



# SMTRACK BERHAD

Reg No.: 200401000918 (639421-X)  
(Incorporated in Malaysia)

## UNAUDITED INTERIM FINANCIAL REPORT

FOR THE QUARTER ENDED 30 SEPTEMBER 2023

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023**

	----- Individual Quarter ----		---- Cumulative Quarter ----	
	Current Year	*Preceding Year	Current Year-	*Preceding Year
	Quarter Ended	Corresponding Quarter Ended	To Date	Corresponding Period
	30/09/2023 RM'000	30/09/2022 RM'000	30/09/2023 RM'000	30/09/2022 RM'000
Revenue	4,782	100	4,782	-
Cost of sales	(1,173)	(42)	(1,173)	-
Gross Profit	3,609	58	3,609	-
Other income	-	-	-	-
Administrative expenses	(2,980)	(1,952)	(2,980)	-
Operating Profit/(Loss)	629	(1,894)	629	-
Finance cost	(187)	-	(187)	-
<b>Profit/(Loss) Before Taxation</b>	442	(1,894)	442	-
Taxation	(318)	-	(318)	-
<b>Net Profit/(Loss) After Taxation</b>	124	(1,894)	124	-
Other comprehensive loss, net of tax	-	-	-	-
<b>Total Comprehensive Profit/(Loss)</b>	124	(1,894)	124	-
<b>Net profit/(loss) attributable to :</b>				
- Owners of the Company	(236)	(1,869)	(236)	-
- Non-controlling interests	360	(25)	360	-
<b>Net Profit/(Loss)</b>	124	(1,894)	124	-
<b>Total comprehensive income/(loss) attributable to :</b>				
- Owners of the Company	(236)	(1,869)	(236)	-
- Non-controlling interests	360	(25)	360	-
<b>Total Comprehensive Income/(Loss)</b>	124	(1,894)	124	-

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023**

	----- Individual Quarter ----		---- Cumulative Quarter ----	
	Current Year	*Preceding Year	Current Year-	*Preceding Year
	Quarter Ended	Corresponding Quarter Ended	To Date	Corresponding Period
	30/09/2023 RM'000	30/09/2022 RM'000	30/09/2023 RM'000	30/09/2022 RM'000
Weighted average no. of ordinary shares in issue ('000)	1,197,621	766,929	1,197,621	-
in issue adjusted for the effect of dilutive potential ordinary shares('000)	1,197,621	766,929	1,197,621	-
<b>Earnings/(loss) per ordinary share (sen):</b>				
Basic earnings/(loss) per share (sen)	(0.02)	(0.24)	(0.02)	-
Diluted earnings/(loss) per share (sen)	(0.02)	(0.24)	(0.02)	-

Notes:

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial period ended ("FPE") 30 June 2023 and the accompanying notes attached to this interim financial report.

\* The Group changed the financial year end from 31 July to 30 June, consequently year-to-date comparative figures for the preceding year corresponding quarter are not comparable.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023**

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>As at</b>	<b>As at</b>
	<b>30/09/2023</b>	<b>30/06/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Aircraft, plant and equipment	65,011	66,203
Intangible asset	9,240	9,240
Right of use assets	981	1,091
Goodwill on consolidation	9,030	9,030
	<u>84,262</u>	<u>85,564</u>
<b>Current assets</b>		
Trade receivables	7,031	7,749
Other receivables, deposits and prepayments	13,411	14,036
Inventories	7,342	4,317
Cash and bank balances	646	384
	<u>28,430</u>	<u>26,486</u>
<b>Total Assets</b>	<b>112,692</b>	<b>112,050</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Company</b>		
Share capital	109,203	108,354
Reserves	565	565
Accumulated losses	(36,151)	(35,915)
Shareholders' funds	<u>73,617</u>	<u>73,004</u>
Non-controlling interests	6,843	6,483
<b>Total Equity</b>	<u>80,460</u>	<u>79,487</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Lease liabilities	654	757
Borrowings	8,055	8,055
Deferred tax liabilities	346	346
	<u>9,055</u>	<u>9,158</u>
<b>Current liabilities</b>		
Trade payables	3,937	3,925
Other payables and accruals	5,617	6,081
Tax payable	4,187	3,870
Borrowings	9,041	9,120
Lease liabilities	395	409
	<u>23,177</u>	<u>23,405</u>
<b>Total Liabilities</b>	<b>32,232</b>	<b>32,563</b>
<b>Total Equity and Liabilities</b>	<b>112,692</b>	<b>112,050</b>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.06	0.08

