

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2020**
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(THE FIGURES HAVE NOT BEEN AUDITED)

Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	3-MONTH PERIOD ENDED		9-MONTH PERIOD ENDED	
	30 SEPTEMBER 2020	30 SEPTEMBER 2019	30 SEPTEMBER 2020	30 SEPTEMBER 2019
	RM	RM	Unaudited RM	Unaudited RM
Revenue	32,914,803	24,496,896	87,677,901	94,898,348
Cost of sales	(12,980,664)	(12,106,721)	(42,423,530)	(46,640,004)
Gross Profit	19,934,139	12,390,175	45,254,371	48,258,344
Other income	2,359,626	577,730	4,409,114	4,023,614
Administrative expenses	(17,566,000)	(19,598,453)	(51,968,895)	(58,694,336)
Profit / (Loss) from operations	4,727,765	(6,630,548)	(2,305,410)	(6,412,378)
Share of results of associate	-	-	-	-
Profit / (Loss) before interest and tax	4,727,765	(6,630,548)	(2,305,410)	(6,412,378)
Interest Expenses	(5,160,967)	(6,701,043)	(15,808,251)	(20,113,107)
Interest Income	2,802	28,672	9,797	40,899
Profit / (Loss) before taxation	(430,401)	(13,302,919)	(18,103,865)	(26,484,586)
Taxation	304,975	899,118	1,257,764	2,907,549
Profit / (Loss) for the period	(125,426)	(12,403,801)	(16,846,101)	(23,577,037)
Profit / (Loss) attributable to:				
Owners of the Company	(1,106,940)	(8,035,331)	(12,192,650)	(18,611,716)
Non-controlling interests	981,514	(4,368,470)	(4,653,450)	(4,965,321)
	(125,426)	(12,403,801)	(16,846,101)	(23,577,037)

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

- Basic (sen)	B9	(0.27)	(1.97)	(3.00)	(4.57)
- Diluted (sen)	B9	(0.27)	(1.97)	(3.00)	(4.57)

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 2019.

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER
 ENDED 30 SEPTEMBER 2020**
CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(THE FIGURES HAVE NOT BEEN AUDITED)

Note	INDIVIDUAL QUARTER 3-MONTH PERIOD ENDED		CUMULATIVE QUARTERS 9-MONTH PERIOD ENDED	
	30 SEPTEMBER 2020	30 SEPTEMBER 2019	30 SEPTEMBER 2020	30 SEPTEMBER 2019
	RM	RM	Unaudited RM	Unaudited RM
(Loss)/Profit for the period	(125,426)	(12,403,801)	(16,846,101)	(23,577,037)
OTHER COMPREHENSIVE INCOME				
Exchange difference arising on translation of foreign operations	(63,342)	149,604	(79,212)	143,046
Amortisation of revaluation reserve	-	(1,483,127)	-	(1,498,108)
Other comprehensive (loss)/income, net of tax	(63,342)	(1,333,523)	(79,212)	(1,355,062)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	(188,767)	(13,737,324)	(16,925,313)	(24,932,099)
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(1,170,282)	(9,368,854)	(12,271,862)	(19,966,778)
Non-controlling interests	981,514	(4,368,470)	(4,653,450)	(4,965,321)
	(188,767)	(13,737,324)	(16,925,313)	(24,932,099)

