

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND QUARTER
 ENDED 30 JUNE 2021**
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS		
	3-MONTH PERIOD ENDED		6-MONTH PERIOD ENDED		
	Note	30 JUNE 2021	30 JUNE 2020	30 JUNE 2021	30 JUNE 2020
	RM	RM	Unaudited RM	Unaudited RM	
Revenue		35,772,532	30,211,087	66,606,146	54,763,098
Cost of sales		(14,875,189)	(12,489,173)	(25,625,252)	(29,442,866)
Gross Profit		20,897,344	17,721,914	40,980,894	25,320,232
Other income		666,118	1,257,169	1,206,763	2,049,488
Administrative expenses		(14,477,033)	(19,418,186)	(31,247,736)	(34,402,895)
Profit / (Loss) from operations		7,086,428	(439,103)	10,939,921	(7,033,175)
Share of results of associate		-	-	-	-
Profit / (Loss) before interest and taxation		7,086,428	(439,103)	10,939,921	(7,033,175)
Interest Expenses		(3,890,103)	(4,739,833)	(7,801,148)	(10,647,284)
Interest Income		23,908	5,194	25,929	6,995
Profit / (Loss) before taxation		3,220,233	(5,173,741)	3,164,701	(17,673,464)
Taxation		(676,999)	344,801	(703,739)	952,789
Profit / (Loss) for the period		2,543,234	(4,828,941)	2,460,963	(16,720,675)
Profit / (Loss) attributable to:					
Owners of the Company		1,474,161	(3,444,042)	507,091	(11,085,710)
Non-controlling interests		1,069,073	(1,384,898)	1,953,871	(5,634,965)
		2,543,234	(4,828,941)	2,460,963	(16,720,675)

Earnings per share attributable to
Owner of the Company

- Basic (sen)	B9	0.35	(0.85)	0.11	(2.72)
- Diluted (sen)	B9	0.35	(0.85)	0.11	(2.72)

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 2020.

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND QUARTER
 ENDED 30 JUNE 2021**
CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
 (THE FIGURES HAVE NOT BEEN AUDITED)

Note	INDIVIDUAL QUARTER 3-MONTH PERIOD ENDED		CUMULATIVE QUARTERS 6-MONTH PERIOD ENDED	
	30 JUNE 2021	30 JUNE 2020	30 JUNE 2021	30 JUNE 2020
	RM	RM	Unaudited RM	Unaudited RM
(Loss)/Profit for the period	2,543,234	(4,828,941)	2,460,963	(16,720,675)
OTHER COMPREHENSIVE INCOME				
Exchange difference arising on translation of foreign operations	30,209	102,798	20,770	(15,870)
Other comprehensive (loss)/income, net of tax	30,209	102,798	20,769	(15,870)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	2,573,443	(4,726,142)	2,481,732	(16,736,545)
Total comprehensive (loss)/income attributable to:				
Owners of the Company	1,504,370	(3,341,244)	527,860	(11,101,580)
Non-controlling interests	1,069,073	(1,384,898)	1,953,871	(5,634,965)
	2,573,443	(4,726,142)	2,481,732	(16,736,545)

