

A NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation

The interim financial reports have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting and Rule 9.22 of Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements for the ACE Market. The interim financial reports should be read in conjunction with the audited financial statements for the financial period ended (“FPE”) 31 December 2014.

The explanatory notes attached to the interim financial reports provide an explanation of events and transaction that are significant to an understanding of the changes in the financial position and performance of the Group since the FPE 31 December 2014.

The accounting policies and methods of computation adopted in these interim financial reports of the Company and its subsidiaries (“The Group”) are consistent with those adopted for the audited financial statements for the FPE 31 December 2014.

A2 Changes in Accounting Policies

The significant accounting policies and computation methods are consistent with those adopted for the financial period from 1 September 2013 to 31 December 2014.

The Group has not adopted the following accounting standards, amendments and interpretations that have been issued but not yet effective:

MFRS 14 – Regulatory Deferral Accounts effective 1 January 2016

Amendments to MFRS effective 1 January 2016

Amendments to MFRS 10 Consolidated Financial Statements – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to MFRS 10 Consolidated Financial Statements – Investment Entities: Applying the Consolidation Exception

Amendments to MFRS 11 Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations

Amendments to MFRS 12 Disclosure of Interests in Other Entities - Investment Entities: Applying the Consolidation Exception

Amendments to MFRS 101 Presentation of Financial Statements – Disclosure Initiative

Amendments to MFRS 116 Property, Plant and Equipment – Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 116 Property, Plant and Equipment – Agriculture: Bearer Plants

Amendments to MFRS 127 Consolidated and Separate Financial Statements – Equity Method in Separate Financial Statements

Amendments to MFRS 128 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate and Joint Venture

Amendments to MFRS 128 Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception

Amendments to MFRS 138 Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 141 Agriculture – Agriculture: Bearer plants

Annual improvements to MFRSs 2012-2014 effective 1 January 2016

MFRS 15 – Revenue from Contracts with Customers effective 1 January 2017

MFRS 9 – Financial Instruments effective 1 January 2018

A3 Audit report of preceding annual financial statements

The auditors' report on the financial statements for the financial period ended 31 December 2014 contains a disclaimer of opinion by the external auditors.

A4 Seasonal or cyclical factors

The Group's operations were not subject to any seasonal or cyclical changes.

A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group since the last annual audited financial statements.

A6 Material changes in estimates

There were no changes in estimates of amounts reported in prior financial year, which have a material effect in the current financial quarter and financial year-to-date.

A7 Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter and financial year-to-date.

A8 Dividend paid

No dividends have been declared or paid in this quarter and financial year-to-date.

A9 Segment information

Segment information is presented in respect of the Group's business segments, which reflect the Group's internal reporting structure that are regularly reviewed by

the Group's chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance.

For management purposes, the Group is organised into the following operating divisions:

Tracking Solution: developing and operating an internet based automatic vehicle locating system using satellite and wireless telecommunication solutions.

Hosting services: provision of internet hosting services to internet content providers.

Segmental Revenue and Results

Segment information for the third quarter ended 30 September 2015 was as follows:

	Current quarter			Year to date		
	30-Sep-15			30-Sep-15		
	Tracking	Hosting	Total	Tracking	Hosting	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue						
Continuing operations -						
Sale to external customers	-	-	-	2	-	2
Discontinued operations -						
Sale to external customers	-	-	-	-	-	-
Segment Results	(35)	-	(35)	(284)	-	(284)
Continuing operations -						
Interest income			-			-
Discontinued operations -						
Interest income			-			-
			<u>(35)</u>			<u>(284)</u>

A9 Segment information (Cont'd)

Segmental Revenue and Results (Cont'd)

As the financial year end has been changed from 31 August to 31 December, no comparative quarterly segmental information is available. Accordingly, the Company is also unable to provide commentary on its segmental results.

A10 Valuation of property, plant and equipment

There were no changes in the valuation of the property, plant and equipment reported in the previous audited financial statements that will have an effect in the current financial quarter and financial year-to-date under review.

A11 Material events subsequent to the end of the quarter

There were no material events subsequent to the current financial quarter ended 30 September 2015 up to the date of this report, which is likely to substantially affect the results of the operations of the Group.

A12 Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter and financial year-to-date.

A13 Contingent liabilities and capital commitments

There were no material contingent liabilities and capital commitments as at the date of this announcement.

A14 Significant Related Party Transaction

There were no significant related party transactions as at the date of this announcement.

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

B1 Review of performance

For the current third quarter ended 30 September 2015, the Group recorded nil revenue and a pre-tax loss of RM0.035 million. There is no preceding year corresponding period comparison due to the change in the financial year end from 31 August to 31 December, as announced on 31 July 2014.

There is also no improvement in the financial results compared to the immediate preceding quarter where the Group recorded a pre-tax loss of RM0.249 million for the second quarter ended 30 June 2015.

B2 Prospects

During the current quarter, there is no improvement in operating results for the financial period ended 30 September 2015. Immediate emphasis is on the need for the Group to seek new revenue streams.

The Board is mindful of the challenges faced by the Group and is working diligently to improve its performance.

B3 Variance from profit forecast and profit guarantee

The Group did not provide any profit forecast and profit guarantee and thus this is not applicable to the Group.

B4 Taxation

During this quarter, no provision for taxation was made as the Group had adequate unabsorbed tax losses brought forward from previous years to offset the profit incurred, if any, in the current quarter.

B5 Status of corporate proposals

On 5 December 2014, the Company announced the proposed regularisation plan to regulate the financial position of the Company ("Regularisation Plan").

On 30 January 2015, the Company announced the following:

- (i) the entry into a supplemental share sale agreement between Cybertowers, Teang Soo Thong and Bsmart Communications Sdn Bhd ("Bcomm");
- (ii) in conjunction with (i), Cybertowers, Bcomm and Teang Soo Thong have entered into a profit guarantee agreement on 30 January 2015; and
- (iii) the application for the Regularisation Plan has been submitted to Bursa Securities ("Application").

On 12 August 2015, the Company announced the following:

- (i) the withdrawal of the Application; and
- (ii) the submission of an application to Bursa Securities seeking its approval for an extension of time of up to 31 December 2015 for the resubmission of the Application.

On 18 September 2015, the Company announced that Bursa Securities had, vide its letter dated 18 September 2015, granted the Company an extension of time up to 31 December 2015 to re-submit the Regularisation Plan to Bursa Securities.

B6 Group's borrowings and debt securities

Amount owing to a former shareholder amounting to RM4,988,338. The amount owing is unsecured, interest free and repayable on demand.

Other than the amount owing to a former shareholder, the Group did not have any borrowings and debt security.

B7 Off balance sheet financial instruments

There was no financial instrument with off-balance sheet risk as at the date of this announcement.

B8 Material litigation

There was no material litigation in this quarter and financial year-to-date.

B9 Dividends

No dividends have been declared or paid in this quarter and financial year-to-date.

B10 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter	Preceding Period Quarter	Current Year to date	Preceding Year to date
	30-09-15	30-09-14	30-09-15	30-09-14
(a) Basic earnings per share				
Net loss for the period (RM'000)	(35)	N/A	(284)	N/A
Weighted average number of ordinary shares issued	100,000,000	N/A	100,000,000	N/A
Basic loss per share (sen)	(0.04)	N/A	(0.28)	N/A
(b) Diluted earnings per share	N/A	N/A	N/A	N/A

The Company changed its financial year end from 31 August to 31 December. Hence, there are no comparative figures for the preceding quarter and year to date ended 30 September 2014.