

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER  
ENDED 31 DECEMBER 2019**
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
(THE FIGURES HAVE NOT BEEN AUDITED)

| Note   | INDIVIDUAL QUARTER   |                  | CUMULATIVE QUARTERS   |                  |      |
|--|----------------------|------------------|-----------------------|------------------|------|
|  | 3-MONTH PERIOD ENDED |                  | 12-MONTH PERIOD ENDED |                  |      |
|  | 31 DECEMBER 2019     | 31 DECEMBER 2018 | 31 DECEMBER 2019      | 31 DECEMBER 2018 |      |
|  | RM                   | RM               | Unaudited<br>RM       | Audited<br>RM    |      |
| Revenue  | 46,731,770           | 44,177,332       | 141,630,118           | 127,026,745      |      |
| Cost of sales  | (24,860,078)         | (32,065,529)     | (71,500,082)          | (93,051,163)     |      |
| Gross Profit   | 21,871,692           | 12,111,803       | 70,130,036            | 33,975,582       |      |
| Other income   | 2,288,545            | 5,261,514        | 6,312,159             | 35,469,176       |      |
| Administrative expenses  | (42,120,091)         | (15,882,464)     | (100,814,427)         | (70,293,162)     |      |
| Profit / (Loss) from operations                                    | (17,959,854)         | 1,490,853        | (24,372,232)          | (848,404)        |      |
| Share of results of associate                                      | -                    | 1,611,466        | -                     | (1,068,716)      |      |
| Profit / (Loss) before interest and tax                            | (17,959,854)         | 3,102,319        | (24,372,232)          | (1,917,120)      |      |
| Interest Expenses  | (3,521,056)          | (695,370)        | (23,634,163)          | (1,813,488)      |      |
| Interest Income  | 3,316                | 24,211           | 44,215                | 49,905           |      |
| Profit / (Loss) before taxation                                    | (21,477,594)         | 2,431,160        | (47,962,180)          | (3,680,703)      |      |
| Taxation   | 705,803              | 2,641,477        | 3,613,352             | 2,660,833        |      |
| Profit / (Loss) for the period                                     | (20,771,791)         | 5,072,637        | (44,348,828)          | (1,019,870)      |      |
| <b>Profit / (Loss) attributable to:</b>                            |                      |                  |                       |                  |      |
| Owners of the Company  | (19,759,133)         | 4,754,223        | (38,370,849)          | 2,839,733        |      |
| Non-controlling interests  | (1,012,657)          | 318,414          | (5,977,978)           | (3,859,603)      |      |
|  | (20,771,791)         | 5,072,637        | (44,348,828)          | (1,019,870)      |      |
| <b>Earnings per share attributable to<br/>Owner of the Company</b> |                      |                  |                       |                  |      |
| - Basic (sen)  | B9                   | (4.86)           | 1.17                  | (9.43)           | 0.73 |
| - Diluted (sen)  | B9                   | (4.86)           | 1.17                  | (9.43)           | 0.68 |

**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 2018.

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER  
 ENDED 31 DECEMBER 2019**
**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

(THE FIGURES HAVE NOT BEEN AUDITED)

| Note  | INDIVIDUAL QUARTER<br>3-MONTH PERIOD ENDED |                  | CUMULATIVE QUARTERS<br>12-MONTH PERIOD ENDED |                    |
|---|--|------------------|--|--------------------|
|   | 31 DECEMBER 2019                           | 31 DECEMBER 2018 | 31 DECEMBER 2019                             | 31 DECEMBER 2018   |
|   | RM   | RM               | Unaudited<br>RM                              | Audited<br>RM      |
| (Loss)/Profit for the period  | (20,771,791)                               | 5,072,637        | (44,348,828)                                 | (1,019,870)        |
| <b>OTHER COMPREHENSIVE INCOME</b>                                   |  |                  |  |                    |
| Exchange difference arising on translation<br>of foreign operations | (78,550)                                   | (1,544,258)      | 64,496                                       | (1,349,024)        |
| Amortisation of revaluation reserve                                 | -  | (54,751)         | (1,498,108)                                  | (43,801)           |
| Other comprehensive (loss)/income, net of tax                       | (78,550)                                   | (1,599,009)      | (1,433,612)                                  | (1,392,825)        |
| <b>TOTAL COMPREHENSIVE (LOSS)/INCOME<br/>FOR THE PERIOD</b>         | <b>(20,850,341)</b>                        | <b>3,473,628</b> | <b>(45,782,440)</b>                          | <b>(2,412,695)</b> |
| <b>Total comprehensive (loss)/income attributable to:</b>           |  |                  |  |                    |
| Owners of the Company   | (19,837,684)                               | 3,155,214        | (39,804,462)                                 | 1,446,908          |
| Non-controlling interests   | (1,012,657)                                | 318,414          | (5,977,978)                                  | (3,859,603)        |
|   | <b>(20,850,341)</b>                        | <b>3,473,628</b> | <b>(45,782,440)</b>                          | <b>(2,412,695)</b> |