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**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND QUARTER
 ENDED 30 JUNE 2021**
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Unaudited</i> 30 JUNE 2021	<i>Audited</i> 31 DECEMBER 2020
	RM	RM
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	84,562,517	82,965,633
Right-of-use assets	146,430,264	155,460,531
Investment in associate	3,372,153	3,372,153
Goodwill on consolidation	34,493,752	34,493,752
Intangible assets	96,346,823	98,615,656
Deferred tax assets	8,170,852	7,513,583
	<u>373,376,360</u>	<u>382,421,308</u>
CURRENT ASSETS		
Inventories	6,230,853	1,612,971
Trade and other receivables	58,554,862	54,811,498
Contract costs	4,749,895	1,914,228
Current tax assets	496,834	496,596
Deposits placed with licensed banks	1,994,393	14,461,586
Cash and bank balances	24,242,527	12,898,215
	<u>96,269,363</u>	<u>86,195,094</u>
Non-current assets held for sale	27,834,158	31,194,158
	<u>27,834,158</u>	<u>31,194,158</u>
TOTAL ASSETS	497,479,882	499,810,560
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	88,864,521	86,730,228
Share premium	-	-
Treasury shares	(294,252)	(294,252)
Share based payment reserve	-	-
Revaluation reserve	5,396,382	5,396,382
Foreign currency translation reserve	(48,620)	(69,390)
Statutory reserve	-	-
Retained earnings	20,823,429	20,316,338
	<u>114,741,459</u>	<u>112,079,306</u>
Non-controlling interests	85,793,285	78,989,414
TOTAL EQUITY	200,534,744	191,068,720
NON-CURRENT LIABILITIES		
Loans and borrowings	17,805,938	17,859,568
Lease liabilities	146,351,894	141,023,549
Deferred tax liabilities	31,279,450	31,603,712
	<u>195,437,282</u>	<u>190,486,829</u>
CURRENT LIABILITIES		
Trade and other payables	51,247,991	58,561,900
Amount due to directors	-	-
Loans and borrowings	1,995,000	10,577,201
Overdraft	8,475,575	-
Lease liabilities	12,784,143	19,205,869
Contract liabilities	25,198,746	29,691,340
Tax payables	1,806,401	218,701
	<u>101,507,856</u>	<u>118,255,011</u>
TOTAL LIABILITIES	296,945,138	308,741,840
TOTAL EQUITY AND LIABILITIES	497,479,882	499,810,560
Number of ordinary shares (unit)	447,523,075	427,284,925
Net assets per share attributable to owners of the Company (sen)	25.6	26.2

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 2020.

SMRT HOLDINGS BERHAD (659523-T)
**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND QUARTER
 ENDED 30 JUNE 2021**
**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 JUNE 2021										
As at 01 JANUARY 2021	86,730,228	(294,252)	-	(69,390)	5,396,382	-	20,316,338	112,079,306	78,989,414	191,068,720
Total comprehensive income for the period										
(Loss)/Profit for the period	-	-	-	-	-	-	507,091	507,091	1,953,871	2,460,963
Other Comprehensive income for the period	-	-	-	20,770	(0)	-	-	20,769	-	20,769
Total comprehensive income	-	-	-	20,770	(0)	-	507,091	527,860	1,953,871	2,481,732
Transaction with owners										
Issuance of shares pursuant to :- - Private Placement	2,134,293	-	-	-	-	-	-	2,134,293	4,850,000	6,984,293
Total transactions with owners	2,134,293	(0)	-	-	-	-	-	2,134,293	4,850,000	6,984,293
Balance as at 30 JUNE 2021	88,864,521	(294,252)	-	(48,620)	5,396,382	-	20,823,429	114,741,459	85,793,285	200,534,744
Corresponding period ended 30 JUNE 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
Total comprehensive income for the period										
Loss for the financial year	-	-	-	-	-	-	(11,085,710)	(11,085,710)	(5,634,965)	(16,720,675)
Other comprehensive income for the period	-	-	-	(15,870)	-	-	-	(15,870)	-	(15,870)
Total comprehensive income	-	-	-	(15,870)	-	-	(11,085,710)	(11,101,580)	(5,634,965)	(16,736,545)
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 JUNE 2020	84,504,033	(294,252)	-	(39,049)	-	-	18,636,656	102,807,387	74,513,170	177,320,557

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 2020.

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND QUARTER
ENDED 30 JUNE 2021**

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

	CURRENT PERIOD ENDED 30 JUNE 2021 RM'000	CORRESPONDING PERIOD ENDED 30 JUNE 2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	3,165	(17,673)
Adjustments for:		
Amortisation of intangible assets	301	112
Depreciation of Property and equipment	4,179	4,534
Depreciation in investment property	-	-
Depreciation of Right-of-use assets	6,777	7,730
Allowance of impairment for:-		
- trade receivables	46	-
Interest income	(26)	(7)
Interest expense	7,801	10,647
Loss/(gain) on disposal of property, plant and equipment	(47)	(17)
Loss/(gain) on disposal of investment in subsidiary	-	80
Bad debts Written off	-	45
Provision for doubtful debts	46	-
Operating profit /(loss) before working capital changes	<u>22,241</u>	<u>5,450</u>
Changes in working capital		
Inventories	(4,618)	(1,628)
Receivables	(331)	7,266
Contract cost	(868)	174
Payables	(7,219)	(9,640)
Lease liabilities	(1,002)	(1,098)
Contract liabilities	(4,492)	3,057
Cash (used in)/generated from operations	<u>3,711</u>	<u>3,582</u>
Tax paid	(84)	-
Tax refunded	31	-
Interest expense	(6,190)	(8,894)
Interest received	26	7
Net cash generated from/(used in) operating activities	<u>(2,506)</u>	<u>(5,305)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(1,729)	(1,811)
Net cash generated from/(used in) investing activities	(1,729)	(1,811)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from issuance of placement share	6,944	-
Fixed deposit pledged to licences bank	(30)	(4)
Bank Account pledged for Sukuk Wakalah	-	1,100
Net deposit pledged for term loan	-	(3,498)
Drawdown of loan	-	26,234
Advances from directors	-	160
Purchase of treasury shares	-	(40)
Repayment of:		
- hire purchase payables	-	(4)
- lease liabilities	(3,968)	(2,799)
- borrowings	-	(6)
- Sukuk Wakalah	-	(16,573)
Net cash generated from/(used in) financing activities	2,947	4,570

