

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME
 FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

	Current Period Quarter ended		Cumulative Quarter 3 months ended	
	30 Sept 2024 Unaudited (RM'000)	30 Sept 2023 (RM'000)	30 Sept 2024 Unaudited (RM'000)	30 Sept 2023 (RM'000)
Revenue	16,504	18,421	16,504	18,421
Cost of sales	(6,524)	(7,517)	(6,524)	(7,517)
Gross Profit	9,980	10,904	9,980	10,904
Other income	608	116	608	116
Administrative expenses	(3,384)	(3,852)	(3,384)	(3,852)
Profit / (Loss) from operations	7,204	7,168	7,204	7,168
Share of results of associate	-	-	-	-
Profit / (Loss) before interest and taxation	7,204	7,168	7,204	7,168
Interest Expenses	(162)	(169)	(162)	(169)
Interest Income	6	17	6	17
Profit before taxation	7,049	7,016	7,049	7,016
Taxation	(1)	(25)	(1)	(25)
Net Profit for the Period	7,048	6,991	7,048	6,991
Exchange difference arising on translation of Foreign Operations	(314)	(259)	(314)	(259)
Total Comprehensive Profit for the Period	6,734	6,732	6,734	6,732
Profit / (Loss) attributable to:				
Owners of the Company	7,048	6,991	7,048	6,991
Non-controlling interests	-	-	-	-
Total Comprehensive Profit / (Loss) attributable to:				
Owners of the Company	6,734	6,733	6,734	6,733
Non-controlling interests	-	-	-	-
Earnings per share attributable to Owner of the Company				
- Basic (sen)	1.55	1.56	1.55	1.56
- Diluted (sen)	1.55	1.56	1.55	1.56

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 2024

	As at 30 Sept 2024 Unaudited (RM'000)	As at 30 June 2024 Audited (RM'000)
ASSETS		
Property and equipment	4,737	4,899
Right-of-use assets	233	-
Investment in Properties	14,161	14,235
Goodwill on consolidation	2,822	2,822
Other Investment	660	-
Deferred tax assets	144	75
Total Non-Current Assets	22,757	22,030
Inventories	2,532	797
Trade and other receivables	13,713	19,060
Contract Assets	28,937	20,874
Contract costs	-	-
Current tax assets	116	268
Deposits placed with licensed banks	1,338	968
Short-Term Investment	13,614	10,382
Cash and bank balances	10,759	10,918
Total Current Assets	71,010	63,267
TOTAL ASSETS	93,767	85,296
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	94,662	94,662
Treasury shares	(294)	(294)
Share based payment reserve	1,409	1,135
Foreign currency translation reserve	(720)	(406)
Retained earnings	(19,501)	(26,549)
	75,556	68,547
Non-controlling interests	-	-
TOTAL EQUITY	75,556	68,547

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2024

	As at 30 Sept 2024 Unaudited (RM'000)	As at 30 June 2024 Audited (RM'000)
LIABILITIES		
Borrowings	9,604	9,800
Lease liabilities	-	-
Total Non-Current Liabilities	9,604	9,800
Trade and other payables	7,507	6,210
Loans and borrowings	784	784
Lease liabilities	316	-
Contract liabilities	-	-
Tax payables	-	(45)
Total Current Liabilities	8,607	6,949
TOTAL LIABILITIES	18,211	16,749
TOTAL EQUITY AND LIABILITIES	93,767	85,296
Number of ordinary shares (unit)	455,243	455,243
Net assets per share attributable to owners of the Company (RM)	0.17	0.15

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 2024

	Equity Attributable to Owners of the Company							Non Controlling Interests RM'000	Total Equity RM'000
	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			
Balance as at 1 July 2024	94,662	(294)	1,135	(406)	(26,549)	68,547	(0)	68,547	
Total comprehensive income for the period (Loss)/Profit for the period	-	-	-	-	7,048	7,048	-	7,048	
Other Comprehensive income for the period	-	-	-	(314)	-	(314)	-	(314)	
Transaction with owners									
Employee's Share Grant Contributions	-	-	274	-	-	274	-	274	
Balance as at 30 Sept 2024	94,662	(294)	1,409	(720)	(19,501)	75,556	(0)	75,556	