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**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER  
 ENDED 31 DECEMBER 2019**
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|   | <i>Unaudited</i>          | <i>Audited</i>            |
|---|---------------------------|---------------------------|
|   | <b>31 DECEMBER 2019</b>   | <b>31 DECEMBER 2018</b>   |
|   | <b>RM</b>                 | <b>RM</b>                 |
| <b>ASSETS</b>   |                           |                           |
| <b>NON-CURRENT ASSETS</b>   |                           |                           |
| Property, plant & equipment   | 116,127,739               | 157,471,808               |
| Right-of-use assets   | 200,614,801               | -                         |
| Investment in associate   | 48,642                    | 42,695                    |
| Goodwill on consolidation   | 22,998,752                | 37,998,752                |
| Intangible assets   | 94,084,668                | 94,165,517                |
| Deferred tax assets   | 5,913,524                 | 2,660,008                 |
|   | <u>439,788,126</u>        | <u>292,338,780</u>        |
| <b>CURRENT ASSETS</b>   |                           |                           |
| Inventories   | 1,378,471                 | 10,258,163                |
| Trade and other receivables   | 40,345,020                | 45,665,022                |
| Contract costs  | 3,546,437                 | 2,380,964                 |
| Current tax assets  | 479,798                   | 1,949,823                 |
| Deposits placed with licensed banks                                 | 2,289,782                 | 1,311,067                 |
| Cash and bank balances  | 14,197,301                | 5,399,073                 |
|   | <u>62,236,810</u>         | <u>66,964,112</u>         |
| Non-current assets held for sale                                    | 31,429,283                | 17,580,121                |
|   | <u>31,429,283</u>         | <u>17,580,121</u>         |
| <b>TOTAL ASSETS</b>   | <b><u>533,454,219</u></b> | <b><u>376,883,013</u></b> |
| <b>EQUITY AND LIABILITIES</b>                                       |                           |                           |
| <b>EQUITY ATTRIBUTABLE TO OWNERS</b>                                |                           |                           |
| <b>OF THE COMPANY</b>   |                           |                           |
| Share capital   | 84,504,033                | 84,504,033                |
| Share premium   | -                         | -                         |
| Treasury shares   | (253,964)                 | (125,023)                 |
| Share based payment reserve   | 2,893,498                 | 2,893,498                 |
| Revaluation reserve   | -                         | 1,498,108                 |
| Foreign currency translation reserve                                | (22,696)                  | (87,192)                  |
| Statutory reserve   | -                         | -                         |
| Retained earnings   | 28,608,776                | 65,014,582                |
|   | <u>115,729,647</u>        | <u>153,698,006</u>        |
| Non-controlling interests   | 84,286,308                | 91,407,643                |
| <b>TOTAL EQUITY</b>   | <b><u>200,015,954</u></b> | <b><u>245,105,649</u></b> |
| <b>NON-CURRENT LIABILITIES</b>                                      |                           |                           |
| Loans and borrowings  | 649,925                   | 27,740,251                |
| Lease liabilities   | 208,618,284               | -                         |
| Deferred tax liabilities  | 28,993,019                | 30,319,041                |
|   | <u>238,261,228</u>        | <u>58,059,292</u>         |
| <b>CURRENT LIABILITIES</b>  |                           |                           |
| Trade and other payables  | 50,089,402                | 51,959,276                |
| Amount due to directors   | 5,762,500                 | 1,177,040                 |
| Loans and borrowings  | 18,576,372                | 4,234,462                 |
| Overdraft   | 429,494                   | 1,739,744                 |
| Lease liabilities   | 5,069,335                 | -                         |
| Contract liabilities  | 15,127,060                | 14,544,275                |
| Tax payables  | 122,873                   | 63,275                    |
|   | <u>95,177,036</u>         | <u>73,718,072</u>         |
| <b>TOTAL LIABILITIES</b>  | <b><u>333,438,265</u></b> | <b><u>131,777,364</u></b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                 | <b><u>533,454,219</u></b> | <b><u>376,883,013</u></b> |
| Number of ordinary shares (unit)                                    | 407,046,775               | 407,046,775               |
| Net assets per share attributable to owners<br>of the Company (sen) | 28.4                      | 37.8                      |

Note:

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 2018.

**SMRT HOLDINGS BERHAD (659523-T)**
**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER  
 ENDED 31 DECEMBER 2019**
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 (THE FIGURES HAVE NOT BEEN AUDITED)**

