956,221	4,371,719
Overdraft	<u>(1,739,744)</u>	<u>(2,475,951)</u>
	4,527,544	3,156,328
Less: Deposits held as security	<u>(1,311,067)</u>	<u>(1,260,560)</u>
<b>Closing balance of cash and cash equivalents</b>	<b><u>3,216,477</u></b>	<b><u>1,895,768</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 FOURTH QUARTER ENDED 31 DECEMBER 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 decreased by RM1,595,247 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 RM1,401,231 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**

- a) 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.

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 October 2018	407,047	83,669
Issuance of shares via Private Placement	-	-
Issuance of shares via ESOS	-	-
Transfer of share-based payment reserved upon exercise of ESOS	-	835
As at 31 December 2018	<b>407,047</b>	<b>84,504</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 : -
- i) 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;
  - ii) 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;
  - iii) 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;
  - iv) 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;
  - v) 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
  - vi) 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.
- c) On 26 December 2018, the Company announced the winding up SMR Gulf WLL, a 99% owned subsidiary has been completed on the same day.

Upon completion of the said disposals for item (b) & (c), all the 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 31 December 2018</b>						
<b>Revenue</b>						
External customers	30,074	481	13,013	-	-	43,568
Inter-company sales	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-
	<u>30,074</u>	<u>481</u>	<u>13,013</u>	<u>-</u>	<u>-</u>	<u>43,568</u>

#### Results:

Included in the measure of segment (loss) / profit

Interest income	12	-	12	-	-	24
Interest expenses	(826)	(19)	(33)	(1)	-	(879)
Depreciation & Amortisation	(3,007)	(37)	(21)	(852)	-	(3,917)
Other non cash income	5,024	(697)	(2)	12,447	-	16,772
Share of results of associate	1,642	-	-	-	-	1,642
Profit/(Loss) before tax	<u>2,978</u>	<u>183</u>	<u>2,001</u>	<u>(834)</u>	<u>-</u>	<u>4,328</u>
Income tax expense	522	-	4	121	-	647
Segment profit/(loss)	<u>3,500</u>	<u>183</u>	<u>2,005</u>	<u>(713)</u>	<u>-</u>	<u>4,975</u>

### 12 Months Ended 31 December 2018

	Education RM'000	Training RM'000	Technology RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b>Revenue</b>						
External customers	85,654	1,188	39,575	-	-	126,417
Inter-company sales	-	-	428	-	(428)	-
Dividend income	-	-	-	1,536	(1,536)	-
	<u>85,654</u>	<u>1,188</u>	<u>40,003</u>	<u>1,536</u>	<u>(1,964)</u>	<u>126,417</u>

#### Results:

Included in the measure of segment (loss) / profit

Interest income	36	-	13	1	-	50
Interest expenses	(1,711)	(64)	(125)	(97)	-	(1,997)
Depreciation & Amortisation	(7,307)	(160)	(432)	(911)	-	(8,810)
Other non cash income	8,213	(621)	41	20,487	-	28,120
Share of results of associate	(1,038)	-	-	-	-	(1,038)
Profit before tax	<u>(8,246)</u>	<u>442</u>	<u>3,107</u>	<u>2,913</u>	<u>-</u>	<u>(1,784)</u>
Income tax expense	545	-	(6)	127	-	666
Segment profit/(loss)	<u>(7,701)</u>	<u>442</u>	<u>3,101</u>	<u>3,040</u>	<u>-</u>	<u>(1,118)</u>

### (b) Analysis by geographical areas

	3-months ended 31 December 2018			
	Malaysia RM'000	Overseas RM'000	Elimi- nations RM'000	Conso- lidated RM'000
<b>Revenue</b>				
External sales	43,485	83	-	43,568
Inter-segment	-	-	-	-
Total	<u>43,485</u>	<u>83</u>	<u>-</u>	<u>43,568</u>

	12-months ended 31 December 2018			
	Malaysia RM'000	Overseas RM'000	Elimi- nations RM'000	Total Operations RM'000
<b>Revenue</b>				
External sales	125,547	870	-	126,417
Inter-segment	426	2	(428)	-
Total	<u>125,973</u>	<u>872</u>	<u>(428)</u>	<u>126,417</u>

<b>Segment assets</b>	636,517	1,908	254,840	893,265
<b>Segment liabilities</b>	280,039	958	(168,231)	112,766
<b>Depreciation &amp; amortisation</b>	8,788	22	-	8,810

**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 31 December 2018 up to the date of this report except for the following :-

On 3rd January 2019, the Company had on 3 January 2019 completed the acquisition of one (1) ordinary share in Cendana Edisi Sdn Bhd ("Cendana") representing 100% of the equity share capital of Cendana for a cash consideration of RM1.00 ("Acquisition"). Upon the Acquisition, Cendana shall become a wholly-owned subsidiary of the Company.

**A12 Contingent Liabilities or Contingent Assets**

**As at 31.12.2018  
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 31 December 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
	31.12.2018 RM'000	31.12.2017 RM'000		31.12.2018 RM'000	31.12.2017 RM'000	
Revenue	43,568	29,873	46%	126,417	101,615	24%
Operating Profit	3,564	111,867	97%	1,251	109,466	99%
Profit/(Loss) Before Interest and Tax	5,206	109,753	95%	212	103,245	100%
Profit / (Loss) Before Tax	4,328	109,021	96%	(1,784)	100,652	102%
Profit/(Loss) After Tax	4,974	107,932	95%	(1,118)	98,908	101%
Loss Attributable to Ordinary Equity Holders of the Parent	5,531	107,303	95%	3,616	97,571	96%

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

The Group recorded an increase in revenue of 46% for the current quarter under review as compared to the preceding year's corresponding quarter (Q4' 2017) ("corresponding quarter"). This is primarily attributable 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 February 2018.