Corresponding Period

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)	48,615	(2,113)	46,500

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 2024

	Period ended 30 Sept 2024 Unaudited RM'000	Period ended 30 Sept 2023 RM'000
Cash flows from operating activities		
Profit before tax	7,049	7,016
Adjustments for:		
Depreciation of Property and equipment	493	399
Depreciation of Right-of-use assets	78	38
Depreciation of Investment properties	74	74
Interest income	(6)	(17)
Interest expense	162	169
Gain on lease modification	-	-
Loss/(gain) on disposal of investment in subsidiary	-	-
Impairment loss for inventories	(83)	-
Bad debts Written off	-	-
Shares-based payment expenses	274	284
	8,039	7,962
Changes in working capital		
Inventories	(1,651)	(754)
Receivables	5,369	(3,239)
Contract Assets	(8,064)	(1,251)
Payables	1,447	(196)
Lease liabilities	-	(38)
Contract liabilities	-	(1,724)
Cash generated from operations	5,141	759
Tax paid	(4)	(38)
Interest expense	(156)	(167)
Interest received	6	17
Net cash generated from operating activities	5,014	572
Cash flows for investing activities		
Acquisition of property and equipment	(233)	(446)
Additional investment in other investment	(660)	-
Placement of Short Term Investments	(3,232)	-
Net cash generated from / (used in) investing activities	(4,125)	(446)
Cash flows for financing activities		
Withdrawal of fixed deposit	(371)	-
Repayment of borrowings	(196)	(196)
Net cash generated from/(used in) financing activities	(567)	(196)
Net changes in cash and cash equivalents	322	(70)
Effect of foreign exchange rate change	(481)	(258)
Cash and cash equivalents at the beginning of the financial period	10,918	16,296
Cash and cash equivalents at end of reporting period	10,759	15,968

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

	Period ended 30 Sept 2024 Unaudited RM'000	Period ended 30 Sept 2023 RM'000
Fixed deposits placed with licensed bank	968	4,956
Cash and bank balances	10,759	11,832
	11,727	16,788
Less: Deposits held as security	(968)	(820)
Cash and cash equivalents	10,759	15,968

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 2024.

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 2024.

During the current financial period, the Group has adopted the following new Accounting Standards, Amendments and Annual Improvements to Standards:

New MFRS

- MFRS 17 - Insurance Contracts

Amendments / Improvements to MFRS

- MFRS 101 - Presentation of Financial Statements[^]
- MFRS 108 - Accounting Policies, Changes in Accounting Estimates and Errors.
- MFRS 112 - Income Taxes

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

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.

New MFRSs

- MFRS 18 - Presentation and Disclosure in Financial Statements
- MFRS 19 - Subsidiaries without Public Accountability : Disclosure

INTERIM FINANCIAL REPORTAmendments to MFRSs

- MFRS 1 - First-time Adoption of Malaysian Financial Reporting Standards
- MFRS 7 - Financial Instruments: Disclosures
- MFRS 9 - Financial Instruments
- MFRS 10 - Consolidated Financial Statements
- MFRS 16 - Leases
- MFRS 101 - Presentation of Financial Statements
- MFRS 107 - Statement of Cash Flows
- MFRS 121 - The Effects of Changes in Foreign Exchange Rates
- MFRS 128 - Investments 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 2024 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.

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.

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.

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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:

Revenue analysis by geographical areas

	3 months ended 30 Sept 2024			
Revenue	Malaysia RM'000	Overseas RM'000	Elimination RM'000	Consolidated RM'000
External sales	14,586	3,055	(1,136)	16,504

	Cumulative ended 30 Sept 2024			
Revenue	Malaysia RM'000	Overseas RM'000	Elimination RM'000	Consolidated RM'000
External sales	14,586	3,055	(1,136)	16,504

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.

