

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2010**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(THE FIGURES HAVE NOT BEEN AUDITED)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		3 MONTHS PERIOD ENDED		9 MONTHS PERIOD ENDED	
		30 SEPTEMBER 2010	30 SEPTEMBER 2009	30 SEPTEMBER 2010	30 SEPTEMBER 2009
		RM	RM	RM	RM
CONTINUING OPERATIONS					
Revenue		2,754,393	2,294,463	6,114,849	7,260,322
Cost of sales		(924,354)	(523,826)	(2,136,324)	(1,453,041)
Gross Profit		1,830,039	1,770,637	3,978,525	5,807,281
Other operating income		(3,217)	(4,930)	4,682	30,930
Administrative expenses		(1,713,320)	(1,919,112)	(6,083,763)	(5,616,815)
Gain on disposal of assets held for sale		-	-	786,425	-
Profit/(Loss) from operations		113,502	(153,405)	(1,314,131)	221,396
Finance costs		(52,491)	(50,355)	(140,304)	(146,977)
Negative goodwill from acquisition of a subsidiary		(12,315)	319,439	(12,044)	319,439
Profit / (Loss) before income tax		48,696	115,679	(1,466,479)	393,858
Income tax expenses		(12,829)	(7,059)	(39,029)	(70,885)
Profit / (Loss) for the period		35,867	108,620	(1,505,508)	322,973
DISCONTINUED OPERATIONS					
Profit / (loss) before tax from discontinued operations		-	-	-	-
Taxation		-	-	-	-
Profit / (loss) from discontinued operations		-	-	-	-
Profit / (Loss) for the period		35,867	108,620	(1,505,508)	322,973
Profit / (loss) attributable to:					
Equity Holders of the Parent		32,039	110,571	(1,505,214)	122,675
Non controlling interest		3,828	(1,951)	(294)	200,298
		35,867	108,620	(1,505,508)	322,973
Earnings /(loss) per share attributable to Equity Holders of the Parent					
- Basic (sen)	B12	0.02	0.08	(1.04)	0.09
- Diluted (sen)	B12	-	-	-	-

Note:

The unaudited condensed consolidated Statement of Comprehensive Income should be read in conjunction with the notes to the interim financial report and the audited financial statements of the Group for the financial year ended 31 December 2009.

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2010**

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(THE FIGURES HAVE NOT BEEN AUDITED)

Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS PERIOD ENDED		9 MONTHS PERIOD ENDED	
	<u>30 SEPTEMBER 2010</u>	<u>30 SEPTEMBER 2009</u>	<u>30 SEPTEMBER 2010</u>	<u>30 SEPTEMBER 2009</u>
	RM	RM	RM	RM
Profit / (Loss) for the period	35,867	108,620	(1,505,508)	322,973
OTHER COMPREHENSIVE INCOME				
Exchange difference arising on translation of foreign operations	(6,150)	10,306	82,926	7,811
Other comprehensive income, net of tax	(6,150)	10,306	82,926	7,811
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	<u>29,717</u>	<u>118,926</u>	<u>(1,422,582)</u>	<u>330,784</u>
Total comprehensive income/ (loss) attributable to:				
Equity Holders of the Parent	25,889	120,877	(1,422,288)	130,486
Non controlling interest	3,828	(1,951)	(294)	200,298
	<u>29,717</u>	<u>118,926</u>	<u>(1,422,582)</u>	<u>330,784</u>
	-	-	-	-