**Notes:**

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial period ended ("FPE") 30 June 2023 and the accompanying notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023**

	Share Capital	Non-distributable Employee Share Option Reserve	Distributable Accumulated Losses	Shareholders' Fund	Non- controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 Jul 2023	108,354	565	(35,915)	73,004	6,483	79,487
<b>Transactions with owners:</b>						
Issuance of shares	849	-	-	849	-	849
	849	-	-	849	-	849
Net loss for the financial period	-	-	(236)	(236)	360	124
	-	-	(236)	(236)	360	124
<b>At 30 Sep 2023</b>	<b>109,203</b>	<b>565</b>	<b>(36,151)</b>	<b>73,617</b>	<b>6,843</b>	<b>80,460</b>
At 1 Jan 2022						
- as previously reported	63,890	2,990	(23,382)	43,498	(315)	43,183
- prior year adjustments	-	-	289	289	143	432
- as restated	63,890	2,990	(23,093)	43,787	(172)	43,615
<b>Transactions with owners:</b>						
Issuance of shares	30,786	-	-	30,786	-	30,786
Grant of Share Issuance Scheme ("SIS") options	9,933	-	-	9,933	-	9,933
SIS reserve transfer to share capital	3,745	(3,745)	-	-	-	-
Grant of SIS options	-	4,311	-	4,311	-	4,311
SIS options surrendered	-	(2,991)	2,991	-	-	-
Acquisition of subsidiaries	-	-	-	-	6,781	6,781
	44,464	(2,425)	2,991	45,030	6,781	51,811
Net loss for the financial period	-	-	(15,813)	(15,813)	(126)	(15,939)
	-	-	(15,813)	(15,813)	(126)	(15,939)
<b>At 30 Jun 2023</b>	<b>108,354</b>	<b>565</b>	<b>(35,915)</b>	<b>73,004</b>	<b>6,483</b>	<b>79,487</b>

## Note:

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the FPE 30 June 2023 and the accompanying notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023**

	<b>3 Months Ended 30/09/2023 RM'000</b>	<b>Audited 18 Months Ended 30/06/2023 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	442	(15,522)
Adjustments for:		
Allowance of expected credit losses	-	10,911
Allowance of impairment loss on goodwill	-	2,777
Depreciation	78	301
Amortisation	-	564
Bargain purchase on consolidation	-	(5)
Interest expenses	14	759
Reversal of allowance of expected credit losses	-	(68)
Share option expense	-	4,311
Operating profit/(loss) before working capital changes	<u>534</u>	<u>4,028</u>
<b>Changes in working capital</b>		
(Increase)/decrease in inventories	(3,025)	63
(Increase)/decrease in trade and other receivables	1,342	(19,555)
Increase/(decrease) in trade and other payables	(451)	(11,385)
Cash generated from/(used in) operations	<u>(1,600)</u>	<u>(26,849)</u>
Tax refund	-	101
Net cash generated from/(used in) operating activities	<u>(1,600)</u>	<u>(26,748)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of goodwill	-	(289)
Net cash inflow in acquisition of subsidiary	-	263
Purchase of aircraft, plant and equipment	1,224	(11,455)
Net cash flows from/(used in) investing activities	<u>1,224</u>	<u>(11,481)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares - net	849	29,073
Advance from directors	-	2,075
Net increase/(decrease) from borrowings	(79)	6,220
Repayment of lease liabilities	(118)	(596)
Interest paid	(14)	(760)
Net cash from/(used in) financing activities	<u>638</u>	<u>36,012</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	262	(2,217)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD</b>	(60)	2,157
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD</b>	<u>202</u>	<u>(60)</u>
Cash and cash equivalents at end of the financial year/period comprise the following:		
Cash and bank balances	646	384
Bank overdraft	(444)	(444)
	<u>202</u>	<u>(60)</u>

**Note:**

The Unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements of the Group for the FPE 30 June 2023 and the accompanying notes attached to this interim financial report.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023**

**A: EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS ("FRS") 134**

**A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). These interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the period ended 30 June 2023. 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 financial period ended 30 June 2023.

