

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER  
 ENDED 31 DECEMBER 2022**
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS		
	3-MONTH PERIOD ENDED		12-MONTH PERIOD ENDED		
	Note	31 DECEMBER 2022	31 DECEMBER 2021	31 DECEMBER 2022	31 DECEMBER 2021
	RM	RM	Unaudited RM	Audited RM	
Revenue		45,890,151	49,832,025	179,499,386	160,042,082
Cost of sales		(18,182,649)	(27,328,359)	(71,972,118)	(72,525,011)
Gross Profit		27,707,502	22,503,666	107,527,268	87,517,071
Other income		2,451,847	(942,056)	6,015,469	788,582
Administrative expenses		(17,212,799)	(16,188,221)	(73,064,286)	(65,035,019)
Profit / (Loss) from operations		12,946,550	5,373,390	40,478,451	23,270,633
Share of results of associate		-	-	-	-
Profit / (Loss) before interest and taxation		12,946,550	5,373,390	40,478,451	23,270,633
Interest Expenses		(5,139,084)	(3,936,937)	(15,009,345)	(15,604,466)
Interest Income		64,429	78,127	261,904	108,991
Profit / (Loss) before taxation		7,871,896	1,514,580	25,731,010	7,775,159
Taxation		(580,360)	2,577,315	(970,714)	1,612,443
Profit / (Loss) for the period		7,291,536	4,091,895	24,760,296	9,387,602
<b>Profit / (Loss) attributable to:</b>					
Owners of the Company		2,544,874	448,717	11,332,976	1,679,503
Non-controlling interests		4,746,662	3,643,178	13,427,320	7,708,099
		7,291,536	4,091,895	24,760,296	9,387,602

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

- Basic (sen)	B9	0.60	0.11	2.65	0.36
- Diluted (sen)	B9	0.60	0.11	2.65	0.11

**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 2021.

QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER  
ENDED 31 DECEMBER 2022

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(THE FIGURES HAVE NOT BEEN AUDITED)

Note	INDIVIDUAL QUARTER 3-MONTH PERIOD ENDED		CUMULATIVE QUARTERS 12-MONTH PERIOD ENDED	
	31 DECEMBER 2022	31 DECEMBER 2021	31 DECEMBER 2022	31 DECEMBER 2021
	RM	RM	Unaudited RM	Audited RM
(Loss)/Profit for the period	7,291,536	4,091,895	24,760,296	9,387,602
<b>OTHER COMPREHENSIVE INCOME</b>				
Exchange difference arising on translation of foreign operations	(320,899)	(56,997)	(133,540)	(19,247)
Other comprehensive (loss)/income, net of tax	(320,899)	(56,997)	(133,540)	(19,248)
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD</b>	<b>6,970,637</b>	<b>4,034,898</b>	<b>24,626,756</b>	<b>9,368,354</b>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the Company	2,223,975	391,721	11,199,436	1,660,256
Non-controlling interests	4,746,662	3,643,178	13,427,320	7,708,099
	<b>6,970,637</b>	<b>4,034,898</b>	<b>24,626,756</b>	<b>9,368,354</b>