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

	Individual Period			Cumulative 3 months		
	Quarter ended 30 Sept 2024 RM'000	Quarter ended 30 Sept 2023 RM'000	% of changes	ended 30 Sept 2024 RM'000	ended 30 Sept 2023 RM'000	% of changes
Revenue	16,504	18,421	-10.4%	16,504	18,421	-10.4%
Profit Before Tax	7,049	7,016	0.5%	7,049	7,016	0.5%

The Group posted a decline in revenue of 10.4% compared to the corresponding period in the previous financial year, from RM18.4 million to RM 16.5 million. This is primarily caused by variations in the number and timing of deployments. Despite the revenue decline, Profit Before Tax shown a slight increase of 0.5%, rising from RM7.0 million in Q1 of FY 2024 to RM7.05 million in the current quarter under review, due to reduced administrative expenses.

Variation of results against the preceding quarter

	Quarter ended 30 Sept 2024 RM'000	Quarter ended 30 June 2024 RM'000	% of changes
Revenue	16,504	17,856	-7.6%
Profit/(Loss) Before Tax	7,049	6,239	13.0%

For the quarter ended 30 September 2024, revenue decreased by RM 1.3 million, or approximately 7.6% compared to the preceding quarter ended 30 June 2024, from RM17.9 million to RM 16.5 million. This is primarily caused by variations in the number and timing of deployments. Despite the decrease in revenue, Profit Before Tax improved by 13.0% rising from RM6.2 million in the previous quarter to RM7.05 million in the current quarter. This is largely due to changes in the revenue mix, which was skewed towards lower revenue and higher margin items during this quarter, and reduced administrative expenses.

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 2024 RM'000	30 Sept 2023 RM'000	30 Sept 2024 RM'000	30 Sept 2023 RM'000
Income tax				
Current	-	42	-	42
Under/(Over) provision of tax in prior year	-	(5)	-	(4)
Deferred tax	(1)	(13)	(1)	(13)
	(1)	24	(1)	25

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	
	30 Sept 2024 RM'000	30 June 2024 RM'000
<u>Secured short -term</u> Term Loan	784	784
<u>Secured long -term</u> Term Loan	9,604	9,800
Total borrowings	10,388	10,584

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 2024 Unaudited RM'000	30 Sept 2023 RM'000	30 Sept 2024 Unaudited RM'000	30 Sept 2023 RM'000
Earnings attributable to ordinary equity holders of the parent	7,048	6,991	7,048	6,991
Weighted average number of ordinary shares in issue As at 30 Sept 2024	455,243	447,523	455,243	447,523
Basic earnings per ordinary shares (sen)	1.55	1.56	1.55	1.56

(b) Fully diluted earnings per share

	Quarter ended		Cumulative 3 months ended	
	30 Sept 2024 RM'000	30 Sept 2023 RM'000	30 Sept 2024 RM'000	30 Sept 2023 RM'000
Earnings attributable to ordinary equity holders of the parent	7,048	6,991	7,048	6,991
Weighted average no. of ordinary shares in issue	455,243	447,523	455,243	447,523
Adjusted weighted average number of ordinary shares in issue and issuable	455,243	447,523	455,243	447,523
Diluted earnings per shares (sen)	1.55	1.56	1.55	1.56

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

	Quarter ended		Cumulative 3 months ended	
	30 Sept 2024 RM'000	30 Sept 2023 RM'000	30 Sept 2024 RM'000	30 Sept 2023 RM'000
Operating profit has been arrived at after charging:-				
Depreciation of property, plant and equipment	367	472	367	472
Depreciation of Right-of-use assets	78	38	78	38
Interest expense on borrowings	156	167	156	167
Interest expense on Right-of use assets	6	2	6	2
Loss on disposal of property, plant and equipment	-	(1)	-	(1)
Realised loss on foreign exchange	14	210	14	210
Employee's Share Grant Contributions	274	284	274	284
After crediting:-				
Interest Income	6	17	6	17

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 : 8 November 2024