website : <http://www.smrhub.com/>
**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER
 ENDED 30 SEPTEMBER 2020**
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Unaudited</i> 30 SEPTEMBER 2020	<i>Audited</i> 31 DECEMBER 2019
	RM	RM
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	75,472,852	80,368,453
Right-of-use assets	224,419,874	228,426,834
Investment in associate	4,560,836	48,642
Goodwill on consolidation	34,493,752	34,493,752
Intangible assets	96,573,758	94,084,668
Deferred tax assets	7,145,427	5,830,873
	<u>442,666,499</u>	<u>443,253,222</u>
CURRENT ASSETS		
Inventories	5,318,866	1,378,471
Trade and other receivables	59,207,423	42,356,230
Contract costs	2,962,343	3,316,035
Current tax assets	473,540	519,992
Deposits placed with licensed banks	5,591,606	2,313,965
Cash and bank balances	13,582,070	14,728,024
	<u>87,135,850</u>	<u>64,612,718</u>
Non-current assets held for sale	29,183,906	40,594,298
	<u>29,183,906</u>	<u>40,594,298</u>
TOTAL ASSETS	558,986,255	548,460,237
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	84,504,033	84,504,033
Share premium	-	-
Treasury shares	(294,252)	(253,964)
Share based payment reserve	-	-
Revaluation reserve	-	-
Foreign currency translation reserve	(102,391)	(23,179)
Statutory reserve	-	-
Retained earnings	17,529,716	29,722,365
	<u>101,637,105</u>	<u>113,949,254</u>
Non-controlling interests	75,494,684	80,061,384
TOTAL EQUITY	177,131,789	194,010,638
NON-CURRENT LIABILITIES		
Loans and borrowings	27,049,333	565,067
Lease liabilities	218,049,865	220,078,296
Deferred tax liabilities	27,848,663	27,848,663
	<u>272,947,861</u>	<u>248,492,027</u>
CURRENT LIABILITIES		
Trade and other payables	62,128,504	61,951,031
Amount due to directors	3,597,401	7,002,500
Loans and borrowings	2,005,092	18,680,712
Overdraft	-	429,494
Lease liabilities	13,007,564	7,682,807
Contract liabilities	28,152,402	10,021,238
Tax payables	15,642	189,790
	<u>108,906,605</u>	<u>105,957,573</u>
TOTAL LIABILITIES	381,854,465	354,449,599
TOTAL EQUITY AND LIABILITIES	558,986,255	548,460,237
Number of ordinary shares (unit)	407,046,775	407,046,775
Net assets per share attributable to owners of the Company (sen)	25.0	28.0

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 2019.

SMRT HOLDINGS BERHAD (659523-T)
**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER
 ENDED 30 SEPTEMBER 2020**
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 (THE FIGURES HAVE NOT BEEN AUDITED)**

	Share Capital	Treasury Shares	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
Current period ended 30 SEPTEMBER 2020										
As at 01 JANUARY 2020	84,504,033	(253,964)	-	(23,179)	-	-	29,722,366	113,949,255	80,061,384	194,010,639
(Loss)/Profit for the period	-	-	-	-	-	-	(12,192,650)	(12,192,650)	(4,653,450)	(16,846,101)
Other Comprehensive income for the period	-	-	-	(79,212)	-	-	-	(79,212)	-	(79,212)
Total comprehensive income the period	-	-	-	(79,212)	-	-	(12,192,650)	(12,271,862)	(4,653,450)	(16,925,313)
Transaction with owners										
Repurchase of shares	-	(40,288)	-	-	-	-	-	(40,288)	-	(40,288)
Disposal of investment in subsidiaries	-	-	-	-	-	-	-	-	86,751	86,751
Total transactions with owners	-	(40,288)	-	-	-	-	-	(40,288)	86,751	46,463
Balance as at 30 SEPTEMBER 2020	84,504,033	(294,252)	-	(102,391)	-	-	17,529,716	101,637,105	75,494,684	177,131,789
Corresponding period ended 30 SEPTEMBER 2019										
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
Profit for the period	-	-	-	-	-	-	(18,611,716)	(18,611,716)	(4,965,321)	(23,577,037)
Other comprehensive income for the period	-	-	-	143,046	(1,498,108)	-	-	(1,355,062)	-	(1,355,062)
Total comprehensive income the period	-	-	-	143,046	(1,498,108)	-	(18,611,716)	(19,966,778)	(4,965,321)	(24,932,099)
Transaction with owners										
Reversal of amount previously recognised directly in equity relating to assets classified as held for sale	-	-	-	-	-	-	-	-	(1,232,840)	(1,232,840)
Repurchase of shares	-	(1,100)	-	-	-	-	-	(1,100)	-	(1,100)
Total transactions with owners	-	(1,100)	-	-	-	-	-	(1,100)	(1,232,840)	(1,233,940)
Balance as at 30 SEPTEMBER 2019	84,504,033	(126,123)	2,893,498	55,854	-	-	46,402,866	133,730,128	85,209,482	218,939,610

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 2019.