|  | Share<br>Capital | Treasury<br>Shares | Share<br>Based<br>Payment<br>Reserve | Foreign<br>Currency<br>Translation<br>Reserve | Revaluation<br>Reserve | Statutory<br>Reserve | Retained<br>Profits | Sub-total    | Non<br>Controlling<br>Interests | Total<br>Equity |
|--|------------------|--------------------|--------------------------------------|---|------------------------|----------------------|---------------------|--------------|---------------------------------|-----------------|
|  | RM               | RM                 | RM                                   | RM  | RM                     | RM                   | RM                  | RM           | RM                              | RM              |
| <b>Current period ended</b>  |                  |                    |                                      |   |                        |                      |                     |              |                                 |                 |
| <b>31 DECEMBER 2019</b>  |                  |                    |                                      |   |                        |                      |                     |              |                                 |                 |
| As at 01 JANUARY 2019  | 84,504,033       | (125,023)          | 2,893,498                            | (87,192)                                      | 1,498,108              | -                    | 65,014,582          | 153,698,006  | 91,407,643                      | 245,105,649     |
| (Loss)/Profit for the period   | -                | -                  | -                                    | -   | -                      | -                    | (38,370,849)        | (38,370,849) | (5,977,978)                     | (44,348,828)    |
| Other Comprehensive income<br>for the period   | -                | -                  | -                                    | 64,496  | (1,498,108)            | -                    | -                   | (1,433,612)  | -                               | (1,433,612)     |
| Total comprehensive income the period  | -                | -                  | -                                    | 64,496  | (1,498,108)            | -                    | (38,370,849)        | (39,804,462) | (5,977,978)                     | (45,782,440)    |
| <b>Transaction with owners</b>   |                  |                    |                                      |   |                        |                      |                     |              |                                 |                 |
| Reversal of amount previously recognised<br>directly in equity relating to assets<br>classified as held for sale | -                | -                  | -                                    | -   | -                      | -                    | -                   | -            | (1,232,840)                     | (1,232,840)     |
| Repurchase of shares   | -                | (128,941)          | -                                    | -   | -                      | -                    | -                   | (128,941)    | -                               | (128,941)       |
| Interim Dividend   | -                | -                  | -                                    | -   | -                      | -                    | (1,177,112)         | (1,177,112)  | -                               | (1,177,112)     |
| Disposal of investment in subsidiaries   | -                | -                  | -                                    | -   | -                      | -                    | -                   | -            | (517)                           | (517)           |
| Prior year adjustment  | -                | -                  | -                                    | -   | -                      | -                    | 3,142,155           | 3,142,155    | -                               | 3,142,155       |
| Total transactions with owners   | -                | (128,941)          | -                                    | -   | -                      | -                    | 1,965,043           | 1,836,102    | (1,143,357)                     | 692,744         |
| Balance as at 31 DECEMBER 2019   | 84,504,033       | (253,964)          | 2,893,498                            | (22,696)                                      | -                      | -                    | 28,608,776          | 115,729,646  | 84,286,307                      | 200,015,953     |
| <b>Corresponding period ended</b>  |                  |                    |                                      |   |                        |                      |                     |              |                                 |                 |
| <b>31 DECEMBER 2018</b>  |                  |                    |                                      |   |                        |                      |                     |              |                                 |                 |
| As at 01 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     |
| Profit for the period  | -                | -                  | -                                    | -   | -                      | -                    | 2,839,733           | 2,839,733    | (3,859,603)                     | (1,019,870)     |
| Other comprehensive income<br>for the period   | -                | -                  | -                                    | (1,349,024)                                   | (691,940)              | -                    | 43,801              | (1,997,163)  | -                               | (1,997,163)     |
| Total comprehensive income the period  | -                | -                  | -                                    | (1,349,024)                                   | (691,940)              | -                    | 2,883,534           | 842,570      | (3,859,603)                     | (3,017,033)     |
| <b>Transaction with owners</b>   |                  |                    |                                      |   |                        |                      |                     |              |                                 |                 |
| Issuance of shares pursuant to :-  |                  |                    |                                      |   |                        |                      |                     |              |                                 |                 |
| - Private Placement  | 5,657,500        | -                  | -                                    | -   | -                      | -                    | -                   | 5,657,500    | -                               | 5,657,500       |
| - ESOS exercised   | 2,209,141        | -                  | (910,686)                            | -   | -                      | -                    | -                   | 1,298,455    | -                               | 1,298,455       |
| Acquisition of Subsidiary  | -                | -                  | -                                    | -   | -                      | -                    | -                   | -            | 92,219,198                      | 92,219,198      |
| Disposal of subsidiary   | -                | -                  | -                                    | -   | -                      | (203,809)            | -                   | (203,809)    | 217,811                         | 14,002          |
| Share options granted under ESOS   | -                | -                  | -                                    | -   | -                      | -                    | -                   | -            | -                               | -               |
| Repurchase of shares   | -                | (1,725)            | -                                    | -   | -                      | -                    | -                   | (1,725)      | -                               | (1,725)         |
| Dividend   | -                | -                  | -                                    | -   | -                      | -                    | -                   | -            | (864,000)                       | (864,000)       |
| Total transactions with owners   | 7,866,641        | (1,725)            | (910,686)                            | -   | -                      | (203,809)            | -                   | 6,750,421    | 91,573,009                      | 98,323,430      |
| Balance as at 31 DECEMBER 2018   | 84,504,033       | (125,023)          | 2,893,498                            | (87,192)                                      | 1,498,108              | -                    | 65,014,582          | 153,698,006  | 91,407,643                      | 245,105,649     |

Note:

The unaudited condensed consolidated Statement of Changes in Equity 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 2018.

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER  
 ENDED 31 DECEMBER 2019**
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
 (THE FIGURES HAVE NOT BEEN AUDITED)**