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2010**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Unaudited</i>	<i>Audited</i>
	30 SEPTEMBER 2010	31 DECEMBER 2009
	RM	RM
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	5,909,359	7,044,040
Goodwill on consolidation	6,663,251	6,663,251
Intangible assets	2,363	10,096
Development costs	16,621,518	16,698,064
	<u>29,196,491</u>	<u>30,415,451</u>
CURRENT ASSETS		
Inventories	64,018	65,018
Trade receivables	2,613,967	694,473
Other receivables, prepayments & deposits	490,389	83,800
Tax recoverable	61,364	96,607
Deposits placed with licensed bank	211,699	360,068
Cash and bank balances	155,827	798,232
	<u>3,597,264</u>	<u>2,098,198</u>
Assets classified as held for sale	-	230,381
TOTAL ASSETS	<u>32,793,755</u>	<u>32,744,030</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	14,666,666	13,333,333
Share premium	5,061,195	5,061,195
Foreign currency translation reserve	58,179	(24,747)
Revaluation reserve	1,837,710	1,862,544
Retained profits	3,910,446	5,394,927
Amount recognised directly in equity relating to assets classified as held for sale	-	3,460
	<u>25,534,196</u>	<u>25,630,712</u>
Non controlling interest	145,956	29,758
TOTAL EQUITY	<u>25,680,152</u>	<u>25,660,470</u>
NON-CURRENT LIABILITIES		
Hire purchase payables	139,273	107,883
Deferred tax liabilities	66,774	66,774
	<u>206,047</u>	<u>174,657</u>
CURRENT LIABILITIES		
Trade payables	602,096	591,986
Other payables and accruals	3,334,967	3,571,114
Hire purchase payables	17,628	64,359
Provision for taxation	122,579	-
Bank overdrafts - secured	2,830,286	2,456,113
Liabilities directly associated with assets classified as held for sale	-	225,331
	<u>6,907,556</u>	<u>6,908,903</u>
TOTAL LIABILITIES	<u>7,113,603</u>	<u>7,083,560</u>
TOTAL EQUITY AND LIABILITIES	<u>32,793,755</u>	<u>32,744,030</u>
Number of ordinary shares at RM0.10 sen par each	146,666,666	133,333,333
Net Assets per share attributable to ordinary equity holders of the Company (sen)	<u>17.4</u>	<u>19.2</u>

Note:

The unaudited condensed consolidated Statement of Financial Position should be read in conjunction with the notes to the interim financial report and the audited financial statements of the Group for the financial year ended 31 December 2009.

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2010**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(THE FIGURES HAVE NOT BEEN AUDITED)**

	← Attributable to Equity Holders of the Company →								
	← Non-Distributable →				Distributable				
	Share Capital	Share Premium	Foreign Currency Translation Reserve	Revaluation Reserve	Relating to Assets Held for Sale	Retained Profits	Sub-total	Non Controlling Interest	Total Equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM
Current period-to-date ended 30 SEPTEMBER 2010									
As at 1 January 2010	13,333,333	5,061,195	(24,747)	1,862,544	3,460	5,394,927	25,630,712	29,758	25,660,470
Issuance of shares pursuant to Private Placement	1,333,333	-	-	-	-	-	1,333,333	-	1,333,333
Loss for the period	-	-	-	-	-	(1,505,214)	(1,505,214)	(294)	(1,505,508)
Other Comprehensive income for the period	-	-	82,926	-	-	-	82,926	-	82,926
Total comprehensive income for the period	-	-	82,926	-	-	(1,505,214)	(1,422,288)	(294)	(1,422,582)
Amortisation of revaluation reserve	-	-	-	(24,834)	-	24,834	-	-	-
Amount recognised directly in equity relating to assets classified as held for sale	-	-	-	-	(3,460)	-	(3,460)	-	(3,460)
Acquisition of Subsidiary	-	-	-	-	-	-	-	116,492	116,492
Disposal of investment in SMR USA	-	-	-	-	-	(4,101)	(4,101)	-	(4,101)
Balance at the end of period	14,666,666	5,061,195	58,179	1,837,710	-	3,910,446	25,534,196	145,956	25,680,152
	-	-	-	-	-	-	-	-	-
Corresponding period-to-date ended 30 September 2009									
As at 1 January 2009	13,333,333	5,061,195	(29,327)	1,900,555	-	8,086,621	28,352,377	881,322	29,233,699
Profit for the period	-	-	-	-	-	122,675	122,675	200,298	322,973
Other Comprehensive income for the period	-	-	7,811	-	-	-	7,811	-	7,811
Total comprehensive income for the period	-	-	7,811	-	-	122,675	130,486	200,298	330,784
Acquisition of Subsidiary	-	-	-	-	-	-	-	(1,006,859)	(1,006,859)
Balance at the end of period	13,333,333	5,061,195	(21,516)	1,900,555	-	8,209,296	28,482,863	74,761	28,557,624

Note:

The unaudited condensed consolidated Statement of Changes in Equity should be read in conjunction with the notes to the interim financial report and the audited financial statements of the Group for the financial year ended 31 December 2009.

QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
(THE FIGURES HAVE NOT BEEN AUDITED)**

	CURRENT PERIOD ENDED 30 SEPTEMBER 2010	CORRESPONDING PERIOD ENDED 30 SEPTEMBER 2009
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before tax	(1,466,479)	393,858
Adjustments for:		
Depreciation	718,120	884,923
Amortisation	595,100	599,622
Interest Income	(4,682)	(6,146)
Interest expenses	140,304	146,977
Allowance for doubtful debts written back	-	-
Loss in Disposal PPE	-	(24,584)
Bad debts written off	873,084	4,525
Gain on disposal of assets held for sale	(786,425)	-
Negative goodwill from acquisition of Subsidiary	12,044	(319,438)
Operating (loss) / profit before working capital changes	81,066	1,679,737
Changes in working capital		
Receivables	(2,174,516)	(2,775,305)
Payables	(226,036)	263,490
Inventories	1,557	(50,222)
Cash used in from operations	(2,317,929)	(882,300)
Tax paid	(35,546)	(70,885)
Net cash used in operating activities	(2,353,475)	(953,185)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(152,013)	(33,695)
Deposit held as security	148,369	(299,300)
Proceeds from disposal of property, plant & equipment	92,433	105,407
Development Cost	(500)	-
Interest Income	4,682	6,146
Net cash generated from / (used in) investing activities	92,971	(221,442)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placement of share	1,462,781	-
Proceeds from disposal of assets held for sale	3	-
Investment in subsidiary	(25,000)	-
Net change in amounts owing by related parties	-	68,103
Repayment of hire purchase payables	(51,342)	(147,925)
Interest paid	(140,304)	(146,977)
Net cash generated from / (used in) financing activities	1,246,138	(226,799)
Net decrease in cash and cash equivalents	(1,014,366)	(1,401,426)
Foreign exchange translation differences	(2,212)	10,960
Opening balance of cash and cash equivalents	(1,657,881)	(1,200,904)
Closing balance of cash and cash equivalents	(2,674,459)	(2,591,370)
Cash and cash equivalents		
Fixed deposits with licensed bank	211,699	299,300
Cash and bank balances	155,827	404,389
Overdraft	(2,830,286)	(2,995,759)
	(2,462,760)	(2,292,070)
Less: Deposits held as security	(211,699)	(299,300)
Closing balance of cash and cash equivalents	(2,674,459)	(2,591,370)
	0	-

Note:

The unaudited condensed consolidated Statement of Cash Flow should be read in conjunction with the notes to the interim financial report and the audited financial statements of the Group for the financial year ended 31 December 2009.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2010****PART A - EXPLANATORY NOTES PURSUANT TO FRS 134****A1 Basis of Preparation**

- a) These interim financial statements of SMR Technologies Berhad ("SMRT" or the "Company") and its subsidiaries (the "Group") are unaudited and have been prepared in accordance with FRS 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Appendix 9B of the Bursa Malaysia Securities Berhad's ("Bursa Securities") ACE Market Listing Requirements ("AMLR").

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended ("FYE") 31 December 2009. These explanatory notes attached to the interim financial statement 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 FYE 31 December 2009.

b) Adoption of New and Revised FRS, Amendments/Improvements to FRS and IC Interpretations ("IC Int")

The significant accounting policies and presentations adopted by the Group in this quarterly report are consistent with those of the annual financial statements for the FYE 31 December 2009 except for the adoption of the following FRSs, amendments to FRSs and IC Int, which are effective for annual periods beginning on and after:

1 July 2009

FRS 8 Operating Segments

1 January 2010

FRS 7 Financial Instruments : Disclosures
FRS 139 Financial Instruments : Recognition and Measurement
FRS 101 Presentation of Financial Statements
FRS 123 Borrowing costs
Amendments to FRS 1 First-time Adoption of Financial Reporting Standards
Amendments to FRS 2 Share-based Payment
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations

Amendments to FRS 7 Financial Instruments : Disclosure
Amendments to FRS 8 Operating Segments
Amendments to FRS 107 Statement of Cash Flows
Amendments to FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

Amendments to FRS 110 Events After the Reporting Period
Amendments to FRS 116 Property, Plant and Equipment
Amendments to FRS 117 Leases
Amendments to FRS 118 Revenue
Amendments to FRS 119 Employee Benefits
Amendments to FRS 120 Accounting for Government Grants and Disclosure of Government Assistance

Amendments to FRS 123 Borrowing Costs
Amendments to FRS 127 Consolidated and Separate Financial Statements
Amendments to FRS 128 Investment in Associates
Amendments to FRS 131 Interests in Joint Ventures
Amendments to FRS 132 Financial Instruments : Presentation
Amendments to FRS 134 Interim Financial Reporting
Amendments to FRS 136 Impairment of Assets
Amendments to FRS 138 Intangible Assets

Amendments to FRS 139	Financial Instruments : Recognition and Measurement
Amendments to FRS 140	Investment Property
IC Int 9	Reassessment of Embedded Derivatives
IC Int 10	Interim Financial Reporting and Impairment
IC Int 11	FRS 2 – Group and Treasury Share Transactions
IC Int 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

1 March 2010

Amendments to FRS 132	Financial Instruments : Presentation
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b) Adoption of New and Revised FRS, Amendments/Improvements to FRS and IC Interpretations ("IC Int") [cont'd]

1 July 2010

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets
IC Int 9	Reassessment of Embedded Derivatives
IC Int 12	Service Concession Arrangements
IC Int 17	Distributions of Non-cash Assets to Owners

The Group has yet to adopt the following FRSs, Amendments to FRSs and IC Interpretations which are effective for annual periods beginning on and after:

1 January 2011

Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 7	Financial Instruments : Disclosure

A2 Audit Report of the preceding Annual Financial Statements

The audit report for the annual financial statements of the Group for the FYE 31 December 2009 was not subject to any qualification.

A3 Seasonal or Cyclical Factors

The Group's operations were not materially affected by seasonal or cyclical changes.

A4 Changes in estimates

There were no estimates report provided for the last financial quarter under review.

A5 Debt and equity securities

There were no issuance, cancellation or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares, repurchase and resale of treasury shares for the current financial quarter under review.

A6 Valuation of Property, Plant and Equipment

The value of office suite has been brought forward, without amendments from the last year's annual audited financial statements.

A7 Dividend Paid

No dividend was paid during the financial quarter under review.

A8 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

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

A9 Segmental Information

(a) Analysis of segmental revenue and results

	Current Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30.09.2010	30.09.2009	30.09.2010	30.09.2009
	RM'000	RM'000	RM'000	RM'000
Segment revenue				
<u>Continuing Operations</u>				
- software & implementation services	712	1,425	1,490	3,498
- outsourcing, consulting, executive search services, learning & development	2,043	861	4,697	4,121
- investment holding & management services	-	1,023	-	1,023
Elimination of inter-segment sales	-	(1,015)	(72)	(1,382)
Total revenue from Continuing Operations	2,755	2,294	6,115	7,260
<u>Discontinued Operations</u>	-	-	-	-
Total operations	2,755	2,294	6,115	7,260
Segment Results				
<u>Continuing Operations</u>				
- software & implementation services	(78)	(365)	(1,022)	(414)
- outsourcing, consulting, executive search services, learning & development	320	(349)	336	949
- investment holding & management services	(194)	510	(731)	(470)
Consolidation adjustments	(13)	313	(89)	258
	35	109	(1,506)	323
<u>Discontinued Operations</u>	-	-	-	-
(Loss) / profit after tax for total operations	35	109	(1,506)	323

(b) Analysis by geographical areas

	3 months ended 30 September 2010					
	Continuing Operations			Discontinued Operations		Total Operations
	Malaysia	Overseas	Eliminations	Consolidated	Overseas	
Revenue	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External sales	1,572	1,183	-	2,755	-	2,755
Inter-segment	-	-	-	-	-	-
Total	1,572	1,183	-	2,755	-	2,755