Net increase/(decrease) in cash and cash equivalents (1,288) (2,547)

Effect of foreign exchange rate change 22 (19)

Opening balance of cash and cash equivalents 12,996 13,198

Closing balance of cash and cash equivalents **11,730** **10,633**

Cash and cash equivalents

Fixed deposits with licensed bank	2,393	1,857
Cash and bank balances	23,844	14,131
Overdraft	(8,476)	-
	17,761	15,987
Less: Deposits held as security	(2,393)	(1,857)
Less: Bank accounts pledged for Sukuk Wakalah	-	(3,498)
Less: Bank accounts pledged for term loan	(3,638)	-
Closing balance of cash and cash equivalents	11,730	10,632

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 2020.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
 FOR THE SECOND QUARTER ENDED 30 JUNE 2021**
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 2020. 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 2020.

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 2020 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 2021 as disclosed below: -

- Amendments to MFRS 3	Business Combinations
- Amendments to MFRS 7	Financial Instruments Disclosure
- Amendments to MFRS 9	Financial Instruments
- Amendments to MFRS 16	Leases*
- Amendments to MFRS 101	Presentation of Financial Statements
- Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to MFRS 139	Financial Instruments Recognition and Measurement

*Early adopted the amendments to MFRS 16 Leases issued by the Malaysian Accounting Standards Board ("MASB") on 5 June 2020 or/and 6 April 2021.

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.

- New MFRS 17- Insurance Contracts
- Amendments to MFRS 101 Presentation of Financial Statements
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to MFRS 116 Property, Plant and Equipment

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 2020 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.

- a) On 22 January 2021, the Company had placed out 20,238,150 new ordinary shares, representing approximately 5% of the issued shares of the Company at an issue price of RM0.102 each.

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 2021	427,285	86,730
Issuance of shares via Private Placement	20,238	2,064
As at 30 JUNE 2021	447,523	88,794

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
6 Months Ended					
30 JUNE 2021					
Revenue					
External customers	48,440	18,166	-	-	66,606
Inter-company sales	-	-	-	-	-
Dividend income	-	-	-	-	-
	<u>48,440</u>	<u>18,166</u>	<u>-</u>	<u>-</u>	<u>66,606</u>
Results:					
<i>Included in the measure of segment (loss) / profit</i>					
Interest income	5	21	-	-	26
Interest expenses					
'- Borrowings	(791)	-	-	-	(791)
- Right-of-use assets	(1,705)	(16)	(5,289)	-	(7,010)
Depreciation of:					
- Properties and equipment	(3,854)	(213)	(9)	-	(4,076)
- Right-of-use assets	(2,783)	(105)	(3,889)	-	(6,777)
Amortisation	(301)	-	-	-	(301)
Other non cash income	1	1	-	-	2
Share of results of associate	-	-	-	-	-
Profit before tax	<u>796</u>	<u>5,458</u>	<u>(3,089)</u>	<u>-</u>	<u>3,165</u>
Income tax expense	587	(1,260)	(31)	-	(704)
Segment profit/(loss)	<u>1,383</u>	<u>4,198</u>	<u>(3,120)</u>	<u>-</u>	<u>2,461</u>
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")	16,623	5,792	(296)		22,119

