



# SMTRACK BERHAD

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

## UNAUDITED INTERIM FINANCIAL REPORT

FOR THE QUARTER ENDED 31 DECEMBER 2023

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023**

	(Unaudited) As at 31/12/2023 RM'000	(Audited) As at 30/06/2023 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Aircraft, plant and equipment	70,866	66,203
Intangible asset	9,240	9,240
Right of use assets	1,162	1,091
Goodwill on consolidation	9,030	9,030
	<u>90,298</u>	<u>85,564</u>
<b>Current assets</b>		
Trade receivables	6,939	7,749
Other receivables, deposits and prepayments	15,115	14,036
Inventories	3,641	4,317
Cash and bank balances	330	384
	<u>26,025</u>	<u>26,486</u>
<b>Total Assets</b>	<b>116,323</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	(38,369)	(35,915)
Shareholders' funds	<u>71,399</u>	<u>73,004</u>
Non-controlling interests	7,931	6,483
<b>Total Equity</b>	<u>79,330</u>	<u>79,487</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Lease liabilities	994	757
Borrowings	8,055	8,055
Deferred tax liabilities	346	346
	<u>9,395</u>	<u>9,158</u>
<b>Current liabilities</b>		
Trade payables	2,523	3,925
Other payables and accruals	11,298	6,081
Tax payable	4,206	3,870
Borrowings	9,159	9,120
Lease liabilities	413	409
	<u>27,599</u>	<u>23,405</u>
<b>Total Liabilities</b>	<b>36,993</b>	<b>32,563</b>
<b>Total Equity and Liabilities</b>	<b>116,323</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 year ended ("FYE") 30 June 2023 and the accompanying notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023**

	----- Individual Quarter ----		---- Cumulative Quarter ----	
	Current Year Quarter Ended	*Preceding Year Corresponding Quarter Ended	Current Year- To Date	*Preceding Year Corresponding Period
	31/12/2023 RM'000	31/12/2022 RM'000	31/12/2023 RM'000	31/12/2022 RM'000
Revenue	6,272	5,908	11,054	6,008
Cost of sales	(1,233)	(5,576)	(2,406)	(5,618)
Gross Profit	5,039	332	8,648	390
Other income	-	-	-	-
Administrative expenses	(5,460)	(7,474)	(8,440)	(9,426)
Operating Profit/(Loss)	(421)	(7,142)	208	(9,036)
Finance cost	(208)	(37)	(395)	(37)
<b>Profit/(Loss) Before Taxation</b>	(629)	(7,179)	(187)	(9,073)
Taxation	(501)	(43)	(819)	(43)
<b>Net Profit/(Loss) After Taxation</b>	(1,130)	(7,222)	(1,006)	(9,116)
Other comprehensive loss, net of tax	-	-	-	-
<b>Total Comprehensive Profit/(Loss)</b>	<b>(1,130)</b>	<b>(7,222)</b>	<b>(1,006)</b>	<b>(9,116)</b>
<b>Net profit/(loss) attributable to :</b>				
- Owners of the Company	(2,218)	(7,197)	(2,454)	(9,067)
- Non-controlling interests	1,088	(25)	1,448	(49)
<b>Net Profit/(Loss)</b>	<b>(1,130)</b>	<b>(7,222)</b>	<b>(1,006)</b>	<b>(9,116)</b>
<b>Total comprehensive income/(loss) attributable to :</b>				
- Owners of the Company	(2,218)	(7,197)	(2,454)	(9,067)
- Non-controlling interests	1,088	(25)	1,448	(49)
<b>Total Comprehensive Income/(Loss)</b>	<b>(1,130)</b>	<b>(7,222)</b>	<b>(1,006)</b>	<b>(9,116)</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023**

	----- Individual Quarter ----		---- Cumulative Quarter ----	
	Current Year Quarter Ended	*Preceding Year Corresponding Quarter Ended	Current Year- To Date	*Preceding Year Corresponding Period
	31/12/2023 RM'000	31/12/2022 RM'000	31/12/2023 RM'000	31/12/2022 RM'000
Weighted average no. of ordinary shares in issue ('000)	1,210,366	804,126	1,210,366	804,126
in issue adjusted for the effect of dilutive potential ordinary shares('000)	1,210,366	804,126	1,210,366	804,126
<b>Earnings/(loss) per ordinary share (sen):</b>				
Basic earnings/(loss) per share (sen)	(0.18)	(0.90)	(0.20)	(1.13)
Diluted earnings/(loss) per share (sen)	(0.18)	(0.90)	(0.20)	(1.13)

