



SMTRACK BERHAD

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

UNAUDITED INTERIM FINANCIAL REPORT

FOR THE QUARTER ENDED 31 MARCH 2024

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE THIRD QUARTER ENDED 31 MARCH 2024**

	(Unaudited) As at 31/03/2024 RM'000	(Audited) As at 30/06/2023 RM'000
ASSETS		
Non-current assets		
Aircraft, plant and equipment	71,910	66,203
Intangible asset	9,240	9,240
Right of use assets	1,326	1,091
Goodwill on consolidation	9,030	9,030
	<u>91,506</u>	<u>85,564</u>
Current assets		
Trade receivables	6,573	7,749
Other receivables, deposits and prepayments	14,997	14,036
Inventories	3,641	4,317
Cash and bank balances	1,428	384
	<u>26,639</u>	<u>26,486</u>
Total Assets	118,145	112,050
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	112,768	108,354
Reserves	378	565
Accumulated losses	(39,942)	(35,915)
Shareholders' funds	<u>73,204</u>	<u>73,004</u>
Non-controlling interests	<u>8,005</u>	<u>6,483</u>
Total Equity	81,209	79,487
LIABILITIES		
Non-current liabilities		
Lease liabilities	884	757
Borrowings	8,055	8,055
Deferred tax liabilities	346	346
	<u>9,285</u>	<u>9,158</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE THIRD QUARTER ENDED 31 MARCH 2024**

	(Unaudited) As at 31/03/2024 RM'000	(Audited) As at 30/06/2023 RM'000
Current liabilities		
Trade payables	2,253	3,925
Other payables and accruals	10,970	6,081
Tax payable	4,313	3,870
Borrowings	9,620	9,120
Lease liabilities	495	409
	<u>27,651</u>	<u>23,405</u>
Total Liabilities	36,936	32,563
Total Equity and Liabilities	118,145	112,050
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 THIRD QUARTER ENDED 31 MARCH 2024**

	----- Individual Quarter ----		---- Cumulative Quarter ----	
	Current Year Quarter Ended 31/03/2024 RM'000	*Preceding Year Corresponding Quarter Ended 31/03/2023 RM'000	Current Year- To Date 31/03/2024 RM'000	*Preceding Year Corresponding Period 31/03/2023 RM'000
Revenue	3,654	6,445	14,708	12,453
Cost of sales	(1,029)	(2,908)	(3,435)	(8,526)
Gross Profit	2,625	3,537	11,273	3,927
Other income	105	1,488	105	1,488
Administrative expenses	(3,908)	(3,568)	(12,348)	(12,995)
Operating Profit/(Loss)	(1,178)	1,457	(970)	(7,580)
Finance cost	(215)	(342)	(610)	(378)
(Loss)/Profit Before Taxation	(1,393)	1,115	(1,580)	(7,958)
Taxation	(106)	-	(925)	(43)
Net (Loss)/Profit After Taxation	(1,499)	1,115	(2,505)	(8,001)
Other comprehensive loss, net of tax	-	-	-	-
Total Comprehensive Profit/(Loss)	(1,499)	1,115	(2,505)	(8,001)
Net profit/(loss) attributable to :				
- Owners of the Company	(1,573)	671	(4,027)	(8,395)
- Non-controlling interests	74	444	1,522	394
Net (Loss)/Profit	(1,499)	1,115	(2,505)	(8,001)
Total comprehensive income/(loss) attributable to :				
- Owners of the Company	(1,573)	671	(4,027)	(8,395)
- Non-controlling interests	74	444	1,522	394
Total Comprehensive Income/(Loss)	(1,499)	1,115	(2,505)	(8,001)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 MARCH 2024**

	----- Individual Quarter ----		----- Cumulative Quarter -----	
	Current Year	*Preceding Year	Current Year-	*Preceding Year
	Quarter Ended	Corresponding Quarter Ended	To Date	Corresponding Period
	31/03/2024 RM'000	31/03/2023 RM'000	31/03/2024 RM'000	31/03/2023 RM'000
Weighted average no. of ordinary shares in issue ('000)	1,215,529	876,641	1,215,529	876,641
in issue adjusted for the effect of dilutive potential ordinary shares('000)	1,215,529	876,641	1,215,529	876,641
Earnings/(loss) per ordinary share (sen):				
Basic earnings/(loss) per share (sen)	(0.13)	0.08	(0.33)	(0.96)
Diluted earnings/(loss) per share (sen)	(0.13)	0.08	(0.33)	(0.96)

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 THIRD QUARTER ENDED 31 MARCH 2024**

