

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME
 FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

	Current Period Quarter ended		Cumulative Quarter 3 months ended	
	30 Sept 2023 Unaudited (RM'000)	30 Sept 2022 (RM'000)	30 Sept 2023 Unaudited (RM'000)	30 Sept 2022 (RM'000)
Revenue	18,421	N/A	18,421	N/A
Cost of sales	(7,517)	N/A	(7,517)	N/A
Gross Profit	10,904	N/A	10,904	N/A
Other income	116	N/A	116	N/A
Administrative expenses	(3,852)	N/A	(3,852)	N/A
Interest Expenses	(169)	N/A	(169)	N/A
Interest Income	17	N/A	17	N/A
Profit before taxation	7,016	N/A	7,016	N/A
Taxation	(25)	N/A	(25)	N/A
Net Profit for the Period	6,991	N/A	6,991	N/A
Exchange difference arising on translation of Foreign Operations	(259)	N/A	(259)	N/A
Total Comprehensive Profit for the Period	6,733	N/A	6,733	N/A
Profit / (Loss) attributable to:				
Owners of the Company	6,991	N/A	6,991	N/A
Non-controlling interests	(0)	N/A	(0)	N/A
Total Comprehensive Profit / (Loss) attributable to:				
Owners of the Company	6,733	N/A	6,733	N/A
Non-controlling interests	(0)	N/A	(0)	N/A
Earnings per share attributable to Owner of the Company				
- Basic (sen)	1.56	N/A	1.56	N/A
- Diluted (sen)	N/A	N/A	N/A	N/A

There are no comparative figures for the quarter ended 30th September 2023 due to the change in the financial year end from 31st December 2022 to 30th June 2023. The Condensed Consolidated Statement of Profit & Loss and Other Comprehensive Income for the current quarter ended 30th September 2023, being the first quarter of the financial year ended 30th June 2024, is not comparable with that of the first quarter of the previous financial period ended 30th June 2023.

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income must be read in conjunction with the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

	As at 30 Sept 2023 Unaudited (RM'000)	As at 30 June 2023 Audited (RM'000)
ASSETS		
Property and equipment	4,237	4,190
Right-of-use assets	130	168
Investment in Properties	14,455	14,529
Goodwill on consolidation	2,822	2,822
Deferred tax assets	83	71
Total Non-Current Assets	21,727	21,779
Inventories	1,610	856
Trade and other receivables	19,990	17,116
Contract Assets	5,988	4,737
Current tax assets	48	75
Deposits placed with licensed banks	4,956	589
Cash and bank balances	11,832	16,296
Total Current Assets	44,425	39,669
TOTAL ASSETS	66,152	61,448
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	88,795	88,795
Treasury shares	(294)	(294)
Share based payment reserve	6,151	5,867
Foreign currency translation reserve	(441)	(182)
Retained earnings	(45,597)	(52,588)
	48,614	41,597
Non-controlling interests	(2,113)	(2,113)
TOTAL EQUITY	46,501	39,484

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

	As at 30 Sept 2023 Unaudited (RM'000)	As at 30 June 2023 Audited (RM'000)
LIABILITIES		
Borrowings	10,388	10,584
Lease liabilities	-	57
Total Non-Current Liabilities	10,388	10,641
Trade and other payables	8,410	8,756
Loans and borrowings	784	784
Lease liabilities	81	59
Contract liabilities	-	1,724
Tax payables	(12)	-
Total Current Liabilities	9,263	11,323
TOTAL LIABILITIES	19,651	21,964
TOTAL EQUITY AND LIABILITIES	66,152	61,448
Number of ordinary shares (unit)	447,523	447,523
Net assets per share attributable to owners of the Company (RM)	0.11	0.09

The Condensed Consolidated Statement of Financial Position must be read with the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

	<----- Equity Attributable to Owners of the Company ----->							
	Share Capital RM'000	Treasury Shares RM'000	Share Based Payment Reserve RM'000	Foreign Currency Translation Reserve RM'000	Retained Profits RM'000	Sub-total RM'000	Non Controlling Interests RM'000	Total Equity RM'000
Balance as at 1 July 2023	88,795	(294)	5,867	(182)	(52,588)	41,597	(2,113)	39,483
Total comprehensive income for the period								
(Loss)/Profit for the period	-	-	-	-	6,991	6,991	(0)	6,991
Other Comprehensive income for the period	-	-	-	(259)	-	(259)	-	(259)
Transaction with owners								
Employee's Share Grant Contributions	-	-	284	-	-	284	-	284
Balance as at 30 Sept 2023	88,795	(294)	6,151	(441)	(45,597)	48,614	(2,113)	46,500