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2020**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
(THE FIGURES HAVE NOT BEEN AUDITED)**

	CURRENT PERIOD ENDED 30 SEPTEMBER 2020	CORRESPONDING PERIOD ENDED 30 SEPTEMBER 2019
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(18,103,865)	(26,484,586)
Adjustments for:		
Amortisation of intangible assets	167,988	169,758
Depreciation of Property and equipment	6,744,033	8,412,844
Depreciation of Right-of-use assets	11,482,750	10,165,703
Reversal of trade receivables	-	(496,098)
Interest income	(9,797)	(40,899)
Interest expense	15,808,789	20,113,107
Loss/(gain) on disposal of business	(470,836)	-
Loss/(gain) on disposal of property, plant and equipment	(17,073)	1,738
Loss/(gain) on disposal of investment in subsidiary	509,480	-
Loss/(gain) on disposal of assets held for sale	-	(1,828,068)
Impairment of investment in Assoc	48,642	-
Impairment loss on property , plant and equipment	-	(2,603)
Impairment loss on asset held for sale	-	2,782,683
Bad debts Written off	44,834	-
Provision for doubtful debts	-	320,995
Provision for discount	-	-
Unrealised foreign exchange (gain)/loss	69	(8,602)
Operating profit /(loss) before working capital changes	<u>16,205,015</u>	<u>13,105,972</u>
Changes in working capital		
Inventories	(3,940,395)	602,249
Receivables	(7,055,044)	(13,136,861)
Contract cost	354,000	(440,569)
Payables	(10,667,153)	4,976,392
Lease liabilities	(2,585,173)	-
Contract liabilities	12,610,932	13,289,537
Cash (used in)/generated from operations	<u>4,922,182</u>	<u>18,396,720</u>
Tax paid	-	(37,334)
Tax refunded	-	651,729
Interest expense	(12,964,994)	(16,238,625)
Interest received	9,797	40,899
Net cash generated from/(used in) operating activities	<u>(8,033,015)</u>	<u>2,813,389</u>

CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,968,595)	(5,701,112)
Acquisition of Intangible Asset	(2,651,000)	(53,093)
Proceeds from disposal of assets held for sale	11,200,000	17,416,000
Proceeds from disposal of property, plant & equipment	-	13,057
Net cash inflows / (outflows) on investment in subsidiaries	-	(50,891)
Net cash generated from/(used in) investing activities	6,580,405	11,623,961
CASH FLOWS FROM FINANCING ACTIVITIES		
Fixed deposit pledged to licences bank	(7,000)	(435,861)
Net deposit pledged for Sukuk Wakalah	1,100,000	(1,656,305)
Net deposit pledged for term loan	(3,732,000)	-
Withdrawal of fixed deposit	-	926,284
Drawdown of loan	25,980,000	-
Purchase of treasury shares	(40,288)	(1,100)
Repayment of hire purchase payables	(4,099)	(82,775)
Repayment of lease liabilities	(5,025,367)	(723,303)
Repayment of borrowings	(5,563)	(1,564,233)
Repayment to Sukuk Wakalah	(16,359,000)	(11,000,000)
Net cash generated from/(used in) financing activities	1,906,683	(14,537,293)
Net increase/(decrease) in cash and cash equivalents	454,073	(99,943)
Effect of foreign exchange rate change	(70,311)	245
Opening balance of cash and cash equivalents	13,198,308	3,659,329
Closing balance of cash and cash equivalents	13,582,070	3,559,631
Cash and cash equivalents		
Fixed deposits with licensed bank	1,858,777	2,673,949
Cash and bank balances	17,313,740	3,870,512
Overdraft	-	(310,881)
	19,172,517	6,233,580
Less: Deposits held as security	(1,858,777)	(820,644)
Less: Bank accounts pledged for Sukuk Wakalah	-	(1,853,305)
Less: Bank accounts pledged for term loan	(3,731,670)	-
Closing balance of cash and cash equivalents	13,582,070	3,559,631

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 2019.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**

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 2019. 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 2019.