The Group registered a decreased in profit before tax of RM4.3 million in the current quarter as compared to RM109 million in the preceding year corresponding quarter. The significant variance is mainly due to the recognition of gain on disposal of a subsidiary in Q4 2017.

**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 24% 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 February 2018, as well as an increased in revenue from the Technology business segment.

The Group recorded a loss before tax of RM1.7 million in the current period as compared to a RM100.6 million in the previous corresponding period. The significant variance is mainly due to the recognition of gain on disposal of a subsidiary in 2017, and the consolidation of Minda Global financial losses this year.

**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 31.12.2018 RM'000	Immediate Preceding Quarter 30.09.2018 RM'000	Variance
Revenue	43,568	45,192	-4%
Operating Profit	3,564	(3,583)	199%
Profit /(Loss) Before Interest and Tax	5,206	(3,583)	245%
Profit /(Loss) Before Tax	4,328	(4,225)	202%
Profit /(Loss) After Tax	4,974	(4,057)	223%
Loss Attributable to Ordinary Equity Holders of the Parent	5,531	(2,325)	338%

The Group recorded a profit before tax to RM4.3 million in the current quarter as compared loss before tax of RM4.2 million in the immediate preceding quarter (Q3'2018). Better results in the current quarter compared to the immediate preceding quarter was mainly attributable to better gross margin from all 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 31.12.2018 RM'000	Cumulative Quarter 31.12.2018 RM'000
Income tax		
Current	(526)	(540)
Under/(Over) provision of tax in prior year	-	(4)
Deferred tax liabilities	(120)	(122)
	<b>(646)</b>	<b>(666)</b>

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 4th quarter ended	
	31.12.2018	31.12.2017
	RM'000	RM'000
<u>Secured short -term</u>		
Overdraft	1,740	2,476
Hire purchase payables	105	20
Term Loan	2,313	17,366
Shares Margin Loan	2,000	-
<u>Secured long -term</u>		
Hire purchase payables	441	55
Term Loan	28,000	11,702
Total borrowings	<u>34,599</u>	<u>31,619</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 except for the following :-

On 5 December 2018, the Company received a notice of commencement of legal proceedings from the solicitors acting for Stalin Thangaiah A/L Vijaya Kamaraj, Balasubramaniam A/L Manikam and Navindra A/L Sivaratnam ("**Minority Shareholders**" or "**the Plaintiffs**") of NTSSB, a subsidiary of the Company, by way of an Originating Summons and an Affidavit dated 28 November 2018. The Minority Shareholders are in essence alleging that the Company had used its position as the majority shareholder in NTSSB to oppress the Minority Shareholders. The Company is named as the 1st Defendant and NTSSB is named as the 2nd Defendant.

The Company firmly denies the allegations made by the Minority Shareholders and is of the view that they are without basis. The Company has accordingly instructed its solicitors to defend and protect the Company's rights and interests in the matter.

**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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
Earnings attributable to ordinary equity holders of the parent	5,531	107,303	3,616	97,571
Weighted average number of ordinary shares in issue				
As at 1 October 2018 / 1 January 2018	407,047	361,117	361,958	290,131
Add: Effect of issuance of shares	-	326	33,496	54,869
Add: Effect of conversion of warrants	-	-	-	-
Less: Effect of treasury shares held	-	-	(6)	(5)
As at 31 December 2018	407,047	361,443	395,448	344,995
Basic earnings per ordinary shares (sen)	1.36	29.69	0.91	28.28

**(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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Earnings attributable to ordinary equity holders of the parent	5,531	107,303	3,616	97,571
Weighted average no. of ordinary shares in issue	407,047	361,443	395,448	344,995
Effect of dilution for :-				
ESOS ('000)	-	-	-	39,138
Warrants ('000)*	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable	407,047	361,443	395,448	384,133
Diluted earnings per shares (sen)	1.36	29.69	0.91	25.40

\* 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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
Operating profit has been arrived at after charging:-				
Amortisation of intangible assets	15	102	61	520
Depreciation of property, plant and equipment	3,902	462	8,749	1,677
Expected credit losses	4,239	-	4,239	-
Interest expense	879	733	1,997	2,594
Impairment of investment in associates	1,235	(7,298)	1,235	(7,298)
Property, plant and equipment written off	192	-	197	-
Realised loss on foreign exchange	16	34	179	266
Unrealised (gain)/loss on foreign exchange	11	6	11	14
After crediting:-				
Gain on disposal of property, plant and equipment	143	117	143	119
Gain on disposal of investment in subsidiaries	1,178	110,339	1,178	110,339
Gain on remeasurement in income recognition	24,232	-	24,232	-
Interest Income	24	33	50	73
Rental Income	(76)	60	312	303
Realised (loss)/gain on foreign exchange	4	3	4	152
Reversal of impairment of investment in associates	4,385	-	4,385	-

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