(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	167,832	48,633	336,343	(63,995)	488,812
Deferred tax assets	7,964	207	-	-	8,171
Tax recoverable	495	2	-	-	497
Total assets	<u>176,290</u>	<u>48,842</u>	<u>336,343</u>	<u>(63,995)</u>	<u>497,480</u>
Liabilities					
Segmental liabilities	98,560	14,063	215,139	(63,902)	263,859
Deferred tax liabilities	29,872	1,399	8	-	31,279
Tax payables	(89)	1,833	62	-	1,806
Total liabilities	<u>128,343</u>	<u>17,296</u>	<u>215,209</u>	<u>(63,902)</u>	<u>296,945</u>

(c) Analysis by geographical areas

	3-months ended 30 JUNE 2021			
	Malaysia RM'000	Overseas RM'000	Elimi- nations RM'000	Conso- lidated RM'000
Revenue				
External sales	35,407	366	-	35,773
Inter-segment	-	-	-	-
Total	<u>35,407</u>	<u>366</u>	<u>-</u>	<u>35,773</u>
	6-months ended 30 JUNE 2021			
	Malaysia RM'000	Overseas RM'000	Elimi- nations RM'000	Total Operations RM'000
Revenue				
External sales	65,920	686	-	66,606
Inter-segment	-	-	-	-
Total	<u>65,920</u>	<u>686</u>	<u>-</u>	<u>66,606</u>

A10 Material Events Subsequent to the End of the Current Quarter

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

A11 Changes in the Composition of the Group

There were no material changes in the composition of the Group for the financial period ended 30 June 2021 up to the date of this report.

A12 Contingent Liabilities or Contingent Assets

As at **30 JUNE 2021**
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 2020.

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 JUNE 2021 RM'000	30 JUNE 2020 RM'000		30 JUNE 2021 RM'000	30 JUNE 2020 RM'000	
Revenue	35,773	30,211	18%	66,606	54,763	22%
Operating Profit	7,086	(439)	1714%	10,940	(7,033)	256%
Profit /(Loss) Before Interest and Tax	7,086	(439)	1714%	10,940	(7,033)	256%
Profit / (Loss) Before Tax	3,220	(5,174)	162%	3,165	(17,673)	118%
Profit /(Loss) After Tax	2,543	(4,829)	153%	2,461	(16,721)	115%
Loss Attributable to Ordinary Equity Holders of the Parent	1,474	(3,444)	143%	507	(11,086)	105%

Current quarter compared to preceding year's corresponding quarter results

The Group recorded an increase in revenue by approximately 18% for the current quarter under review as compared to the preceding year's corresponding quarter (Q2' 2020) ("corresponding quarter"), mainly contributed from the education sector resulted from higher recruitment of new students for various programs, especially University of Cyberjaya.

Correspondently, the Group recorded a Profit before tax ("PBT") and Profit after tax ("PAT") of RM3.22 million and RM1.47 million for quarter ended 30 June 2021, a great improvement as compared to Loss before tax ("LBT") and Loss after tax ("LAT") of RM5.17 million and RM3.44 million respectively, in the preceding year quarter ended 30 June 2020.

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

SMRT Group recorded an unaudited revenue of RM66.6 million, mainly contributed from MGB (RM48.44 million) and N'osairis (RM18.17 million), an improvement of 22% as compared to the revenue recorded of RM54.76 million for the preceding year quarter ended 30 June 2020, mainly contributed from the education sector resulted from higher recruitment of new students for various programs, especially University of Cyberjaya.

Correspondently, the Group recorded a PBT and PAT of only RM3.16 million and RM2.46 million for quarter ended 30 June 2021, a great improvement as compared to LBT and LAT of RM17.67 million and RM16.72 million respectively, in the preceding year quarter ended 30 June 2020.

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 JUNE 2021 RM'000	Immediate Preceding Quarter 31 MARCH 2021 RM'000	Variance
Revenue	35,773	30,834	116%
Operating Profit	7,086	3,853	184%
Profit /(Loss) Before Interest and Tax	7,086	3,853	184%
Profit /(Loss) Before Tax	3,220	(56)	5799%
Profit /(Loss) After Tax	2,543	(82)	3091%
Loss Attributable to Ordinary Equity Holders of the Parent	1,474	(967)	152%

The Group recorded an improvement in revenue of RM35.77 million for the current quarter as compared to RM 30.83 million in the immediate preceding quarter, mainly resulted from higher revenue contribution from Technology segment during the second quarter of year 2021. Correspondently, the Profit Before Tax has also improved from operating loss RM0.06 million for immediate preceding quarter to profit of RM3.2 million for the current quarter under review. Lastly the company recorded a Profit After Taxation of RM2.5 million for the quarter under review, as compared to immediate preceding quarter of Loss after taxation of RM0.97 million.