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**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER  
 ENDED 31 DECEMBER 2022**
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<i>Unaudited</i>	<i>Audited</i>
	<b>31 DECEMBER 2022</b>	<b>31 DECEMBER 2021</b>
	<b>RM</b>	<b>RM</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant & equipment	87,080,207	78,143,727
Right-of-use assets	119,688,729	142,742,098
Investment in associate	14,700,000	1,661,038
Goodwill on consolidation	29,991,751	29,991,752
Intangible assets	95,540,989	95,952,739
Contract Cost	2,735,581	2,735,581
Deferred tax assets	7,352,504	7,280,142
	<u>357,089,761</u>	<u>358,507,076</u>
<b>CURRENT ASSETS</b>		
Inventories	3,495,248	2,342,620
Trade and other receivables	98,529,514	41,442,382
Contract Assets	-	6,298,617
Contract costs	6,624,395	2,665,768
Current tax assets	526,487	538,601
Deposits placed with licensed banks	16,741,774	16,411,233
Cash and bank balances	20,550,362	28,789,128
	<u>146,467,780</u>	<u>98,488,349</u>
Non-current assets held for sale	27,725,158	27,725,159
	<u>174,192,938</u>	<u>126,213,508</u>
<b>TOTAL ASSETS</b>	<b><u>531,282,699</u></b>	<b><u>484,720,584</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	88,794,521	88,794,521
Treasury shares	(294,252)	(294,252)
Revaluation reserve	5,396,382	5,396,382
Foreign currency translation reserve	(222,177)	(88,637)
Retained earnings	24,137,955	18,506,306
	<u>117,812,428</u>	<u>112,314,320</u>
Non-controlling interests	132,759,358	91,390,712
<b>TOTAL EQUITY</b>	<u>250,571,787</u>	<u>203,705,031</u>
<b>NON-CURRENT LIABILITIES</b>		
Loans and borrowings	26,762,746	16,460,679
Lease liabilities	135,277,238	145,437,076
Deferred tax liabilities	30,299,922	29,880,012
	<u>192,339,906</u>	<u>191,777,767</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	47,007,745	46,141,460
Loans and borrowings	784,008	3,223,823
Overdraft	3,656,851	61,990
Lease liabilities	12,613,127	9,821,038
Contract liabilities	24,049,742	29,926,087
Tax payables	259,533	63,387
	<u>88,371,006</u>	<u>89,237,785</u>
<b>TOTAL LIABILITIES</b>	<u>280,710,913</u>	<u>281,015,553</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>531,282,699</u></b>	<b><u>484,720,584</u></b>
Number of ordinary shares (unit)	447,523,075	447,523,075
Net assets per share attributable to owners of the Company (sen)	26.3	25.1

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 2021.

QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER  
ENDED 31 DECEMBER 2022

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
<b>Current period ended 31 DECEMBER 2022</b>										
As at 01 JANUARY 2022	88,794,521	(294,252)	-	(88,637)	5,396,382	-	18,506,303	112,314,317	91,390,715	203,705,030
<b>Total comprehensive income for the period</b>										
(Loss)/Profit for the period	-	-	-	-	-	-	11,407,976	11,407,976	13,427,320	24,835,296
Other Comprehensive income for the period	-	-	-	(133,540)	-	-	-	(133,540)	-	(133,540)
Total comprehensive income	-	-	-	(133,540)	-	-	11,407,976	11,274,436	13,427,320	24,701,756
<b>Transaction with owners</b>										
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(2,835,000)	(2,835,000)
Change ownership in interests in subsidiaries	-	-	-	-	-	-	-	-	30,776,323	30,776,323
Transfer of Non-Controlling Interest due to change of Ownership	-	-	-	-	-	-	(5,776,323)	(5,776,323)	-	(5,776,323)
Total transactions with owners	-	-	-	-	-	-	(5,776,323)	(5,776,323)	27,941,323	22,165,000
Balance as at 31 DECEMBER 2022	88,794,521	(294,252)	-	(222,177)	5,396,382	-	24,137,956	117,812,429	132,759,359	250,571,787
<b>Corresponding period ended 31 DECEMBER 2021</b>										
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
- As previously stated	-	-	-	-	-	-	-	-	-	-
- Prior year adjustment	-	-	-	-	-	-	-	-	-	-
- As restated	86,730,228	(294,252)	-	(69,390)	5,396,382	-	20,316,338	112,079,306	78,989,414	191,068,720
<b>Total comprehensive income for the period</b>										
Loss for the financial year	-	-	-	-	-	-	1,679,503	1,679,503	7,708,099	9,387,602
Other comprehensive income for the period	-	-	-	(19,247)	-	-	-	(19,247)	-	(19,247)
Total comprehensive income	-	-	-	(19,247)	-	-	1,679,503	1,660,256	7,708,099	9,368,354
<b>Transaction with owners</b>										
Issuance of shares pursuant to :-										
- Private Placement	2,064,293	-	-	-	-	-	-	2,064,293	-	2,064,293
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(3,600,000)	(3,600,000)
Change ownership in interests in subsidiaries	-	-	-	-	-	-	(3,491,184)	(3,491,184)	8,293,184	4,802,000
Total transactions with owners	2,064,293	-	-	-	-	-	(3,491,184)	(1,426,891)	4,693,184	3,266,293
Balance as at 31 DECEMBER 2021	88,794,521	(294,252)	-	(88,637)	5,396,382	-	18,504,657	112,312,671	91,390,696	203,703,367