There are no comparative figures for the quarter ended 30th September 2023 due to the change in the financial year end from 31st December 2022 to 30th June 2023. The Condensed Consolidated Statement of Changes in Equity for the current quarter ended 30th September 2023, being the first quarter of the financial year ended 30th June 2024, is not comparable with that of the first quarter of the previous financial period ended 30th June 2023.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

	Period ended 30 Sept 2023 Unaudited RM'000	Period ended 30 Sept 2022 RM'000
Cash flows from operating activities		
Profit before tax	7,016	N/A
Adjustments for:		
Depreciation of Property and equipment	399	N/A
Depreciation of Right-of-use assets	38	N/A
Allowance of impairment for:-		N/A
Depreciation of Investment properties	74	
Interest income	(17)	N/A
Interest expense	169	N/A
Shares-based payment expenses	284	N/A
	7,962	N/A
Changes in working capital		
Inventories	(754)	N/A
Receivables	(3,239)	N/A
Contract cost	(1,251)	N/A
Payables	(196)	N/A
Lease liabilities	(38)	N/A
Contract liabilities	(1,724)	N/A
Cash generated from operations	759	N/A
Tax paid	(38)	N/A
Interest expense	(167)	N/A
Interest received	17	N/A
Net cash generated from operating activities	572	N/A
Cash flows for investing activities		
Acquisition of property and equipment	(446)	N/A
Net cash generated from / (used in) investing activities	(446)	N/A
Cash flows for financing activities		
Repayment of borrowings	(196)	N/A
Net cash generated from/(used in) financing activities	(196)	N/A
Net changes in cash and cash equivalents	(70)	N/A
Effect of foreign exchange rate change	(258)	N/A
Cash and cash equivalents at the beginning of the financial period	16,296	N/A
Cash and cash equivalents at end of reporting period	15,968	N/A

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Cash and cash equivalents included in the cash flow statement comprise:

	Period ended 30 Sept 2023 Unaudited RM'000	Period ended 30 Sept 2022 RM'000
Fixed deposits placed with licensed bank	4,956	N/A
Cash and bank balances	11,832	N/A
	16,788	N/A
Less: Deposits held as security	(820)	N/A
Cash and cash equivalents	15,968	N/A

There are no comparative figures for the quarter ended 30th September 2023 due to the change in the financial year end from 31st December 2022 to 30th June 2023. The Condensed Consolidated Statement of Cash Flows for the current quarter ended 30th September 2023, being the first quarter of the financial year ended 30th June 2024, is not comparable with that of the first quarter of the previous financial period ended 30th June 2023.

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial report.

INTERIM FINANCIAL REPORT**NOTES TO THE FINANCIAL STATEMENT****PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134****A1 Basis of Preparation**

- a) The interim financial report is unaudited and has been prepared in compliance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). These quarterly financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the period ended 30 June 2023.

All figures are stated in RM'000, unless otherwise stated.

b) Significant Accounting Policies**1. Adoption of MFRSs, Amendments to MFRSs and IC Interpretations**

The accounting policies adopted in the preparation of the interim financial report are consistent with those followed in the preparation of the Company's audited financial statements for the financial period ended 30 June 2023, except for the following:

Standards, Amendments and Annual Improvements to Standards effective for the financial periods beginning on or after 1 January 2023