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 2019 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 2020 as disclosed below: -

- Revised Conceptual Framework for Financial Reporting
- Amendments to MFRS 3 Business Combinations
- Amendments to MFRS 16 Leases
- Amendments to MFRS 11 Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 101 and MFRS 108 Definition of Material

- Amendments to MFRS 7, MFRS 9 and MFRS 139 Interest Rate Benchmark Reform
- Amendments to MFRS 128 Investment in Associates and Joint Ventures - Long term interests in Associates and Joint Ventures
- Annual Improvements to MFRS Standards 2018-2020

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:

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 applicable standards, when they become effective.

- Amendments to MFRS 116 – Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 101 - Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets – Cost of Fulfilling a Contract
- 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 2019 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.

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:-

	No. of shares Issued and fully paid up ordinary shares of RM0.10 '000	Share Capital RM '000
As at 1 January 2020	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	-	-
As at 30 SEPTEMBER 2020	407,047	84,504

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 RM'000	Technology RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
3 Months Ended	30 SEPTEMBER 2020				
Revenue					
External customers	23,651	9,264	-	-	32,915
Inter-company sales	-	-	-	-	-
Dividend income	-	-	-	-	-
	<u>23,651</u>	<u>9,264</u>	<u>-</u>	<u>-</u>	<u>32,915</u>

Results:

Included in the measure of segment (loss) / profit

Interest income	3	0	-	-	3
Interest expenses					
'- Borrowings	(849)	-	-	-	(849)
- Right-of-use assets	(3,481)	(2)	(828)	-	(4,312)
Depreciation & Amortisation					
- Properties and equipment	(2,090)	(117)	(4)	-	(2,211)
- Right-of-use assets	(3,221)	(50)	(482)	-	(3,753)
Amortisation	(56)	-	-	-	(56)
Other non cash income	(114)	901	(49)	-	738
Profit/(Loss) before tax	<u>(2,398)</u>	<u>5,023</u>	<u>(3,055)</u>	<u>-</u>	<u>(430)</u>
Income tax expense	305	0	-	-	305
Segment profit/(loss)	<u>(2,093)</u>	<u>5,023</u>	<u>(3,055)</u>	<u>-</u>	<u>(125)</u>

Earnings before interest, taxation, depreciation and amortisation ("EBITDA") **7,296** **5,192** **(1,740)** **-** **10,748**

	Education RM'000	Technology RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
9 Months Ended	30 SEPTEMBER 2020				
Revenue					
External customers	62,791	24,887	-	-	87,678
Inter-company sales	-	535	-	(535)	-
Dividend income	-	-	-	-	-
	<u>62,791</u>	<u>25,422</u>	<u>-</u>	<u>(535)</u>	<u>87,678</u>

Results:

Included in the measure of segment (loss) / profit

Interest income	9	0	-	-	10
Interest expenses					
'- Borrowings	(1,722)	-	-	-	(1,722)
- Right-of-use assets	(11,559)	(34)	(2,493)	-	(14,087)
Depreciation of:					
- Properties and equipment	(6,360)	(372)	(13)	-	(6,745)
- Right-of-use assets	(9,806)	(231)	(1,446)	-	(11,483)
Amortisation	(168)	-	-	-	(168)
Other non cash income	(3,704)	850	3,469	-	615
Share of results of associate	-	-	-	-	-
Profit before tax	<u>(20,051)</u>	<u>8,738</u>	<u>(6,791)</u>	<u>-</u>	<u>(18,104)</u>
Income tax expense	1,255	3	-	-	1,258
Segment profit/(loss)	<u>(18,797)</u>	<u>8,742</u>	<u>(6,791)</u>	<u>-</u>	<u>(16,846)</u>