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 year ended ("FYE") 30 June 2023 and the accompanying notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER ENDED 31 DECEMBER 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	-	-	(2,454)	(2,454)	1,448	(1,006)
	-	-	(2,454)	(2,454)	1,448	(1,006)
<b>At 31 Dec 2023</b>	<b>109,203</b>	<b>565</b>	<b>(38,369)</b>	<b>71,399</b>	<b>7,931</b>	<b>79,330</b>
At 1 July 2022	88,284	1,235	(24,611)	64,908	(402)	64,506
<b>Transactions with owners:</b>						
Exercise of Share Issuance Scheme ("SIS") options	5,698	-	-	5,698	-	5,698
Issuance of shares	12,706	-	-	12,706	-	12,706
Grant of Share Issuance Scheme ("SIS") options	-	2,584	-	2,584	-	2,584
Non-controlling interest arising from acquisition of a subsidiary company	-	-	18	18	207	225
Non-controlling interest arising from acquisition of an associate company	-	-	-	-	7,547	7,547
SIS options surrendered	-	(1,235)	-	(1,235)	-	(1,235)
Share issuance expenses	2,727	(2,584)	-	143	-	143
	21,131	(1,235)	18	19,914	7,754	27,668
Net loss for the financial period	-	-	(9,067)	(9,067)	(49)	(9,116)
	-	-	(9,067)	(9,067)	(49)	(9,116)
<b>At 31 Dec 2022</b>	<b>109,415</b>	<b>-</b>	<b>(33,660)</b>	<b>75,755</b>	<b>7,303</b>	<b>83,058</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 FYE 30 June 2023 and the accompanying notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023**

	<b>6 Months Ended 31/12/2023 RM'000</b>	<b>6 Months Ended 31/12/2022 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	(187)	(9,073)
Adjustments for:		
Allowance of expected credit losses	-	-
Impairment of trade receivables	-	1,868
Impairment of goodwill	-	2,767
Allowance of impairment loss on goodwill	-	31
Deposit written off	-	110
Depreciation	897	(13)
Amortisation	91	-
Bargain purchase on consolidation	-	-
Interest expenses	395	-
Reversal of allowance of expected credit losses	-	-
Share option expense	-	2,731
Operating profit/(loss) before working capital changes	<u>1,196</u>	<u>(1,579)</u>
<b>Changes in working capital</b>		
(Increase)/decrease in inventories	676	(328)
(Increase)/decrease in trade and other receivables	(244)	(6,157)
Increase/(decrease) in trade and other payables	3,216	4,286
Increase/(decrease) in amount due from related parties	-	(1)
Increase/(decrease) in amount due to director	-	(42)
Cash generated from/(used in) operations	<u>4,844</u>	<u>(3,821)</u>
Tax refund	-	(6)
Net cash generated from/(used in) operating activities	<u>4,844</u>	<u>(3,827)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of goodwill	-	-
Purchase of aircraft, plant and equipment	(5,155)	8,107
Addition in intangible asset	-	(9,240)
Net cash inflow in acquisition of subsidiary company	-	(460)
Net cash inflow in acquisition of associate company	-	1,465
Net cash flows from/(used in) investing activities	<u>(5,155)</u>	<u>(128)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares - net	849	-
Advance from directors	-	-
Net increase/(decrease) from borrowings	39	-
Proceeds/ (Repayment) issuance of redeemable convertible notes - net	-	-
Proceeds/ (Repayment) exercise of Share Issuance Scheme Options	-	5,698
Proceeds/ (Repayment) of lease liabilities	(236)	616
Interest paid	(395)	-
Net cash from/(used in) financing activities	<u>257</u>	<u>6,314</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(54)</b>	<b>2,359</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD</b>	<b>(60)</b>	<b>362</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD</b>	<b>(114)</b>	<b>2,721</b>

Cash and cash equivalents at end of the financial year/period comprise the following:

Cash and bank balances	330	2,721
Bank overdraft	(444)	-
	<u>(114)</u>	<u>2,721</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 FYE 30 June 2023 and the accompanying notes attached to this interim financial report.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023**

**A: EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 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 not 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) 8,029,417 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, health and wellness 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**

On 8 March 2023, the Board of Directors had engaged Raine & Horne International Zaki + Partners Sdn. Bhd. ("Raine & Horne") to perform a valuation on an Airbus helicopter, which was valued at USD1.35 million (RM6.46 million) to

On 29 September 2023, Raine & Horne had also performed a valuation engagement of the Urban Air Mobility ("UAM") operation and supply of Autonomous Aerial Vehicle ("AAV")/Drone in Malaysia to be undertaken by the Company, which is valued at RM26.88 million.