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 2021.

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER  
ENDED 31 DECEMBER 2022**

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

	<b>CURRENT PERIOD ENDED 31 DECEMBER 2022 RM'000</b>	<b>CORRESPONDING PERIOD ENDED 31 DECEMBER 2021 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	25,731	7,775
Adjustments for:		
Amortisation of intangible assets	562	599
Amortisation of contact cost	-	3,288
Depreciation of Property and equipment	8,605	7,367
Depreciation in investment property	-	-
Depreciation of Right-of-use assets	13,210	12,900
Interest income	(262)	(109)
Interest expense	15,009	15,605
Fair Value loss on quoted equity securities	(2,400)	1,711
Gain on modification and derecognition of lease	-	(127)
Gain on lease modification	(1,161)	-
Covid-19 related rent concession income	-	(123)
Loss/(gain) on disposal of investment in subsidiary	(1,368)	
Loss/(gain) on disposal of other investment	(789)	
Impairment loss on goodwill on consolidation	-	4,500
Impairment loss on trade receivables	1,137	4,139
Impairment loss on other receivables	-	234
Impairment loss for right-of-use assets	884	2,250
Reversal of impairment loss in trade receivables	1,321	
Reversal of impairment loss for non-current assets held for sale		(131)
Inventories written off	-	321
Provision for doubtful debts	(287)	-
Operating profit /(loss) before working capital changes	60,191	60,199
Changes in working capital		
Inventories	(1,153)	(1,051)
Receivables	(23,340)	1,527
Contract cost	2,341	(3,635)
Payables	(3,540)	(12,522)
Lease liabilities	(10,160)	-
Contract liabilities	(5,225)	235
Cash (used in)/generated from operations	19,114	44,753
Tax paid	(483)	(74)
Interest expense	(4,777)	-
Interest received	262	109
<b>Net cash generated from/(used in) operating activities</b>	<b>14,116</b>	<b>44,788</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property, plant and equipment	(20,088)	(2,545)
Acquisition of Intangible Asset	(162)	-
Acquisition of Right-of-Use Asset	(3,741)	-
- investment in subsidiary, net of cash outflows	330	-
- non-current assets held for sale	-	3,600
- quoted equity securities	4,849	-
Net cash inflows / (outflows) on investment in subsidiaries	-	83
<b>Net cash generated from/(used in) investing activities</b>	<b>(18,811)</b>	<b>1,138</b>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from issuance of placement share	-	(15,605)
Proceeds on issuance of shares	-	2,065
Fixed deposit pledged to licences bank	(12,326)	4,920
Withdrawal / (Placement) of bank accounts pledged for Sukuk Wakalah	-	(1,949)
Placement of bank accounts pledged for term loan	(51)	-
Withdrawal of fixed deposit	11,067	(204)
Drawdown of term loan	11,760	-
- lease liabilities	(13,667)	-
- borrowings	(3,596)	(7,416)
- Sukuk Wakalah	-	-
Dividend paid to non-controlling interest	(1,350)	-
Issuance of share capital to non-controlling interest by a subsidiary	-	(3,600)
<b>Net cash generated from/(used in) financing activities</b>	<b>(8,164)</b>	<b>(21,789)</b>