Earnings before interest, taxation, depreciation and amortisation ("EBITDA") **9,553** **9,375** **(2,838)** **-** **16,090**

(b) Analysis of segmental in financial position

	Education RM'000	Technology RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Assets					
Segments assets	238,436	43,772	330,174	(61,015)	551,367
Deferred tax assets	6,980	165	-	-	7,145
Tax recoverable	468	5	-	-	474
Total assets	245,884	43,943	330,174	(61,015)	558,986
Liabilities					
Segmental liabilities	189,893	14,947	229,962	(80,812)	353,990
Deferred tax liabilities	27,841	-	8	-	27,849
Tax payables	(46)	-	62	-	16
Total liabilities	217,687	14,947	230,032	(80,812)	381,854

(c) Analysis by geographical areas

	3-months ended 30 SEPTEMBER 2020			
	Malaysia RM'000	Overseas RM'000	Elimi- nations RM'000	Conso- lidated RM'000
Revenue				
External sales	32,763	152	-	32,915
Inter-segment	-	-	-	-
Total	32,763	152	-	32,915
	9-months ended 30 SEPTEMBER 2020			
	Malaysia RM'000	Overseas RM'000	Elimi- nations RM'000	Total Operations RM'000
Revenue				
External sales	87,007	671	-	87,678
Inter-segment	-	535	(535)	-
Total	87,007	1,206	(535)	87,678

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 except for the following: -

- On 20 November 2020, M&A Securities Sdn Bhd announced on behalf of the Company that proposes to undertake a private placement of up to 10% of the issued shares of the Company. On 23 November 2020, the additional listing application for the Placement Shares to be issued pursuant to the Proposed Private Placement has been submitted to Bursa Malaysia Securities Berhad.
- On 20 November 2020, the Company announced that the Company has resolved to extend its existing ESOS which is expiring on 24 November 2020 for another five (5) years until 24 November 2025 in accordance with the terms of the ESOS By-Laws. This extension is not subject to the approval of Bursa Malaysia Securities Berhad, Securities Commission and the shareholders of the Company. Appropriate notice on the extension will be served to the eligible ESOS grantees in due course.

A11 Changes in the Composition of the Group

There were no material changes in the composition of the Group for the financial period ended 30 September 2020 up to the date of this report.

A12 Contingent Liabilities or Contingent Assets

As at 30 SEPTEMBER 2020
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 2019.

A13 Capital Commitments

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

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

B1 Review of Performance

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

	Individual Period			Cumulative Period		
	Current Year Quarter	Preceding Year Corresponding Quarter	Variance	Current Year Period	Preceding Year Corresponding Period	Variance
	30 SEPTEMBER 2020 RM'000	30 SEPTEMBER 2019 RM'000		30 SEPTEMBER 2020 RM'000	30 SEPTEMBER 2019 RM'000	
Revenue	32,915	24,497	34%	87,678	94,898	-8%
Operating Profit	4,728	(6,631)	-171%	(2,305)	(6,412)	-64%
Profit /(Loss) Before Interest and Tax	4,728	(6,631)	-171%	(2,305)	(6,412)	-64%
Profit / (Loss) Before Tax	(430)	(13,303)	-97%	(18,104)	(26,485)	-32%
Profit /(Loss) After Tax	(125)	(12,404)	-99%	(16,846)	(23,577)	-29%
Loss Attributable to Ordinary Equity Holders of the Parent	(1,107)	(8,035)	-86%	(12,193)	(18,612)	-34%

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

The Group recorded an increase in revenue by approximately 34% for the current quarter under review as compared to the preceding year's corresponding quarter (Q3' 2019) ("corresponding quarter"), mainly resulted from improvement in IOT technology segment.

Nevertheless, The Group registered a loss before tax of RM0.4 million in the current quarter as compared to RM13.30 million in the preceding year corresponding quarter, mainly resulted from improvement in IOT segment, cost rationalisation exercises conducted and saving in operating costs during the period under review.