|  | <b>CURRENT PERIOD<br/>ENDED<br/>31 DECEMBER 2019</b> | <b>CORRESPONDING<br/>PERIOD ENDED<br/>31 DECEMBER 2018</b> |
|--|--|--|
|  | RM   | RM   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                    |  |  |
| (Loss)/Profit before tax                                       | (47,962,180)   | (3,680,703)  |
| Adjustments for:   |  |  |
| Amortisation of intangible assets                              | 223,942  | 226,413  |
| Depreciation of Property and equipment                         | 11,021,458   | 8,432,003  |
| Depreciation in investment property                            | -  | 1,013,000  |
| Depreciation of Right-of-use assets                            | 17,112,001   | -  |
| Allowance of impairment for trade receivables                  | (496,098)  | 3,291,752  |
| Allowance of impairment for other receivables                  | -  | 141,775  |
| Interest income  | (44,215)   | (51,219)   |
| Interest expense   | 23,634,163   | 1,813,488  |
| Gain recognised on re-measurement of investment                | -  | (24,232,234)   |
| Share of result of associate                                   | -  | 1,068,716  |
| Loss/(gain) on disposal of property, plant and equipment       | 513,026  | (143,578)  |
| Loss/(gain) on disposal of investment in subsidiary            | 1,514,133  | 111,470  |
| Loss/(gain) on disposal of assets held for sale                | (1,634,487)  | -  |
| Loss on dissolution of subsidiary                              | -  | 1,260,002  |
| Impairment of investment in Assoc                              | (5,947)  | -  |
| Impairment of amount owing by associate                        | 104,440  | -  |
| Impairment loss on property , plant and equipment              | 226,882  | -  |
| Impairment loss on asset held for sale                         | 2,913,683  | -  |
| Reversal of impairment loss for property , plant and equipment | -  | (3,198,434)  |
| Reversal of impairment loss in other receivables               | -  | (128,333)  |
| Impairment loss on Goodwill                                    | 15,000,000   | -  |
| Fair value adjustment on ESOS granted                          | -  | (910,686)  |
| Bad debts Written off  | 94,139   | -  |
| Property, plant and equipment written off                      | 869  | 695,020  |
| Provision for doubtful debts                                   | 633,261  | -  |
| Provision for discount   | 1,221,001  | -  |
| Unrealised foreign exchange (gain)/loss                        | (10,065)   | (41,655)   |
| Operating profit /(loss) before working capital changes        | <u>24,060,005</u>                                    | <u>(14,333,203)</u>  |
| Changes in working capital                                     |  |  |
| Inventories  | 8,879,692  | (9,554,715)  |
| Receivables  | (12,581,403)   | 77,172,247   |
| Contract cost  | (1,165,473)  | (2,380,964)  |
| Payables   | 12,445,580   | (44,100,708)   |
| Contract liabilities   | 582,785  | 14,544,275   |
| Cash (used in)/generated from operations                       | <u>32,221,186</u>                                    | <u>21,346,932</u>  |
| Tax paid   | (21,683,103)   | (1,670,764)  |
| Tax refunded   | 1,870,056  | 1,284,000  |
| Interest expense   | (103,217)  | -  |
| Interest received  | 44,215   | 51,219   |
| <b>Net cash generated from/(used in) operating activities</b>  | <u><b>12,349,137</b></u>                             | <u><b>21,011,387</b></u>                                   |

**CASH FLOWS FROM INVESTING ACTIVITIES**

|   |                   |                     |
|---|-------------------|---------------------|
| Advances to associate   | -                 | -                   |
| Dividend received from associate  | -                 | -                   |
| Purchase of property, plant and equipment                               | (9,230,470)       | (27,588,996)        |
| Acquisition of Intangible Asset   | (53,093)          | -                   |
| Proceeds from disposal of investment in subsidiary, net of cash inflows | (34,367)          | (421,620)           |
| Proceeds from disposal of assets held for sale                          | 20,809,050        | -                   |
| Proceeds from disposal of property, plant & equipment                   | 21,081            | 152,196             |
| Net cash inflows on investment in subsidiaries                          | -                 | 3,092,985           |
| Net cash outflows on investment in subsidiaries                         | (583,171)         | -                   |
| <b>Net cash generated from/(used in) investing activities</b>           | <b>10,929,031</b> | <b>(24,765,435)</b> |

**CASH FLOWS FROM FINANCING ACTIVITIES**

|   |                     |                  |
|---|---------------------|------------------|
| Proceeds on issuance of shares                                | -                   | 7,866,641        |
| Fixed deposit pledged to licences bank                        | (1,904,999)         | (50,507)         |
| Bank account pledged for Sukuk Wakalah                        | 197,000             | (197,000)        |
| Withdrawal of fixed deposit                                   | 926,284             | -                |
| Drawdown of Sukuk Wakalah                                     | -                   | 27,177,000       |
| Drawdown of hire purchase                                     | -                   | 500,000          |
| Advances from related company                                 | -                   | (128,005)        |
| Advances from directors                                       | 5,762,500           | 1,177,040        |
| Purchase of treasury shares                                   | (128,942)           | (1,725)          |
| Repayment of hire purchase payables                           | (136,990)           | (114,829)        |
| Repayment of lease liabilities                                | (4,803,506)         | -                |
| Repayment of borrowings                                       | (2,145,786)         | (29,147,361)     |
| Repayment to Sukuk Wakalah                                    | (11,000,000)        | -                |
| Interest paid   | -                   | (1,813,488)      |
| <b>Net cash generated from/(used in) financing activities</b> | <b>(13,234,438)</b> | <b>5,267,766</b> |

**Net increase/(decrease) in cash and cash equivalents** 10,043,729 1,513,718

Effect of foreign exchange rate change 64,750 52,843

Opening balance of cash and cash equivalents 3,659,329 1,895,768

**Closing balance of cash and cash equivalents** **13,767,808** **3,462,329**

**Cash and cash equivalents**

|   |                   |                  |
|---|-------------------|------------------|
| Fixed deposits with licensed bank                   | 2,289,782         | 1,311,067        |
| Cash and bank balances                              | 14,197,301        | 5,399,073        |
| Overdraft   | (429,494)         | (1,739,744)      |
|   | 16,057,590        | 4,970,396        |
| Less: Deposits held as security                     | (2,289,782)       | (1,311,067)      |
| Less: Bank accounts pledged for Sukuk Wakalah       | -                 | (197,000)        |
| <b>Closing balance of cash and cash equivalents</b> | <b>13,767,808</b> | <b>3,462,329</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 2018.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019**

**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 2018. 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 2018.

**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 2018 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 2019 as disclosed below: -

|                        |  |
|------------------------|--|
| MFRS 16                | Lease  |
| Amendments to MFRS 3   | Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)                      |
| Amendments to MFRS 9   | Financial Instruments-Prepayment features with Negative Compensation                               |
| Amendments to MFRS 11  | Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)                         |
| Amendments to MFRS 112 | Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)                               |
| Amendments to MFRS     | Employee Benefit (Plan Amendments, Curtailment or Settlement)                                      |
| Amendments to MFRS 128 | Investment in Associates and Joint Ventures - Long term interests in Associates and Joint Ventures |
| IC Interpretation 23   | Uncertainty over Income Tax Treatments   |

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 16 - Leases**

The Group has adopted MFRS 16 - Leases with a date of initial application on 1 January 2019. MFRS 16 replaces the guidance in MFRS - 117 Leases, IC Interpretation 4, Determining whether an Arrangement contains a Lease, IC Interpretation 115, Operating Leases – Incentives and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group has adopted the standard using the modified retrospective approach and measured the right-of-use assets equal to the lease liabilities of RM267,487,433 at 1 January 2019 with no restatement to comparative information for prior year from the date of initial application.