	9 months ended 30 September 2010					
	Continuing Operations			Discontinued Operations		Total Operations
	Malaysia	Overseas	Eliminations	Consolidated	Overseas	
Revenue	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External sales	3,239	2,876	-	6,115	-	6,115
Inter-segment	72	-	(72)	-	-	-
Total	3,311	2,876	(72)	6,115	-	6,115

Segment assets	47,499	509	(15,214)	32,794	-	32,794
Segment liabilities	14,443	123	(7,453)	7,113	-	7,113
Depreciation & amortisation	1,308	5	-	1,313	-	1,313

A10 Material Events Subsequent to the end of the current quarter

There were no material events subsequent to the end of the quarter that have not been reflected in the current financial quarter.

A11 Changes in the Composition of the Group

- a) On 13 July 2010, the Company had announced that its 49%-owned subsidiary, SMR Gulf WLL ("SMR Gulf") which is a subsidiary of SMR HRT had on 1 June 2010 increased its paid-up capital from Bahrain Dinars ("BD") 20,000 to BD 50,000 by capitalising the debts owing to its shareholders, namely SMR HRT and Tatweer Management Systems WLL ("Tatweer").
- b) On 19 July 2010, the Company had announced that SMR HRT had on 18 July 2010 completed the acquisition of 250 shares of BD1.00 (equivalent to RM8.63) each, representing 50% of the total issued and paid-up share capital of SMR Gulf from Tatweer for a total cash consideration of BD250 (equivalent to RM2,157.50). The acquisition resulted in SMR Gulf being a 99%-owned subsidiary of SMR HRT, which in turn is wholly-owned by SMRT.

A12 Contingent Liabilities or Contingent Assets

As at 30.09.2010
RM'000

Corporate Guarantees issued to financial institutions in respect of banking facilities granted to subsidiary companies	4,700
Bank Guarantee issued by a subsidiary company in favour of third parties	10
	<hr/>
	4,710

Save for the above, there were no changes in the contingent liabilities and contingent assets of the Group, since the last audited accounts as at 31 December 2009.

A13 Capital Commitments

There were no capital commitments during the current quarter under review.

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B1 Review of Performance**Current quarter compared to preceding year's corresponding quarter**

The Group achieved a revenue increase of 20% to RM2.75 million for Q3, 2010 compared to the previous year's corresponding quarter. The increase in revenue was contributed by Training and Consulting works in Middle East countries. Profit before tax ("PBT") for the quarter of RM0.05 million declined compared with the previous year's corresponding quarter of RM0.116 million. This decline was mainly due to lower gross profit margin generated for the current quarter under review.

Current financial year-to-date results compared to preceding year's corresponding financial year-to-date results

The Group's revenue declined by 16% to RM7.26 million for the cumulative Q3, 2010 compared to the previous year's corresponding quarter. This decrease was due to lower revenue generated in Q1 2010. Loss before tax for the cumulative quarter of RM1.51 million compared with the PBT for the previous year's corresponding cumulative quarter of RM0.39 million. This is mainly due to the bad debts written off by RM0.9 million as a result of the losses of its subsidiary, SMR USA which was subsequently disposed off by the Group as well as increase in cost of sales and administrative expenses of the Group.

B2 Material change in the profit before tax for the current quarter as compared with the immediate preceding quarter

The Group's profit before tax from continuing operations of RM0.05 million was an improvement compared to the profit before tax of RM0.012 million in the immediate preceding quarter (Q2 2010). This was mainly due to better sales recorded by RM 0.2 million (8%) as well as lower administrative expenses in the current quarter compared to the previous quarter. However, goodwill from acquisition of subsidiary had increased by RM0.012 million due to acquisition of 250 shares of SMR Gulf from Tatweer.

B3 Prospects for the current financial year

The Group maintains a positive outlook on its performance for year 2010. The English Language Teaching ("ELT") project awarded by Ministry of Education ("MOE") for 3 year contract, the Group is confident to return to profitability in the near term. With positive demand in Middle East, Saudi Arabia and Malaysia, the Group expected they will continue contributed positively towards its results for year 2010.