On 16 November 2023, Raine & Horne had also performed a valuation engagement of the B737-400 airfreight cargo business operation, which is valued at USD 8.22 million (RM39.25 million).

On 16 November 2023, Raine & Horne had also performed a valuation engagement of the Bombardier Challenger 601 Charter Private Jet operation which is valued at USD 6.51 million (RM30.96 million).

**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 SECOND QUARTER ENDED 31 DECEMBER 2023**

**A: EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 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**

The Board of Directors of SMTrack wishes to announce that SMT Turbojet Resources Sdn. Bhd., a wholly-owned subsidiary of the Company and Menara Rezeki Properties Sdn. Bhd. have mutually agreed to terminate the Project Management Consultancy Agreement ("the Agreement") due to the inability of the parties to obtain/fulfil the conditions precedent pursuant to the Agreement.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED 31 DECEMBER 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 31 December 2023, the Group recorded revenue of RM 6.272 million and with a loss before taxation of RM 0.629 million. The increase in sales from the preceding corresponding quarter was due to the improvement of sales in the health and wellness sector. The decrease in loss before taxation from RM7.179 million to RM0.629 million is due to cost of sales amounting to RM5 million which was incurred by Smart Marine Tech Sdn. Bhd. in December 2022 as well as employee share option scheme expenses amounting to RM1.4 million and provision for doubtful debts amounting to RM0.4 million, which were incurred by SMTrack Berhad in the preceding corresponding quarter. The breakdown of revenue by sector is stated below.

	Current Quarter Ended 31/12/2023 RM'000	Preceding Corresponding Quarter Ended 31/12/2022 RM'000
Health and wellness	5,155	-
Sale of ICT equipment	-	5,201
Food and beverage services	988	707
Others	129	-
<b>Total</b>	<b>6,272</b>	<b>5,908</b>

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

	Current Quarter Ended 31/12/2023 RM'000	Preceding Corresponding Quarter Ended 31/12/2022 RM'000
Revenue	6,272	5,908
Profit/(Loss) before tax	(629)	(7,179)

**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**

	Current Quarter Ended 31/12/2023 RM'000	*Preceding Year Corresponding Quarter Ended 31/12/2022 RM'000
Current Tax Expenses	501	43

**B6. Status of Corporate Proposal**

The Board of Directors of SMTrack is pleased to announce that the Company had on 31 October 2023 entered into a Heads of Agreement with the vendors with intention to acquire the remaining 70% equity interest in V Ultimate Sdn. Bhd.

**B7. Group borrowings and debt securities**

The breakdown of the borrowings as at 31 December 2023 is as follows:

	RM'000
<b>Short term borrowings</b>	
Secured:	
Bank borrowings	2,159
Borrowings from licensed money	7,000
	9,159
<b>Long term borrowings</b>	
Secured:	
Bank borrowings	7,285
Hire purchases	326
Overdraft	444
	8,055

**B8. Off balance sheet financial instruments**

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED 31 DECEMBER 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

The Group had received a letter of apology from Badrul Hisham Shaharin on 20th February 2024 regarding the false statement made in his social media Facebook account on 30 January 2022 and 1 February 2022.

**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
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	(2,218)	(7,197)	(2,454)	(9,067)
Weighted average number of ordinary shares in issue ('000)	1,210,366	804,126	1,210,366	804,126
<b>Basic earnings/(loss) per share (sen)</b>	<b>(0.18)</b>	<b>(0.90)</b>	<b>(0.20)</b>	<b>(1.13)</b>

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

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

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

	Current Year Quarter Ended	Preceding Corresponding Quarter Ended
	31/12/2023	31/12/2022
	RM'000	RM'000
Total accumulated profit / (losses) of the Company and its subsidiaries		
- Realised	(38,369)	(33,659)
- Unrealised	-	-
	(38,369)	(33,659)
Total share of accumulated profit/(losses) of a jointly controlled entity		
- Realised	-	-
- Unrealised	-	-
	(38,369)	(33,659)
Add: Consolidation adjustments	-	-
<b>Total Accumulated profit / (losses)</b>	<b>(38,369)</b>	<b>(33,659)</b>

**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 28 February 2024.

**SMTRACK BERHAD**

BY ORDER OF THE BOARD