	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
Transactions with owners:						
Exercise of Share Issuance Scheme ("SIS") options	3,849	(3,849)	-	-	-	-
Grant of Share Issuance Scheme ("SIS") options	-	4,227	-	4,227	-	4,227
SIS reserves transfer to share capital	565	(565)	-	-	-	-
	4,414	(187)	-	4,227	-	4,227
Net loss for the financial period	-	-	(4,027)	(4,027)	1,522	(2,505)
	-	-	(4,027)	(4,027)	1,522	(2,505)
At 31 MAR 2024	112,768	378	(39,942)	73,204	8,005	81,209
At 1 July 2022	88,284	1,235	(24,611)	64,908	(402)	64,506
Transactions with owners:						
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	-	-	-	-	5,693	5,693
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	5,900	25,814
Net loss for the financial period	-	-	(8,395)	(8,395)	394	(8,001)
	-	-	(8,395)	(8,395)	394	(8,001)
At 31 MAR 2023	109,415	-	(32,988)	76,427	5,892	82,319

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 THIRD QUARTER ENDED 31 MARCH 2024**

	9 Months Ended 31/03/2024 RM'000	9 Months Ended 31/03/2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	(1,580)	(7,958)
Adjustments for:	-	-
Allowance of expected credit losses	-	-
Impairment of trade receivables	-	1,868
Impairment of goodwill	-	2,767
Allowance of impairment loss on goodwill	-	-
Deposit written off	-	31
Depreciation	1,545	487
Amortisation	-	-
Gain on lease	(15)	-
Interest expenses	610	378
Reversal of impairment of trade receivables	-	(1,478)
Share option expense	378	2,727
Operating profit/(loss) before working capital changes	938	(1,178)
Changes in working capital		
(Increase)/decrease in inventories	675	(5,021)
(Increase)/decrease in trade and other receivables	149	(7,431)
Increase/(decrease) in trade and other payables	3,219	13,453
Increase/(decrease) in amount due from related parties	-	(4,891)
Increase/(decrease) in amount due to director	-	286
Cash generated from/(used in) operations	4,981	(4,782)
Tax paid	(482)	(5)
Tax refund	65	-
Net cash generated from/(used in) operating activities	4,564	(4,787)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of goodwill	-	-
Addition in intangible asset	-	(9,240)
Purchase of aircraft, plant and equipment	(6,855)	(11,327)
Proceed from disposal of aircraft, plant and equipment	-	-
Net cash inflow/(outflow) in acquisition of subsidiary company	-	-
Net cash inflow in acquisition of associate company	-	-
Net cash flows (used in) investing activities	(6,855)	(20,567)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 MARCH 2024**

	9 Months Ended 31/03/2024 RM'000	9 Months Ended 31/03/2023 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares - net	3,849	12,706
Advance from directors	-	-
Net increase/(decrease) from borrowings	500	56
Proceeds/ (Repayment) of other borrowings	-	7,000
Proceeds/ (Repayment) issuance of redeemable convertible notes - net	-	-
Proceeds/ (Repayment) exercise of Share Issuance Scheme Options	-	5,698
Proceeds/ (Repayment) of lease liabilities	(404)	624
Interest paid	(610)	(378)
Net cash from financing activities	3,335	25,706
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,044	352
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD	(60)	361
CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD	984	713

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

Cash and bank balances	1,428	713
Bank overdraft	(444)	-
	984	713

Note:

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 MARCH 2024****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) 66,812,454 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.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 MARCH 2024**

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

A9. Capital commitments

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

A10. Other commitments

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

A11. Changes in the composition of the Group

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

A12. 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.

A13. Material events pending completion

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

A14. 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 THIRD QUARTER ENDED 31 MARCH 2024**

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 March 2024, the Group recorded revenue of RM 14.708 million and with a loss before taxation of RM 1.58 million.

B2. Comparison to the Results of the Preceding Quarter

	Current Quarter Ended 31/03/2024 RM'000	Preceding Corresponding Quarter Ended 31/03/2023 RM'000
Revenue	3,654	6,445
(Loss)/Profit before tax	(1,393)	1,115

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 31/03/2024 RM'000	*Preceding Year Corresponding Quarter Ended 31/03/2023 RM'000
Current Tax Expenses	106	-

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 MARCH 2024**

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

B6. Status of Corporate Proposal

The Board of Director 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 acquires the remining 70% equity interest in V Ultimate Sdn Bhd.

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.

B9. Material Litigations

There were no material litigations during the quarter under review.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 MARCH 2024**

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

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
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	(1,573)	671	(4,027)	(8,395)
Weighted average number of ordinary shares in issue ('000)	1,215,529	876,641	1,215,529	876,641
Basic earnings/(loss) per share (sen)	(0.13)	0.08	(0.33)	(0.96)

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
	31/03/2024	31/03/2023
	RM'000	RM'000
Total accumulated profit / (losses) of the Company and its subsidiaries		
- Realised	(39,942)	(32,988)
- Unrealised	-	-
	(39,942)	(32,988)
Total share of accumulated profit/(losses) of a jointly controlled entity		
- Realised	-	-
- Unrealised	-	-
	(39,942)	(32,988)
Add: Consolidation adjustments	-	-
Total Accumulated profit / (losses)	(39,942)	(32,988)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 MARCH 2024**

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

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 29 May 2024.

SMTRACK BERHAD

BY ORDER OF THE BOARD