The Group is continuing to build on its core strength and focus on increasing operations efficiency by improving its processes, branding and its technology based HR solutions. Barring any unforeseen circumstances, the Directors are of the opinion that the Group's results for the current year will remain favourable.

B4 Variance of actual profit from Profit forecast and Profit Guarantee

The Group neither announced nor provided any profit forecast or profit guarantee for the current quarter.

B5 Income Tax Expenses

	Current Quarter 30.09.2010 RM'000	Cumulative Quarter 30.09.2010 RM'000
Income tax		
Current tax	16	42
(Over) / under provision of tax in prior year	(3)	(3)
Deferred tax liabilities	-	-
	13	39

The effective tax rate for the current financial quarter is higher than the statutory tax rate of 25% due to the non-deductibility of certain expenses for tax in some subsidiary companies. SMR HR Technologies Sdn Bhd, a wholly-owned subsidiary of the Company is accorded tax exemption for 10 years up to 30 December 2011 due to its Multimedia Super Corridor (MSC) status .

B6 Profit on Sale of Unquoted Investments and/or Properties

There was no sale of unquoted investments or properties during the quarter under review.

B7 Purchase and Disposal of Quoted Securities

There was no purchase or disposal of quoted securities during the current quarter and financial year-to-date.

B8 Status of corporate proposals announced but not yet completed

Save as disclosed below, there are no other corporate proposals announced but not yet completed as at the date of this quarterly report:-

The Company is proposing to establish and implement the ESOS for up to twenty percent (20%) of the issued and paid-up capital for eligible employees of the Group. On 20th May 2010, Bursa Securities had vide its letter given its approval for the listing of such number of additional new ordinary shares of RM0.10 each to be issued upon the exercise of any ESOS options.

B9 Group Borrowings and Debt Securities

	30.09.2010 RM'000
Secured short -term	
Overdraft	2,830
Hire purchase payables	18
Secured long -term	139
Hire purchase payables	
Total borrowings	<u>2,987</u>

All borrowings are denominated in Ringgit Malaysia.

B10 Off Balance Sheet Financial Instruments

There is no off balance sheet financial instruments as at the date of this quarterly report.

B11 Material Litigations

The Group is not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this quarterly report.

B12 Earning Per Share ("EPS") / Loss Per Share ("LPS")

The basic EPS or LPS is calculated based on the Group's profit or loss attributable to ordinary equity holders of the parent for the current quarter and cumulative year to date, and divided by the weighted average number of shares of RM0.10 each in issue for the current quarter and cumulative year to date as follows :-

(a) Basic EPS / (LPS)

	3 months ended		Year-to-date	
	30.9.2010	30.9.2009	30.9.2010	30.9.2009
Profit / (loss) from continuing operations attributable to ordinary equity holders of the Company (RM'000)	32	111	(1,505)	123
Profit from discontinued operation attributable to ordinary equity holders of the Company (RM'000)	-	-	-	-
Profit / (loss) attributable to ordinary equity holders of the parent (RM'000)	<u>32</u>	<u>111</u>	<u>(1,505)</u>	<u>123</u>
Weighted average no. of ordinary shares of RM 0.10 each ('000)	144,731	133,333	144,731	133,333
Basic profit / loss per ordinary shares (sen) for:				
Profit / (loss) from continuing operations	0.022	0.083	(1.040)	0.092
Profit from discontinued operation	-	-	-	-
Profit / (loss) for the period	<u>0.022</u>	<u>0.083</u>	<u>(1.040)</u>	<u>0.092</u>

(b) Fully diluted earnings per share

The Group has no potential dilutive securities. As such, no dilutive effect on the earnings per share of the Group.

B13 Status of Utilisation of Proceeds from Private Placement

Details of Utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Amount unutilised RM'000
Working capital	1,278,333	1,278,333	-
Estimated expenses for the Proposed Private Placement	55,000	55,000	-
Total	1,333,333	1,333,333	-

The Group has fully utilised the proceeds raised from the private placement completed on 23 February 2010.

B14 Dividend

There is no dividend declared for the current financial quarter.