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 may 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 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 IT divisions however we expect our IT related operations shall be back on mark gradually, 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 JUNE 2021 RM'000	30 JUNE 2020 RM'000	30 JUNE 2021 RM'000	30 JUNE 2020 RM'000
Income tax				
Current	192	4	309	35
Under/(Over) provision of tax in prior year	-	-	31	-
Deferred tax	485	(348)	364	(987)
	677	(345)	704	(953)

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

	Cumulative Year To Date	
	30 JUNE 2021 RM'000	30 JUNE 2020 RM'000
<u>Secured short -term</u>		
Overdraft	8,476	-
Hire purchase payables	-	-
Lease assets payables	12,784	13,057
Term Loan	-	5
Shares Margin Loan	1,995	2,000
<u>Secured long -term</u>		
Hire purchase payables	416	795
Lease assets payables	146,352	212,413
Term Loan	17,390	26,236
Total borrowings	187,413	254,506

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 JUNE 2021	30 JUNE 2020	30 JUNE 2021	30 JUNE 2020
	RM'000	RM'000	RM'000	RM'000
Earnings attributable to ordinary equity holders of the parent	1,474	(3,444)	507	(11,086)
Weighted average number of ordinary shares in issue				
As At 1 JANUARY 2021 / 1 APRIL 2021	427,285	407,173	427,285	407,047
Add: Effect of issuance of shares	-	-	18,114	-
Add: Effect of conversion of warrants	-	-	-	-
Less: Effect of treasury shares held	-	-	-	(185)
As at 30 JUNE 2021	427,285	407,173	445,399	406,862
Basic earnings per ordinary shares (sen)	0.35	(0.85)	0.11	(2.72)

(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 JUNE 2021	30 JUNE 2020	30 JUNE 2021	30 JUNE 2020
	RM'000	RM'000	RM'000	RM'000
Earnings attributable to ordinary equity holders of the parent	1,474	(3,444)	507	(11,086)
Weighted average no. of ordinary shares in issue	427,285	407,173	445,399	406,862
Adjusted weighted average number of ordinary shares in issue and issuable	427,285	407,173	445,399	406,862
Diluted earnings per shares (sen)	0.35	(0.85)	0.11	(2.72)

* 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 JUNE 2021	30 JUNE 2020	30 JUNE 2021	30 JUNE 2020
	RM'000	RM'000	RM'000	RM'000
Operating profit has been arrived at after charging:-				
Amortisation of intangible assets	143	56	301	112
Depreciation of property, plant and equipment	2,018	2,266	4,076	4,534
Depreciation of Right-of-use assets	3,386	7,154	6,777	7,730
Expected credit losses	-	-	-	-
Interest expense on borrowings	388	434	791	873
Interest expense on Right-of use assets	3,503	4,306	7,010	9,775
Loss on disposal of property, plant and equipment	-	13	(1)	13
(Gain) / Loss on disposal of subsidiary	-	-	-	87
Realised loss on foreign exchange	70	5	70	10
After crediting:-				
Gain on disposal of property, plant and equipment	0	-	48	30
Interest Income	24	5	26	7
Rental Income	410	629	882	1,364
Realised (loss)/gain on foreign exchange	0	(41)	0	(49)
Unrealised gain on foreign exchange	-	(50)	-	-

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

B12 Status of Utilisation of Proceeds from Placement Shares

As at 30 June 2021, the Group had utilised the proceeds from private placement in the following manner:-

Details of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance	Intended Timeframe for Utilisation	Deviation Amount	
					RM'000	%
Proceeds from Private Placement						
- Tranche 1	2,024	2,226	202			
- Tranche 2	2,024	2,064	40			
	4,048	4,290	242			
a) Property rental and related operating expenses						
- Property Rental	2,500	2,500	-	Within 12 months	-	0%
- Operating expenses - Sanitizing, swap test and specialised equipment	500	500	-	Within 12 months	-	0%
b) Administrative and operating expenses						
- Assets	600	594	6	Within 12 months	6	1%
Additional specialist manpower	348	308	40	Within 12 months	40	11%
c) Estimate expenses in relation to the Private Placement	100	98	2	Within 1 month	2	2%
Total	4,048	4,000	48		48	14%