**A2. Auditors' Report of preceding period financial statements**

The auditor report on financial statements for the year ended 30 June 2023 of the Group were no qualified by the external auditor.

**A3. Seasonal or cyclical factors**

The Group's operations are not materially affected by seasonal and/or cyclical factors.

**A4. Unusual Items affecting assets, liabilities, equity, net income or cash flows**

There were no other unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the quarter under review.

**A5. Material changes in estimates**

There were no material changes in estimates in the quarter under review and financial year-to-date.

**A6. Debts and equity securities**

Saved as disclosed below, there were no issuance of debts and equity securities for the quarter under review:-

(a) 31,191,180 new ordinary shares pursuant to the Shares Issuance Scheme

**A7. Dividends**

There were no dividends paid or declared for the quarter under review.

**A8. Segmental Information**

In 2022, SMTrack diversified of the existing business of the group to include providing consultancy services for oil and gas ("O&G") businesses, food and beverage ("F&B") services and trading in F&B businesses and property management and property development businesses.

Further information on the Group's revenue is discussed in Section B1.

**A9. Valuation of property, plant and equipment**

The Company has not carried out valuation on its property, plant and equipment in the current financial quarter under review. However, the Company may carry out valuation for certain plant and equipment to ascertain their fair value.

**A10. Capital commitments**

There were no material capital commitments in respect of property, plant and equipment as at the current financial quarter under review.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023**

**A: EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134 (CONT'D)**

**A11. Other commitments**

There were no material other commitments as at the current financial quarter under review.

**A12. Changes in the composition of the Group**

There were no changes in composition of the Group during the quarter under review.

**A13. Contingent assets or liabilities**

Save as disclosed in the quarterly reports, the Directors are of the opinion that the Group has no other contingent liabilities which, upon crystallisation would have material impact on the financial position and business performance of the Group as at reporting date.

**A14. Material events pending completion**

There were no material events pending completion as at the current financial quarter under review.

**A15. Material events subsequent to the end of the quarter**

There were no material events subsequent as at the current financial quarter under review.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023**

**B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES**

**B1. Review of the performance of the Group**

For the quarter ended 30 September 2023, the Group recorded revenue of RM4.782 million and a profit before taxation of RM0.442 million. The Group changed the financial year end from 31 December to 30 June, consequently no comparative figures available for the preceding year corresponding quarter/period ended 30 June 2023.

**B2. Comparison to the Results of the Preceding Quarter**

	<b>Current Quarter Ended 30/09/2023 RM'000</b>	<b>Preceding Corresponding Quarter Ended 30/09/2022 RM'000</b>
Revenue	4,782	100
Profit/(Loss) before tax	442	(1,894)

**B3. Prospects**

The Management will continue its efforts on operational efficiency and effective cost management in order to maintain the Group's competitive edge in the RFID industry. Besides maintaining the RFID businesses, the Group will continue to seek new business opportunities and projects in other sector in order to diversify the revenue base. The Group has acquired majority stake in an entity that is involved in the aviation. The Group is positive that with the acquisition, its revenue will be enhanced in future.

The Group is currently in the midst of designing and developing an application based on the above for its air cargo business and is targeting to commence the use of this application the soonest. Additionally, the Group will also introduce the application to other logistics companies. This is expected to provide an additional income stream to the Group. Further to its existing businesses, the Group has been actively identifying other business opportunities to expand its revenue stream. During the financial period, the Group have diversified and acquired among others health and wellness group of companies, property and related venture, Oil and Gas consultancy collaboration as well as food and beverages section such diversification and acquisition have contributed positively to the revenue of the Group. Moving forward, the Group will continue actively seeking to acquire and diversify into new business sectors.

**B4. Profit forecast and profit guarantee**

The Group did not issue any profit forecast or profit guarantee for the current quarter under review or in any public documents.

**B5. Taxation**

	<b>Current Quarter Ended 30/09/2023 RM'000</b>	<b>*Preceding Year Corresponding Quarter Ended 30/09/2022 RM'000</b>
Current Tax Expenses	318	-

**B6. Status of Corporate Proposal**

There were no status of corporate proposal as at the current financial quarter under review.