In summary, the adoption of MFRS 16 Leases as at 1 January 2019 has the following impact:

- (i) To the opening balance as at 1 January 2019 :

**Statement of Financial Position**

|                                | Report under<br>MFRS 16<br>RM'000 | MFRS 117<br>RM'000 | Increase/<br>(Decrease)<br>RM'000 |
|--------------------------------|-----------------------------------|--------------------|-----------------------------------|
| <b>Non- Current Assets</b>     |                                   |                    |                                   |
| Right-of-use assets            | 238,466,863                       | -                  | 238,466,863                       |
| <b>Non-Current liabilities</b> |                                   |                    |                                   |
| Lease liabilities              | 190,908,830                       | -                  | 190,908,830                       |
| <b>Current liabilities</b>     |                                   |                    |                                   |
| Lease liabilities              | 47,558,033                        | -                  | 47,558,033                        |

(ii) To the unaudited Consolidated Statement of Profit or Loss and other Comprehensive income for the financial period ended 31 December 2019:

|                                  | <b>Before MFRS<br/>16<br/>Adjustment<br/>RM'000</b> | <b>MFRS 16<br/>Adjustment<br/>RM'000</b> | <b>Unaudited<br/>31 DECEMBER<br/>2019<br/>RM'000</b> |
|----------------------------------|---|--|--|
| Operating Leases                 | (21,796)  | 21,796                                   | -  |
| Depreciation Right-of-use assets | -   | (17,112)                                 | (17,112)   |
| Interest on lease liabilities    | -   | (21,187)                                 | (21,187)   |
| <b>Loss before taxation</b>      | <b>(31,459)</b>                                     | <b>(16,503)</b>                          | <b>(47,962)</b>                                      |

**c) Standards issued but not yet effective**

At the date of authorisation of the interim financial report, the Standards issued by Malaysian Accounting Standards Board ("MASB") but not yet effective are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

- i) Amendments to MFRS 3 - Business Combinations - Definition of a Business
- ii) Amendments to MFRS 101 - Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material
- iii) Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- iv) Amendments to References to the Conceptual Framework in MFRS Standards

**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 2018 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 :-

During the current financial quarter under review, the Company repurchased 1,457,000 of its issued shares from the open market at average price RM0.09 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<br/>Issued and fully<br/>paid up ordinary<br/>shares of RM0.10<br/>'000</b> | <b>Share Capital<br/><br/>RM '000</b> |
|--|--|---------------------------------------|
| As at 1 October 2019   | 407,047  | 84,504                                |
| Issuance of shares via Private Placement                       | -  | -                                     |
| Issuance of shares via ESOS                                    | -  | -                                     |
| Transfer of share-based payment reserved upon exercise of ESOS | -  | -                                     |
| <b>As at 31 DECEMBER 2019</b>                                  | <b>407,047</b>   | <b>84,504</b>                         |

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

The value of property, plant and equipment 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.



## A9 Segmental Information

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

|   | Education<br>RM'000     | Training<br>RM'000 | Technology<br>RM'000 | Others<br>RM'000 | Eliminations<br>RM'000 | Consolidated<br>RM'000 |
|---|-------------------------|--------------------|----------------------|------------------|------------------------|------------------------|
| <b>3 Months Ended</b>   | <b>31 DECEMBER 2019</b> |                    |                      |                  |                        |                        |
| <b>Revenue</b>  |                         |                    |                      |                  |                        |                        |
| External customers  | 25,453                  | 147                | 21,132               | -                | -                      | 46,732                 |
| Inter-company sales   | -                       | 75                 | 457                  | -                | (531)                  | -                      |
| Dividend income   | -                       | -                  | -                    | 2,093            | (2,093)                | -                      |
|   | <u>25,453</u>           | <u>222</u>         | <u>21,588</u>        | <u>2,093</u>     | <u>(2,624)</u>         | <u>46,732</u>          |
| <b>Results:</b>   |                         |                    |                      |                  |                        |                        |
| <i>Included in the measure of segment (loss) / profit</i>                           |                         |                    |                      |                  |                        |                        |
| Interest income   | 3                       | -                  | (0)                  | -                | -                      | 3                      |
| Interest expenses   |                         |                    |                      |                  |                        |                        |
| - Borrowings  | (424)                   | (10)               | 2                    | (0)              | -                      | (432)                  |
| - Right-of-use assets   | (2,880)                 | -                  | (64)                 | (145)            | -                      | (3,089)                |
| Depreciation & Amortisation   | -                       | -                  | -                    | -                | -                      | -                      |
| - Properties and equipment  | (2,402)                 | (29)               | (172)                | (5)              | -                      | (2,608)                |
| - Right-of-use assets   | (5,501)                 | -                  | (316)                | (1,128)          | -                      | (6,946)                |
| Amortisation  | (54)                    | -                  | -                    | -                | -                      | (54)                   |
| Other non cash income   | (15,257)                | 144                | (1,616)              | (1,790)          | -                      | (18,519)               |
| Profit/(Loss) before tax  | (21,582)                | (23)               | 14,837               | (14,710)         | -                      | (21,477)               |
| Income tax expense  | 89                      | 535                | 5                    | 76               | -                      | 705                    |
| Segment profit/(loss)   | <u>(21,493)</u>         | <u>512</u>         | <u>14,843</u>        | <u>(14,634)</u>  | <u>-</u>               | <u>(20,772)</u>        |
| <b>Earnings before interest, taxation, depreciation and amortisation ("EBITDA")</b> | <b>(10,324)</b>         | <b>17</b>          | <b>15,388</b>        | <b>(13,432)</b>  | <b>-</b>               | <b>(8,351)</b>         |

