

**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 statements should be read in conjunction with the audited financial statements for the financial year ended (“FYE”) 31 December 2015.

The explanatory notes attached to the interim financial statements 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 FYE 31 December 2015.

The accounting policies and methods of computation adopted in these interim financial statements of the Company and its subsidiaries (“The Group”) are consistent with those adopted for the audited financial statements for the FYE 31 December 2015.

**A2 Changes in Accounting Policies**

The accounting policies applied by the Group in this unaudited condensed consolidated interim financial statements are consistent with those applied by the Group in its consolidated financial statements for the year ended 31 December 2015.

**A3 Audit report of preceding annual financial statements**

The auditors’ report on the financial statements for the financial year ended 31 December 2015 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 reporting period’s audited financial statements.

**A6 Material changes in estimates**

There were no changes in estimates of amounts reported in prior financial period, 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**

As there were no sales in the second quarter ended 30 June 2016, no segmental information is provided.

**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**

Save as disclosed in B5, there were no other material events subsequent to the current financial quarter ended 30 June 2016 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 second quarter ended 30 June 2016, the Group recorded nil revenue and a pre-tax loss of RM0.661 million while reporting a nil revenue and a pre-tax loss of RM0.026 million for the preceding year corresponding quarter ended 30 June 2015. Due to the ongoing corporate restructuring exercise, the Group is not expecting any revenue to be forthcoming immediately.

There is also no improvement in the financial results compared to the immediate preceding quarter where the Group recorded a pre-tax loss of RM0.491 million for the first quarter ended 31 March 2016.

### **B2 Prospects**

There is no improvement in operating results for the second quarter ended 30 June 2016. Immediate emphasis is on the need for the Group to complete its corporate restructuring exercise.

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, TA Securities announced on behalf of our Board that our Company proposed to undertake a regularisation plan in relation to GN 3 of the Listing Requirements involving, among others, the proposed acquisition of BSMART Technology Sdn Bhd.

Subsequently, our Board announced on 15 December 2015 that after further deliberation, our Board decided to discontinue the said regularisation plan. On the same day, our Company entered into a Memorandum of Agreement with the Vendors to implement a new regularisation plan in relation to GN 3 of the Listing Requirements involving, among others, the proposed acquisition of Parlo Tours Sdn Bhd.

On 17 December 2015, TA Securities submitted on behalf of our Board an application to Bursa Securities seeking its approval for an extension of time of up to 29 April 2016 to submit the new regularisation plan which was subsequently approved by Bursa Securities as announced on 8 March 2016.

On 18 March 2016, TA Securities announced on behalf of the Board that the Company proposes to implement the Proposed Regularisation Plan comprising the following to regularize its financial condition:

- (I) Proposed Capital Reduction;
- (II) Proposed Share Consolidation;
- (III) Proposed Acquisition;
- (IV) Proposed Exemption;
- (v) Proposed Debt Settlement;
- (VI) Proposed Private Placement;
- (VII) Proposed Increase In Authorised Share Capital; And
- (VIII) Proposed Amendments

On 29 April 2016, TA Securities announced on behalf of the Board that the Company has submitted an application to Bursa Securities for the following:

- (a) Proposed Regularisation Plan
- (b) Listing of and quotation for the Consideration Shares
- (c) Listing of and quotation for the Settlement Shares
- (d) Listing of and quotation for the Placement Shares

**B6 Group's borrowings and debt securities**

Amount owing to a former shareholder amounted 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 Period to date
	30-06-16	30-06-15	30-06-16	30-06-15
<b>(a) Basic earnings per share</b>				
Loss for the period (RM'000)	(661)	(26)	(1,152)	(249)
Weighted average number of ordinary shares issued	100,000,000	100,000,000	100,000,000	100,000,000
Basic loss per share (sen)	(0.66)	(0.03)	(1.15)	(0.25)
<b>(b) Diluted earnings per share</b>	N/A	N/A	N/A	N/A