**Net increase/(decrease) in cash and cash equivalents**

	(12,859)	24,137
Effect of foreign exchange rate change	32	(20)
Opening balance of cash and cash equivalents	25,004	887
<b>Closing balance of cash and cash equivalents</b>	<b>12,178</b>	<b>25,004</b>

**Cash and cash equivalents**

Fixed deposits with licensed bank	17,684	16,411
Cash and bank balances	19,609	28,789
Overdraft	(3,657)	(62)
	33,636	45,138
Less: Deposits held as security	(17,684)	(16,411)
Less: Bank accounts pledged for Sukuk Wakalah	-	-
Less: Bank accounts pledged for term loan	(3,774)	(3,723)
<b>Closing balance of cash and cash equivalents</b>	<b>12,178</b>	<b>25,004</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 2021.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
ENDED 31 DECEMBER 2022**

**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 2021. 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 2021.

**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 2021 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 2022 as disclosed below: -

- Amendments to MFRS 4	Insurance Contracts
- Amendments to MFRS 7	Financial Instruments Disclosure
- Amendments to MFRS 9	Financial Instruments
- 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.

- 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 2021 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 2022	447,523	88,794
Issuance of shares via Private Placement	-	
As at 31 DECEMBER 2022	<b>447,523</b>	<b>88,794</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 RM'000	Technology RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b>9 Months Ended 31 DECEMBER 2022</b>					
<b>Revenue</b>					
External customers	120,986	58,513	-	-	179,499
Inter-company sales	-	-	-	-	-
Dividend income	-	-	4,215	(4,215)	-
	<u>120,986</u>	<u>58,513</u>	<u>4,215</u>	<u>(4,215)</u>	<u>179,499</u>
<b>Results:</b>					
<i>Included in the measure of segment (loss) / profit</i>					
Interest income	17	244	1	-	262
Interest expenses					
- Borrowings	(1,043)	-	-	-	(1,043)
- Right-of-use assets	(3,711)	(90)	(10,145)	-	(13,946)
Depreciation of:					
- Properties and equipment	(8,192)	(352)	(17)	-	(8,561)
- Right-of-use assets	(6,845)	(155)	(6,210)	-	(13,210)
Amortisation	-	-	-	-	-
Other non cash income	208	3,227	10,333	-	13,768
Share of results of associate	-	-	-	-	-
Profit before tax	<u>8,082</u>	<u>22,823</u>	<u>(5,174)</u>	<u>-</u>	<u>25,731</u>
Income tax expense	(822)	(149)	-	-	(971)
Segment profit/(loss)	<u>7,260</u>	<u>22,674</u>	<u>(5,174)</u>	<u>-</u>	<u>24,760</u>
<b>Earnings before interest, taxation, depreciation and amortisation ("EBITDA")</b>	<b>40,715</b>	<b>23,420</b>	<b>(3,139)</b>		<b>60,996</b>

**(b) Analysis of segmental in financial position**

	Education RM'000	Technology RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b>Assets</b>					
Segments assets	187,762	63,684	304,717	(32,759)	523,404
Deferred tax assets	7,197	155	-	-	7,353
Tax recoverable	525	2	-	-	526
<b>Total assets</b>	<u>195,484</u>	<u>63,841</u>	<u>304,717</u>	<u>(32,759)</u>	<u>531,283</u>
<b>Liabilities</b>					
Segmental liabilities	90,426	10,428	171,236	(21,938)	250,151
Deferred tax liabilities	30,292	-	8	-	30,300
Tax payables	192	6	62	-	260
<b>Total liabilities</b>	<u>120,909</u>	<u>10,433</u>	<u>171,306</u>	<u>(21,938)</u>	<u>280,711</u>