New MFRS

- MFRS 7 - Insurance Contracts

Amendments / Improvements to MFRS

- MFRS 1 - First time adoption of Malaysian Financial Reporting Standards[^]
- MFRS 3 - Business Combinations[^]
- MFRS 5 - Non-Current Assets Held for Sale and Discontinued Operations[^]
- MFRS 7 - Financial Instruments: Disclosures[^]
- MFRS 9 - Financial Instruments[^]
- MFRS 15 - Revenue from Contracts with Customers[^]
- MFRS 17 - Insurance Contracts
- MFRS 101 - Presentation of Financial Statements[^]
- MFRS 107 - Statement of Cash Flows[^]
- MFRS 108 - Accounting Policies, Changes in Accounting Estimates and Errors.
- MFRS 112 - Income Taxes
- MFRS 116 - Property, Plant and Equipment[^]
- MFRS 119 - Employee Benefits[^]
- MFRS 128 - Investment in Associates and Joint Ventures[^]
- MFRS 132 - Financial Instruments : Presentation[^]
- MFRS 136 - Impairment of Assets[^]
- MFRS 137 - Provisions, Contingent Liabilities and Contingent Assets[^]
- MFRS 138 - Intangible Assets[^]
- MFRS 140 - Investment Property[^]

[^] Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

The adoption of the accounting standards and amendments mentioned above has no significant impact on the Group's financial statements upon initial application.

INTERIM FINANCIAL REPORT**2. Standards issued but not yet effective**

At the date of authorisation of the interim financial report, the new MFRS and amendments/improvements to MFRSs that have been issued by Malaysian Accounting Standards Board ("MASB") but yet to be effective are disclosed below. The Group intends to adopt these applicable standards when they become effective.

Amendments / Improvements in MFRSs

- MFRS 7 - Financial Instruments: Disclosures
- MFRS 10 - Consolidated Financial Statements
- MFRS 18 - Leases
- MFRS 101 - Presentation of Financial Statements
- MFRS 107 - Statement of Cash Flows
- MFRS 121 - The Effects of Changes in Foreign Exchange Rate
- MFRS 128 - Investment in Associates and Joint Ventures

A2 Audit Report on preceding Annual Financial Statements

The Company's audited financial statements for the financial period ended 30 June 2023 were not qualified.

A3 Seasonal or Cyclical Factors

The Company did not experience significant fluctuations in operations due to seasonal factors.

A4 Unusual Significant Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review other than those disclosed in Note 11.

A5 Changes in estimates

There were no changes in estimates that have had any material effect on the current quarter under review.

A6 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities during the current quarter under review other than as disclosed in Note 11.

A7 Changes in the Composition of the Company

There were no significant changes in the composition of the Company during the current quarter under review.

A8 Changes in Contingent Liabilities and Contingent Assets

There were no material contingent liabilities or contingent assets as of the date of this report.

A9 Segmental Information

Segmental analysis is not applicable as the Company is currently a pure-play Internet of Things (IoT) solutions provider. Nevertheless, the Company is pleased to provide the revenue analysis by geographical areas as below:

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Revenue analysis by geographical areas

	3 months ended 30 Sept 2023			
	Malaysia RM'000	Overseas RM'000	Elimination RM'000	Consolidated RM'000
External sales	16,592	2,808	(979)	18,421

	Cumulative ended 30 Sept 2023			
	Malaysia RM'000	Overseas RM'000	Elimination RM'000	Consolidated RM'000
External sales	16,592	2,808	(979)	18,421

A10 Significant Events

There were no significant events that occurred during the current quarter under review.

A11 Material Subsequent Events

There were no material events that occurred following the end of the current quarter under review, except for:

- i) On 12 October 2023, the Company announced special issuance of 7,720,276 new ordinary shares in conjunction with Employees' Share Grant Plan as granted on 30 June 2023.

A12 Dividend Paid

No dividend was paid or declared during the current quarter.

A13 Capital Commitments

No capital commitments were made during the current quarter under review.

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PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS

B1 Review of Performance

Variation of results against previous corresponding quarter

The Group posted revenue and profit before tax of RM 18.3 million and RM 6.9 million for 3 months ended 30 September 2023.

	Individual Period			Cumulative 3 months		
	Quarter ended 30 Sept 2023 RM'000	Quarter ended 30 Sept 2022 RM'000	% of changes	ended 30 Sept 2023 RM'000	ended 30 Sept 2022 RM'000	% of changes
Revenue	18,421	N/A	N/A	18,421	N/A	N/A
Profit Before Tax	7,016	N/A	N/A	7,016	N/A	N/A

Subsequent to the announcement made by the Company on the change of FYE from 31st December 2022 to 30th June 2023 as well as the disposal of the education segment, the comparison of the preceding year's corresponding quarter results does not apply to the current interim report.