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

The Group recorded a decreased in revenue by 8% for the current period under review as compared to the preceding year's corresponding period. This is mainly due to the sudden cease in operations upon declaration of Movement Control Order ("MCO") by Prime Minister effective from 18 March 2020.

The Group recorded a loss before tax of RM18.10 million in the current period as compared to a RM26.49 million in the previous corresponding period. The variances are mainly due to improvement in IOT segment and impact from Covid-19 pandemic which affected the performance in the Group.

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 30 SEPTEMBER 2020 RM'000	Immediate Preceding Quarter 30 JUNE 2020 RM'000	Variance
Revenue	32,915	30,211	109%
Operating Profit	4,728	(439)	-1077%
Profit /(Loss) Before Interest and Tax	4,728	(439)	-1077%
Profit /(Loss) Before Tax	(430)	(5,174)	8%
Profit /(Loss) After Tax	(125)	(4,829)	3%
Loss Attributable to Ordinary Equity Holders of the Parent	(1,107)	(3,444)	32%

The Group recorded a revenue and loss before tax of RM32.92 million and RM0.40 million respectively in the current quarter as compared to RM30.21 million and RM5.17 million in the immediate preceding quarter, the deduction in loss before tax was mainly resulted from increase in revenue from technology segment for the quarter under review. Nevertheless, the profitability for the period ended 30 September 2020 has improved due to higher profit contribution from IOT technology segment as well as cost rationalisation exercises and saving in operating costs during the period.

B3 Prospects for the Current Financial Year

In relation to our industry, this COVID-19 pandemic do has severe impact on certain operation pattern of our businesses.

Our education group, namely Minda Global Berhad, owns and operates 2 universities, 3 colleges and 1 international school. The lockdown announcements by various countries worldwide has defers the movement of local and foreign students worldwide. Up to the date of this report, our education arms has respectively deferred their new intakes for year 2020, pending instructions and announcement by the relevant educational authorities, such as Ministry of higher learning, from time to time. Despite our educational teams are converting their teaching pattern into on-line learning whichever best options available, the Group however, foresees that its performance will be materially affected by the Covid-19 pandemic which has caused by both economic slowdown in Malaysia and globally as well as lockdown of international borders.

Whereas for our HCM and IT divisions, the implementation of existing contracts in hand has been delayed due to the national lockdown. Nevertheless, for certain existing on-line related services are operating without major impact. Our group foresee a temporary softening in the progress and performance of HCM and IT divisions however we expect our IT related operations shall be back on mark gradually within the next 6 months, subject to further instruction from government on MCO policies and our customers' revised timing on delivery of existing contracts.

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 Ended		Cumulative Year To Date	
	30 SEPTEMBER 2020 RM'000	30 SEPTEMBER 2019 RM'000	30 SEPTEMBER 2020 RM'000	30 SEPTEMBER 2019 RM'000
Income tax				
Current	31	(48)	66	22
Under/(Over) provision of tax in prior year	-	-	-	(3)
Deferred tax	(336)	(852)	(1,323)	(2,927)
	(305)	(900)	(1,258)	(2,908)

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 except for the following:-

- a) On 14 July 2020, The Company announced that its subsidiary Talentoz Sdn Bhd had entered into an Asset Purchase Agreement ("APA") with Pay Asia Pte Ltd ("PayAsia") and PayMy Outsourcing Sdn Bhd ("PayMy") (collectively referred to as "Buyer(s)") for the proposed disposal of the entire businesses of TSB ("TSB Business") for a consideration of Singapore Dollars One Million Six Hundred Twenty Five Thousand (\$S\$1,625,000.00) Only ("Sale Consideration") ("Proposed Disposal"). The TSB Business comprises rights on unregistered Intellectual property of software ("Talentoz"), moveable assets, existing contracts, and employees.