|   | Education<br>RM'000     | Training<br>RM'000 | Technology<br>RM'000 | Others<br>RM'000 | Eliminations<br>RM'000 | Consolidated<br>RM'000 |
|---|-------------------------|--------------------|----------------------|------------------|------------------------|------------------------|
| <b>12 Months Ended</b>  | <b>31 DECEMBER 2019</b> |                    |                      |                  |                        |                        |
| <b>Revenue</b>  |                         |                    |                      |                  |                        |                        |
| External customers  | 97,249                  | 1,534              | 42,847               | -                | -                      | 141,630                |
| Inter-company sales   | -                       | 75                 | 1,405                | -                | (1,479)                | -                      |
| Dividend income   | -                       | -                  | -                    | 2,093            | (2,093)                | -                      |
|   | <u>97,249</u>           | <u>1,609</u>       | <u>44,251</u>        | <u>2,093</u>     | <u>(3,572)</u>         | <u>141,630</u>         |
| <b>Results:</b>   |                         |                    |                      |                  |                        |                        |
| <i>Included in the measure of segment (loss) / profit</i>                           |                         |                    |                      |                  |                        |                        |
| Interest income   | 14                      | -                  | 30                   | -                | -                      | 44                     |
| Interest expenses   |                         |                    |                      |                  |                        |                        |
| - Borrowings  | (2,342)                 | (62)               | (43)                 | -                | -                      | (2,447)                |
| - Right-of-use assets   | (17,779)                | -                  | (64)                 | (3,344)          | -                      | (21,187)               |
| Depreciation of:  | -                       | -                  | -                    | -                | -                      | -                      |
| - Properties and equipment  | (10,215)                | (134)              | (600)                | (72)             | -                      | (11,021)               |
| - Right-of-use assets   | (14,202)                | -                  | (316)                | (2,593)          | -                      | (17,112)               |
| Amortisation  | (224)                   | -                  | -                    | -                | -                      | (224)                  |
| Other non cash income   | (16,248)                | 141                | (1,615)              | (1,830)          | -                      | (19,552)               |
| Profit before tax   | (42,355)                | 499                | 15,624               | (21,731)         | -                      | (47,962)               |
| Income tax expense  | 2,443                   | 519                | 0                    | 651              | -                      | 3,613                  |
| Segment profit/(loss)   | <u>(39,912)</u>         | <u>1,018</u>       | <u>15,625</u>        | <u>(21,080)</u>  | <u>-</u>               | <u>(44,349)</u>        |
| <b>Earnings before interest, taxation, depreciation and amortisation ("EBITDA")</b> | <b>2,393</b>            | <b>696</b>         | <b>16,618</b>        | <b>(15,722)</b>  | <b>-</b>               | <b>3,985</b>           |

**(b) Analysis by geographical areas**

| Revenue        | 3-months ended 31 DECEMBER 2019 |                    |                             |                             |
|----------------|---------------------------------|--------------------|-----------------------------|-----------------------------|
|                | Malaysia<br>RM'000              | Overseas<br>RM'000 | Elimi-<br>nations<br>RM'000 | Conso-<br>lidated<br>RM'000 |
| External sales | 46,623                          | 184                | -                           | 46,807                      |
| Inter-segment  | -                               | 457                | (531)                       | (75)                        |
| <b>Total</b>   | <b>46,623</b>                   | <b>640</b>         | <b>(531)</b>                | <b>46,732</b>               |

| Revenue        | 12-months ended 31 DECEMBER 2019 |                    |                             |                               |
|----------------|----------------------------------|--------------------|-----------------------------|-------------------------------|
|                | Malaysia<br>RM'000               | Overseas<br>RM'000 | Elimi-<br>nations<br>RM'000 | Total<br>Operations<br>RM'000 |
| External sales | 140,980                          | 725                | -                           | 141,705                       |
| Inter-segment  | -                                | 1,405              | (1,479)                     | (75)                          |
| <b>Total</b>   | <b>140,980</b>                   | <b>2,129</b>       | <b>(1,479)</b>              | <b>141,630</b>                |

|  |         |       |           |         |
|--|---------|-------|-----------|---------|
| <b>Segment assets</b>                  | 813,555 | 1,415 | (281,515) | 533,454 |
| <b>Segment liabilities</b>             | 452,687 | 1,108 | (120,357) | 333,438 |
| <b>Depreciation &amp; amortisation</b> | 28,202  | 155   | -         | 28,357  |