**(c) Analysis by geographical areas**

	<b>3-months ended 31 DECEMBER 2022</b>			
	Malaysia RM'000	Overseas RM'000	Elimi- nations RM'000	Conso- lidated RM'000
<b>Revenue</b>				
External sales	44,198	1,692	-	45,890
Inter-segment	-	-	-	-
<b>Total</b>	<u>44,198</u>	<u>1,692</u>	<u>-</u>	<u>45,890</u>
	<b>12-months ended 31 DECEMBER 2022</b>			
	Malaysia RM'000	Overseas RM'000	Elimi- nations RM'000	Total Operations RM'000
<b>Revenue</b>				
External sales	174,632	4,867	-	179,499
Inter-segment	-	-	-	-
<b>Total</b>	<u>174,632</u>	<u>4,867</u>	<u>-</u>	<u>179,499</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, other than saved as below:-

On 7 February 2023, the Company have entered into Proposal are as below:-

- (i) the proposed acquisition of 1,800,000 ordinary shares in N'osairis Technology Solutions Sdn Bhd ("NTS") ("NTS Sale Share(s)"), representing the remaining 36.0% equity interest in NTS from Permata Kirana Sdn Bhd ("PKSB" or "Vendor") for a purchase consideration of RM72,000,000.00 ("Purchase Consideration") to be satisfied entirely via cash ("Proposed Acquisition");
- (ii) the proposed disposal of 69,672,100 ordinary shares in SMR Education Sdn Bhd ("SMRE") ("SMRE Sale Share(s)"), representing the 100.0% equity interest in SMRE to Special Flagship Holdings Sdn Bhd ("SFHSB" or "Purchaser") for a disposal consideration of RM49,455,014.84 ("Disposal Consideration") to be satisfied entirely via cash ("Proposed Disposal"); and
- (iii) the proposed establishment of a share grant plan of up to 20.0% of the total number of issued shares of the Company (excluding treasury shares, if any) for the directors of the Company (including executive directors, non-executive directors and/ or independent directors) ("Director(s)") and employees of the Company and its subsidiaries (excluding subsidiaries which are dormant) ("Proposed SGP").

Please refer to the announcement in relation to the proposals dated 7 February 2023 for further details.

**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 2022 up to the date of this report, other than saved as below:-

On 7 February 2023, the Company have entered into an agreement with Cekal Akasia Sdn Bhd to dispose 2 ordinary shares representing 100% equity interest in SMR Properties Management Sdn Bhd ("SMRPM") for a consideration of Ringgit Malaysia One (RM1) Only. ) ("Proposed Disposal")

Upon completion of the Proposed Disposal, SMRPM shall cease to be a wholly-owned subsidiary of the Company.

**A12 Contingent Liabilities or Contingent Assets**

**As at 31 DECEMBER 2022**  
**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 2021.

**A13 Capital Commitments**

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

## 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 2022 RM'000	31 DECEMBER 2021 RM'000		31 DECEMBER 2022 RM'000	31 DECEMBER 2021 RM'000	
Revenue	45,890	49,832	-7.9%	179,499	160,042	12%
Operating Profit	12,947	5,373	141%	40,478	23,271	74%
Profit /(Loss) Before Interest and Tax	12,947	5,373	141%	40,478	23,271	74%
Profit / (Loss) Before Tax	7,872	1,515	420%	25,731	7,775	231%
Profit /(Loss) After Tax	7,292	4,092	78%	24,760	9,388	164%
Profit /(Loss) Attributable to Ordinary Equity Holders of the Parent	2,545	449	467%	11,333	1,680	575%

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

The Group recorded a decreased in revenue by approximately RM3.96 million, or 7.9%, amounted to RM45.89 million for the current quarter under review as compared to RM49.83 million for the preceding year's corresponding quarter (Q4' 2021) ("corresponding quarter"), mainly resulted from lower revenue recorded for IOT division, for the period under review.

Correspondently, the Group recorded an improvement in both Profit before tax ("PBT") and Profit after tax ("PAT") of approximately RM7.9 million and RM7.3 million for quarter ended 31 December 2022, as compared to PBT and PAT of RM1.5 million and RM4.1 million respectively, in the preceding year quarter ended 31 December 2021, in tandem with the improvement in revenue stated above. In addition, lower profitability in FYE 31 December 2021 was also due to goodwill impairment amounted to RM4.5 million.