This APA is executed simultaneously with the APA entered into between Forzia Tech Pte Ltd ("Forzia"), a subsidiary of TSB and Pay Asia Management Pte Ltd ("PayAsiaM") for the proposed disposal of the entire business in Forzia ("Forzia Business"), for a consideration of Singapore Dollar Twenty Five Thousand Only (\$S\$25,000.00).

Upon completion of the Proposed Disposal, TSB and Forzia shall cease it's business operations.

- b) On 20 November 2020, M&A Securities Sdn Bhd announced on behalf of the Company that proposes to undertake a private placement of up to 10% of the issued shares of the Company. On 23 November 2020, the additional listing application for the Placement Shares to be issued pursuant to the Proposed Private Placement has been submitted to Bursa Malaysia Securities Berhad.

B7 Group Borrowings

	Cumulative Year To Date	
	30 SEPTEMBER 2020 RM'000	30 SEPTEMBER 2019 RM'000
<u>Secured short-term</u>		
Overdraft	-	311
Hire purchase payables	-	105
Lease assets payables	13,008	1,207
Term Loan	5	588
Shares Margin Loan	2,000	2,000
<u>Secured long-term</u>		
Hire purchase payables	641	501
Lease assets payables	218,050	276,808
Term Loan	26,408	16,436
Total borrowings	260,112	297,956

All borrowings are denominated in Ringgit Malaysia.

B8 Material Litigation

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

B9 Earnings Per Share ("EPS")

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

(a) Basic EPS

	Current Quarter Ended		Cumulative Year To Date	
	30 SEPTEMBER 2020	30 SEPTEMBER 2019	30 SEPTEMBER 2020	30 SEPTEMBER 2019
	RM'000	RM'000	RM'000	RM'000
Earnings attributable to ordinary equity holders of the parent	(1,107)	(8,035)	(12,193)	(18,612)
Weighted average number of ordinary shares in issue				
As at 1 January 2020	407,047	407,047	407,047	407,047
Add: Effect of issuance of shares	-	-	-	-
Add: Effect of conversion of warrants	-	-	-	-
Less: Effect of treasury shares held	-	(0)	(334)	(3)
As at 30 September 2020	407,047	407,046	406,713	407,044
Basic earnings per ordinary shares (sen)	(0.27)	(1.97)	(3.00)	(4.57)

(b) Fully diluted earnings per share

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

	Current Quarter Ended		Cumulative Year To Date	
	30 SEPTEMBER 2020	30 SEPTEMBER 2019	30 SEPTEMBER 2020	30 SEPTEMBER 2019
Earnings attributable to ordinary equity holders of the parent	(1,107)	(8,035)	(12,193)	(18,612)
Weighted average no. of ordinary shares in issue	407,047	407,046	406,713	407,044
Adjusted weighted average number of ordinary shares in issue and issuable	407,047	407,046	406,713	407,044
Diluted earnings per shares (sen)	(0.27)	(1.97)	(3.00)	(4.57)

* 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	
	30 SEPTEMBER 2020	30 SEPTEMBER 2019	30 SEPTEMBER 2020	30 SEPTEMBER 2019
	RM'000	RM'000	RM'000	RM'000
Operating profit has been arrived at after charging:-				
Amortisation of intangible assets	56	58	168	170
Depreciation of property, plant and equipment	2,211	2,878	6,745	8,413
Depreciation of Right-of-use assets	3,753	3,457	11,483	10,166
Expected credit losses	-	-	-	(496)
Interest expense on borrowings	849	589	1,722	2,015
Interest expense on Right-of use assets	4,312	6,112	14,087	18,098
Loss on disposal of subsidiary	12,842	-	12,929	-
Realised loss on foreign exchange	7	58	16	80
After crediting:-				
Gain on disposal of property, plant and equipment	-	(204)	30	1,616
Interest Income	3	29	10	41
Rental Income	418	752	1,782	2,202
Realised (loss)/gain on foreign exchange	(125)	9	(175)	157
Unrealised gain on foreign exchange	(0)	(4)	(0)	7

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