**B7. Group borrowings and debt securities**

As at the report date, the Group does not have any borrowings and debt securities.

**B8. Off balance sheet financial instruments**

As at the report date, the Group does not have any off balance sheet financial instruments.

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023

**B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)****B9. Material Litigations****(i) Shah Alam High Court, Suit No: BA-23NCNC-22-05/2022  
SMTrack Berhad ("SMT") vs Badrul Hisham Shaharin**

On 18 May 2022, SMT commenced an action against the Defendant for the defamatory statement published against SMTrack in the Defendant's Facebook account which has 44,000 followers.

The impugned and libel words published by the Defendant against SMT was that SMT managed to have some privilege and monopoly in the RFID toll operating system in the highways of Malaysia due to the Director's family and acquaintance relationship with the political leader in Malaysia where the relationship has caused the Company and the directors to be involved in an abuse of power, cronyism and nepotism. Such defamatory words had led to SMTrack's reputation being badly damaged in the eyes of the society.

As such, SMTrack has pleaded amongst others, for the following claims:-

- (i) General damages in the amount exceeding RM100 million;
- (ii) Compensatory damages;
- (iii) Aggravated damages;
- (iv) Exemplary damages;
- (v) Injunction;
- (vi) An apology by the defendant in the Defendant's Facebook and printed medias; and
- (vii) Interest and costs

SMT was filed two (2) applications before this as per the following:-

- a) Enclosure 9 is the application for a judgement on admission of facts; and
- b) Enclosure 11 is the application to strike out the Defendant's amended Statement of Defence.

Both of the application was dismissed by the Hight Court. The Court has directed SMT to to file in the Reply Statement of Defence on 20.02.2023. SMT have filed in an application to amend the Writ Summon and Statement of Claim on 26.01.2023 (Enclosure 29). SMT also in the midst of preparing to file an interim injunction application to stop the Defendant from expressing and/or publishing ny statement regarding this case.

SMT, represented by Mr. Azmi Bin Osman had on 7 July 2023, attended mediation session with the Defendant before the High Court Judge, Yang Arif Hakim Puan Zaharah Binti Hussain of the High Court of Shah Alam to try to settle the defamation claim brought by SMT against the Defendant.

The next management case fixed by the Court will be on the 30 November 2023.

**B10. Dividends**

The Board of Directors does not recommend any dividends for the current financial quarter under review.

**B11. Earnings / (loss) per share****a) Basic earnings/ (loss) per share**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended	Preceding Corresponding Quarter Ended	Current Year To Date	*Preceding Year Corresponding Period
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	(236)	(1,869)	(236)	-
Weighted average number of ordinary shares in issue ('000)	1,197,621	766,929	1,197,621	-
<b>Basic earnings/(loss) per share (sen)</b>	<b>(0.02)</b>	<b>(0.24)</b>	<b>(0.02)</b>	<b>-</b>

\* The Group changed the financial year end from 31 July to 30 June, consequently year-to-date comparative figures for the preceding year corresponding quarter are not comparable.

**b) Diluted earnings/ (loss) per share**

No diluted earnings/ (loss) per share is disclosed as all potential ordinary shares are anti-dilutive.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023**

**B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA  
SECURITIES (CONT'D)**

**B12. Disclosure of realised and unrealised profits or losses**

	Current Year Quarter Ended 30/09/2023 RM'000	Preceding Corresponding Quarter Ended 30/09/2022 RM'000
Total accumulated profit / (losses) of the Company and its subsidiaries		
- Realised	(36,151)	(26,892)
- Unrealised	-	-
	(36,151)	(26,892)
Total share of accumulated profit/(losses) of a jointly controlled entity		
- Realised	-	-
- Unrealised	-	-
	(36,151)	(26,892)
Add: Consolidation adjustments	-	-
<b>Total Accumulated profit / (losses)</b>	<b>(36,151)</b>	<b>(26,892)</b>

\* The Group changed the financial year end from 31 July to 30 June, consequently year-to-date comparative figures for the preceding year corresponding quarter are not comparable.

**B13. Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 22 November 2023.

**SMTRACK BERHAD**

BY ORDER OF THE BOARD