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

The Group recorded an unaudited revenue of RM179.5 million, mainly contributed from Minda Global Berhad and its subsidiaries (RM120.97 million) and N'osairis Technology Solutios Sdn Bhd and its subsidiaries (RM58.5 million), an improvement of 12.1% as compared to the revenue recorded of RM160.0 million for the preceding year quarter to date ended 31 December 2021, mainly contributed from both the IOT sector and the education sector resulted from higher recruitment of new students for various programs, especially University of Cyberjaya.

Correspondently, with the improvement in revenue stated above, the Group recorded a PBT and PAT of approximately RM25.7 million and RM24.8 million respectively for 12 months ended 31 December 2022, as compared to PBT and PAT of RM7.8 million and RM9.34million respectively, in the preceding year ended 31 December 2021. On top of higher profit contribution in tandem with improvement in revenue in FYE 2022, the lower profitability for FYE 31 December 2021 was also resulted from higher Expected Credit Loss recorded of RM4.3 million, impairment ROU RM2.25 million, Impairment in other Investment RM 1.2 million as well as impairment of Goodwill of RM4.5 million as stated as explained above.

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

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

	Current Year Quarter 31 DECEMBER 2022 RM'000	Immediate Preceding Quarter 30 SEPTEMBER 2022 RM'000	Variance
Revenue	45,890	53,401	-14%
Operating Profit	12,947	10,343	25%
Profit /(Loss) Before Interest and Tax	12,947	10,343	25%
Profit /(Loss) Before Tax	7,872	7,754	2%
Profit /(Loss) After Tax	7,292	7,371	-1%
Profit / (Loss) Attributable to Ordinary Equity Holders of the Parent	2,545	2,939	-13%

The Group recorded a decrease in revenue by RM7.5 million or 14%, amounted to RM45.9 million for the current quarter as compared to RM 53.4 million in the immediate preceding quarter, mainly resulted from lower revenue contribution from IOT division by approximately RM10.88 million against the increased in revenue from Educaiton division by approximately RM3.35 million, during the quarter under review. Correspondently, the Group recorded a slight improvement in PBT and PAT of approximately RM7.8 million and RM7.3 million respectively for the current quarter under review as compared to PBT and PAT of approximately RM7.8 million and RM7.4 million for immediate preceding quarter respectively.

### B3 Prospects for the Current Financial Year

In relation to our industry, the past 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, with the progressive recovery from the Covid-19 lockdown impacts, our education arms has respectively working towards recruitment of new intakes for year 2022, closely working with instructions and announcement by the relevant educational authorities, such as Ministry of higher learning, from time to time. The recovery of education prospect on reinstatement of physical teaching pattern whichever best options available, is however, subject to the speed of recovery of Covid-19 pandemic in the country as well as the returns 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. We expect our IT related operations shall be back on mark gradually, subject to 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	
	31 DECEMBER 2022 RM'000	31 DECEMBER 2021 RM'000	31 DECEMBER 2022 RM'000	31 DECEMBER 2021 RM'000
Income tax				
Current	286	(185)	677	49
Under/(Over) provision of tax in prior year	-	(252)	37	(220)
Deferred tax	295	(2,141)	256	(1,441)
	<b>580</b>	<b>(2,577)</b>	<b>971</b>	<b>(1,612)</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 saved as below:

a) On 7 February 2023, the Company have entered into Proposal are as below:-

- (i) the proposed acquisition of 1,800,000 ordinary shares in N'osairis Technology Solutions Sdn Bhd ("NTS") ("NTS Sale Share(s)", representing the remaining 36.0% equity interest in NTS from Permata Kirana Sdn Bhd ("PKSB" or "Vendor") for a purchase consideration of RM72,000,000.00 ("Purchase Consideration") to be satisfied entirely via cash ("Proposed Acquisition");
- (ii) the proposed disposal of 69,672,100 ordinary shares in SMR Education Sdn Bhd ("SMRE") ("SMRE Sale Share(s)", representing the 100.0% equity interest in SMRE to Special Flagship Holdings Sdn Bhd ("SFHSB" or "Purchaser") for a disposal consideration of RM49,455,014.84 ("Disposal Consideration") to be satisfied entirely via cash ("Proposed Disposal"); and
- (iii) the proposed establishment of a share grant plan of up to 20.0% of the total number of issued shares of the Company (excluding treasury shares, if any) for the directors of the Company (including executive directors, non-executive directors and/ or independent directors) ("Director(s)") and employees of the Company and its subsidiaries (excluding subsidiaries which are dormant) ("Proposed SGP").

Please refer to the announcement in relation to the proposals dated 7 February 2023 for further details.

- b) On 7 February 2023, the Company have entered into an agreement with Cekal Akasia Sdn Bhd to dispose 2 ordinary shares representing 100% equity interest in SMI Properties Management Sdn Bhd ("SMRPM") for a consideration of Ringgit Malaysia One (RM1) Only. ) ("Proposed Disposal")

Upon completion of the Proposed Disposal, SMRPM shall cease to be a wholly-owned subsidiary of the Company.

### B7 Group Borrowings

	Cumulative Year To Date	
	31 DECEMBER 2022 RM'000	31 DECEMBER 2021 RM'000
<u>Secured short-term</u>		
Overdraft	3,657	62
Hire purchase payables	-	16
Lease assets payables	12,613	9,821
Term Loan	784	1,205
Shares Margin Loan	-	2,002
<u>Secured long-term</u>		
Hire purchase payables	-	276
Lease assets payables	135,277	145,437
Term Loan	26,763	16,184
Total borrowings	<b>179,094</b>	<b>175,005</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 2022	31 DECEMBER 2021	31 DECEMBER 2022	31 DECEMBER 2021
	RM'000	RM'000	RM'000	RM'000
Earnings attributable to ordinary equity holders of the parent	2,545	449	11,333	1,680
Weighted average number of ordinary shares in issue				
As At 1 JANUARY 2022	427,285	427,285	427,285	427,285
Add: Effect of issuance of shares	-	-	-	38,687
As at 31 DECEMBER 2022	427,285	427,285	427,285	465,972
Basic earnings per ordinary shares (sen)	0.60	0.11	2.65	0.36

**(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 2022	31 DECEMBER 2021	31 DECEMBER 2022	31 DECEMBER 2021
Earnings attributable to ordinary equity holders of the parent	2,545	449	11,333	1,680
Weighted average no. of ordinary shares in issue	427,285	427,285	427,285	465,972
Effect of dilution for :-				
ESOS ('000)	-	-	-	-
Warrants ('000)*	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable	427,285	427,285	427,285	465,972
Diluted earnings per shares (sen)	0.60	0.11	2.65	0.11

**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 2022	31 DECEMBER 2021	31 DECEMBER 2022	31 DECEMBER 2021
	RM'000	RM'000	RM'000	RM'000
Operating profit has been arrived at after charging:-				
Amortisation of intangible assets	411	117	569	568
Depreciation of property, plant and equipment	2,346	1,751	8,561	7,829
Depreciation of Right-of-use assets	2,589	(10,042)	13,210	54
Expected credit losses	1,321	4,373	1,321	4,373
Interest expense on borrowings	356	458	1,064	1,641
Interest expense on Right-of use assets	4,783	3,479	13,946	13,964
Impairment of Goodwill	-	4,500	-	4,500
Impairment of intangible assets	-	1,211	-	1,211
Impairment of Right-of-use assets	884	-	884	-
After crediting:-				
Interest Income	64	78	262	109
Rental Income	542	2,319	1,970	3,193
Realised (loss)/gain on foreign exchange	(18)	(0)	522	(0)
Unrealised gain on foreign exchange	2	-	2	-

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