Variation of results against the preceding quarter

	Quarter ended 30 Sept 2023 RM'000	Quarter ended 30 June 2023 RM'000	% of changes
Revenue	18,421	17,593	5%
Profit /(Loss) Before Tax	7,016	(67,308)	110%

During the current quarter, the Group experienced an approximately 4% increase in revenue, amounting to RM18.32 million, which is RM0.73 million higher than the immediate preceding quarter. This increase is mainly due to the higher revenue contribution from the IOT division for the current quarter under review. The Group also recorded PBT amounted to RM6.92 million as compared to LBT of RM67.31 million for the preceding quarter, which was due to one-off loss adjustment resulted from the corporate restructuring exercises which was completed on 19 May 2023.

B2 Commentary on Prospects

SMRT Holdings Berhad (via N'osairis Technology Solutions) is a pure-play Internet of Things (IoT) solutions provider after completing the restructuring exercises on 19 May 2023.

Our Group expects to participate in the region's digital transformation opportunities and aims to take part in its growth through our new strategic direction. Our management's main priorities are to:

- (1) reinforce our core IOT business in Malaysia and Indonesia,
- (2) seek out new geographies to expand into, and
- (3) continue researching and developing new products for different verticals.

B3 Variance on Profit Forecast

The Company has not issued any profit forecast or profit guarantee for the current quarter under review.

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B4 Taxation

	Quarter ended		Cumulative 3 months ended	
	30 Sept 2023 RM'000	30 Sept 2022 RM'000	30 Sept 2022 RM'000	30 Sept 2022 RM'000
Income tax				
Current	42	N/A	42	N/A
Under/(Over) provision of tax in prior year	(5)	N/A	(5)	N/A
Deferred tax	(13)	N/A	(13)	N/A
	25	N/A	25	N/A

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

B6 Status of Corporate Proposals

As of the date of this quarterly announcement, there were no other corporate proposals that had been announced but not yet completed.

B7 Group Borrowings and Debt Securities

Other than as disclosed below, there were no other borrowings or debt securities in the Group as at 30th September 2023.

	As at	
	30 Sept 2023 RM'000	30 June 2023 RM'000
<u>Secured short -term</u> Term Loan	784	784
<u>Secured long -term</u> Term Loan	10,388	10,584
Total borrowings	11,172	11,368

All borrowings are denominated in Ringgit Malaysia.

B8 Material Litigations

The Company and its subsidiary companies are not engaged in any material litigation as at the date of this quarterly report.

B9 Proposed Dividend

No dividend has been proposed for the current quarter under review.

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B10 Earnings Per Share ("EPS")

The following are the reported value for Basic EPS and Diluted EPS:

(a) Basic EPS

	Quarter ended		Cumulative 3 months ended	
	30 Sept 2023 Unaudited RM'000	30 Sept 2022 RM'000	30 Sept 2023 Unaudited RM'000	30 Sept 2022 RM'000
Earnings attributable to ordinary equity holders of the parent	6,991	N/A	6,991	N/A
Weighted average number of ordinary shares in issue As at 30 Sept 2023	447,523	N/A	447,523	N/A
Basic earnings per ordinary shares (sen)	1.56	N/A	1.56	N/A

(b) Fully diluted earnings per share

The diluted profit per ordinary share is equal to the basic profit per ordinary share as there were no potential dilutive ordinary shares outstanding at the end of the quarter.

B11 Addition notes to the Statement of Profit or loss and Other Comprehensive Income

	Quarter ended		Cumulative 3 months ended	
	30 Sept 2023 RM'000	30 Sept 2022 RM'000	30 Sept 2023 RM'000	30 Sept 2022 RM'000
Operating profit has been arrived at after charging:-				
Depreciation of property, plant and equipment	472	N/A	472	N/A
Depreciation of Right-of-use assets	38	N/A	38	N/A
Interest expense on borrowings	167	N/A	167	N/A
Interest expense on Right-of use assets	2	N/A	2	N/A
Realised loss on foreign exchange	210	N/A	210	N/A
Employee's Share Grant Contributions	284	N/A	284	N/A
After crediting:-				
Interest Income	17	N/A	17	N/A
Rental Income	315	N/A	315	N/A

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

BY ORDER OF THE BOARD

Date : 28th November 2023