**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 2019 up to the date of this report except for the following :-

- a) On 3 January 2019, the Company 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.
- b) The Group had on 30 March 2019 completed the acquisition of 10,000 ordinary shares from TalentOz Sdn Bhd (formerly known as Cendana Edisi Sdn Bhd) in Forzia Tech Private Limited ("Forzia") representing 100% equity interest in Forzia for a cash consideration of RM74,272. Upon the Acquisition, Forzia shall become a wholly-owned subsidiary of the Company.
- c) On 4 October 2019, Talentoz Sdn Bhd ("Talentoz"), a wholly owned subsidiary of the Company had entered into an Intellectual Property Sale and Purchase Agreement with Mohamed Shakeer Bin Abdul Rahim to acquire an Intellectual Property known as "Datazie" ("Datazie" or "Intellectual Property") for a consideration valued at Ringgit Malaysia Ninety Thousand (RM90,000.00) Only to be satisfied by the issuance of new and registrable ordinary shares of Talentoz up to 45% of the enlarged paid-up capital of Talentoz ("Acquisition"). On 2nd December 2019, the company announced the completion of the Acquisition, the equity shares of the Company in Talentoz reduced from 100% to 55%.
- d) On 11 November 2019, The Company entered into a share sale agreement ("SSA") with Minda Global Berhad ("Minda") for the proposed disposal of 20,786,000 ordinary shares in SMR HR Group Sdn Bhd ("SMR HRG"), representing the entire equity interest in SMR HRG for a consideration of Ringgit Malaysia Five Million Two Hundred Thirty Thousand (RM5,230,000.00) Only ("Sale Consideration") ("Proposed Disposal"). On 18 February 2020, the Company announced the completion of the Proposed Disposal, SMR HRG ceased to be a wholly-owned subsidiary of the Company.
- e) On 9 January 2020, the Company announced the following :-
  - i) disposal of its entire equity interest of 2 ordinary shares in SMR Management Sdn. Bhd., a wholly-owned subsidiary of the Company, for a total cash consideration of RM2;
  - ii) disposal of its entire equity interest of 750,000 ordinary shares in Management Made Easy Sdn. Bhd., a wholly-owned subsidiary of the Company, for a total cash consideration of RM2;
  - iii) disposal of its entire equity interest of 1,000,000 ordinary shares in SMR HR Technologies Sdn. Bhd., a wholly-owned subsidiary of the Company, for a total cash consideration of RM2;

**A12 Contingent Liabilities or Contingent Assets**

As at 31 DECEMBER 2019  
RM'000

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

495

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 DECEMBER 2019<br>RM'000 | 31 DECEMBER 2018<br>RM'000           |          | 31 DECEMBER 2019<br>RM'000 | 31 DECEMBER 2018<br>RM'000          |          |
| Revenue  | 46,732                     | 44,177                               | 6%       | 141,630                    | 127,027                             | 11%      |
| Operating Profit   | (17,960)                   | 1,491                                | -1305%   | (24,372)                   | (848)                               | 2773%    |
| Profit /(Loss) Before Interest and Tax                     | (17,960)                   | 3,102                                | -679%    | (24,372)                   | (1,917)                             | 1171%    |
| Profit / (Loss) Before Tax                                 | (21,478)                   | 2,431                                | -983%    | (47,962)                   | (3,681)                             | 1203%    |
| Profit /(Loss) After Tax                                   | (20,772)                   | 5,073                                | -509%    | (44,349)                   | (1,020)                             | 4248%    |
| Loss Attributable to Ordinary Equity Holders of the Parent | (19,759)                   | 4,754                                | -516%    | (38,371)                   | 2,840                               | -1451%   |

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

The Group recorded an marginal increased in revenue by approximately 6% for the current quarter under review as compared to the preceding year's corresponding quarter (Q4' 2018) ("corresponding quarter"), mainly resulted from increase in revenue from both education and technology segments.

Nevertheless, the Group registered a loss before tax of RM21.48 million in the current quarter as compared to profit before tax of RM2.43 million in the preceding year corresponding quarter, mainly due to adoption of MFRS 16 and impairment of goodwill for the current period under reviewed.

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

The Group recorded an increased in revenue by 11% for the current period under review as compared to the preceding year's corresponding period. This is mainly due to the consolidation of revenue from Minda Global group of companies with effective from 1st February 2018, as well as an increased in revenue from the Technology business segment by approx. RM 2 mil as well as education segment by RM3 mil proportionately, as compared to the preceding year's corresponding period.

The Group recorded a loss before tax of RM47.96 million in the current period as compared to a RM3.68 million in the previous corresponding period. The significant variances are mainly due to the one-off gain on investment amounted to RM 28.6 million in FYE 31 Dec 2018 against the adoption of MFRS 16 of approximately RM16 million together with impairment of goodwill amounted to RM15 million for the year under reviewed.

**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 |
|--|----------------------|-----------------------------|----------|
|  | 31 DECEMBER 2019     | 30 SEPTEMBER 2019           |          |
|  | RM'000               | RM'000                      |          |
| Revenue  | 46,732               | 24,497                      | 191%     |
| Operating Profit   | (17,960)             | (6,631)                     | 271%     |
| Profit /(Loss) Before Interest and Tax                     | (17,960)             | (6,631)                     | 271%     |
| Profit /(Loss) Before Tax                                  | (21,478)             | (13,303)                    | 161%     |
| Profit /(Loss) After Tax                                   | (20,772)             | (12,404)                    | 167%     |
| Loss Attributable to Ordinary Equity Holders of the Parent | (19,759)             | (8,035)                     | 246%     |

The Group recorded a revenue and loss before tax of RM46.73 million and RM21.48 million respectively in the current quarter as compared to RM24.50 million and RM13.30 million in the immediate preceding quarter, mainly resulted from increase in revenue from Technology segment and impact from impairment of goodwill for the quarter under review.

### 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 areas, 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

Income tax

Current

Under/(Over) provision of tax in prior year

Deferred tax

| Current Quarter Ended |                  | Cumulative Year To Date |                  |
|-----------------------|------------------|-------------------------|------------------|
| 31 DECEMBER 2019      | 31 DECEMBER 2018 | 31 DECEMBER 2019        | 31 DECEMBER 2018 |
| RM'000                | RM'000           | RM'000                  | RM'000           |
|                       |                  |                         |                  |
| 127                   | 86               | 149                     | 72               |
| (540)                 | 35               | (543)                   | 31               |
| (292)                 | (2,762)          | (3,219)                 | (2,764)          |
| <b>(705)</b>          | <b>(2,641)</b>   | <b>(3,613)</b>          | <b>(2,661)</b>   |

The taxation included the estimation of deferred tax arising from the recognition of lease liabilities.

### 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

#### Secured short -term

Overdraft

Hire purchase payables

Lease assets payables

Term Loan

Shares Margin Loan

#### Secured long -term

Hire purchase payables

Lease assets payables

Term Loan

Total borrowings

| Cumulative Year To Date |                  |
|-------------------------|------------------|
| 31 DECEMBER 2019        | 31 DECEMBER 2018 |
| RM'000                  | RM'000           |
|                         |                  |
| 429                     | 1,740            |
| 103                     | 104              |
| 5,069                   | -                |
| 16,473                  | 2,130            |
| 2,000                   | 2,000            |
|                         |                  |
| 650                     | 441              |
| 208,618                 | -                |
| -                       | 27,299           |
| <b>233,343</b>          | <b>33,714</b>    |

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 |                  |
|--|-----------------------|------------------|-------------------------|------------------|
|  | 31 DECEMBER 2019      | 31 DECEMBER 2018 | 31 DECEMBER 2019        | 31 DECEMBER 2018 |
|  | RM'000                | RM'000           | RM'000                  | RM'000           |
| Earnings attributable to ordinary equity holders of the parent | (19,759)              | 4,754            | (38,371)                | 2,840            |
| Weighted average number of ordinary shares in issue            |                       |                  |                         |                  |
| As at 1 January 2019 / 1 October 2019                          | 407,047               | 407,047          | 407,047                 | 361,958          |
| Add: Effect of issuance of shares                              | -                     | -                | -                       | 27,100           |
| Add: Effect of conversion of warrants                          | -                     | -                | -                       | -                |
| Less: Effect of treasury shares held                           | (652)                 | -                | (170)                   | (6)              |
| As at 31 December 2019   | 406,394               | 407,047          | 406,877                 | 389,052          |
| Basic earnings per ordinary shares (sen)                       | (4.86)                | 1.17             | (9.43)                  | 0.73             |

**(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 DECEMBER 2019      | 31 DECEMBER 2018 | 31 DECEMBER 2019        | 31 DECEMBER 2018 |
| Earnings attributable to ordinary equity holders of the parent            | (19,759)              | 4,754            | (38,371)                | 2,840            |
| Weighted average no. of ordinary shares in issue                          | 406,394               | 407,047          | 406,877                 | 389,052          |
| Effect of dilution for :-   |                       |                  |                         |                  |
| ESOS ('000)   | -                     | -                | -                       | 30,549           |
| Warrants ('000)*  | -                     | -                | -                       | -                |
| Adjusted weighted average number of ordinary shares in issue and issuable | 406,394               | 407,047          | 406,877                 | 419,600          |
| Diluted earnings per shares (sen)   | (4.86)                | 1.17             | (9.43)                  | 0.68             |

\* 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**

|   | Current Quarter ended |                  | Cumulative Year-to-date |                  |
|---|-----------------------|------------------|-------------------------|------------------|
|   | 31 DECEMBER 2019      | 31 DECEMBER 2018 | 31 DECEMBER 2019        | 31 DECEMBER 2018 |
|   | RM'000                | RM'000           | RM'000                  | RM'000           |
| Operating profit has been arrived at after charging:- |                       |                  |                         |                  |
| Amortisation of intangible assets                     | 54                    | 15               | 224                     | 61               |
| Depreciation of property, plant and equipment         | 2,608                 | 5,142            | 11,021                  | 9,934            |
| Depreciation of Right-of-use assets                   | 6,946                 | -                | 17,112                  | -                |
| Expected credit losses                                | (0)                   | 3,265            | (496)                   | 3,265            |
| Interest expense on borrowings                        | 432                   | 695              | 2,447                   | 1,813            |
| Interest expense on Right-of use assets               | 3,089                 | -                | 21,187                  | -                |
| Impairment of Goodwill                                | 15,000                | -                | 15,000                  | -                |
| Impairment of investment in associates                | (5,947)               | 1,235            | (5,947)                 | 1,235            |
| Loss on disposal of property, plant and equipment     | 513                   | 4                | 513                     | 4                |
| Loss on disposal of subsidiary                        | 16,045                | -                | 16,045                  | -                |
| Property, plant and equipment written off             | 1                     | 695              | 1                       | 700              |
| Realised loss on foreign exchange                     | 8                     | 31               | 88                      | 194              |
| Unrealised (gain)/loss on foreign exchange            | -                     | -                | -                       | -                |
| After crediting:-                                     |                       |                  |                         |                  |
| Gain on disposal of property, plant and equipment     | 18                    | 143              | 1,634                   | 143              |
| Gain on disposal of investment in subsidiaries        | -                     | 1,178            | -                       | 1,178            |
| Gain on remeasurement in income recognition           | -                     | 24,232           | -                       | 24,232           |
| Interest Income                                       | 3                     | 24               | 44                      | 50               |
| Rental Income   | 949                   | 837              | 3,151                   | 1,225            |
| Realised (loss)/gain on foreign exchange              | (29)                  | 4                | 128                     | 4                |
| Reversal of impairment of investment in associates    | -                     | 4,385            | -                       | 4,385            |
| Unrealised gain on foreign exchange                   | 3                     | 68               | 10                      | 68               |

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