



**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE FIRST QUARTER
ENDED 31 MARCH 2012**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(THE FIGURES HAVE NOT BEEN AUDITED)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		3 MONTHS PERIOD ENDED		3 MONTHS PERIOD ENDED	
		31 MARCH 2012	31 MARCH 2011	31 MARCH 2012	31 MARCH 2011
		RM	RM	RM	RM
				Unaudited	Unaudited
Revenue		11,959,476	9,045,472	11,959,476	9,045,472
Cost of sales		(8,110,041)	(6,348,874)	(8,110,041)	(6,348,874)
Gross Profit		3,849,435	2,696,598	3,849,435	2,696,598
Other operating income		-	70,084	-	70,084
Administrative expenses		(2,216,833)	(1,563,069)	(2,216,833)	(1,563,069)
Profit from operations		1,632,602	1,203,613	1,632,602	1,203,613
Finance costs		(99,191)	(149,627)	(99,191)	(149,627)
Profit before income tax		1,533,411	1,053,986	1,533,411	1,053,986
Income tax expenses		(71,289)	(9,168)	(71,289)	(9,168)
Profit for the period		1,462,122	1,044,818	1,462,122	1,044,818
Profit attributable to:					
Equity Holders of the Parent		1,462,643	1,046,154	1,462,643	1,046,154
Non controlling interest		(521)	(1,336)	(521)	(1,336)
		1,462,122	1,044,818	1,462,122	1,044,818
Earnings per share attributable to					
Equity Holders of the Parent					
- Basic (sen)	B12	0.89	0.71	0.89	0.71
- Diluted (sen)	B12	0.88	-	0.88	-

Note:

Certain expenses related to projects have been reclassified from administrative expenses to cost of sales in individual quarter and cumulative quarter 3 months period ended 31 March 2011 in order to conform to the current year individual quarter presentation. This reclassifications have not affected our financial position or net cash flow.

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 2011.

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE FIRST QUARTER
ENDED 31 MARCH 2012**

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS PERIOD ENDED		3 MONTHS PERIOD ENDED	
	31 MARCH 2012	31 MARCH 2011	31 MARCH 2012	31 MARCH 2011
Note	RM	RM	RM	RM
Profit for the period	1,462,122	1,044,818	1,462,122	1,044,818
OTHER COMPREHENSIVE INCOME				
Exchange difference arising on translation of foreign operations	(51,018)	(5,893)	(51,018)	(5,893)
Amortisation of revaluation reserve	(8,944)	(9,126)	(8,944)	(9,126)
Other comprehensive income, net of tax	(59,962)	(15,019)	(59,962)	(15,019)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,402,160	1,029,799	1,402,160	1,029,799
Total comprehensive income attributable to:				
Equity Holders of the Parent	1,402,681	1,031,135	1,402,681	1,031,135
Non controlling interest	(521)	(1,336)	(521)	(1,336)
	1,402,160	1,029,799	1,402,160	1,029,799
	-	-	-	-

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE FIRST QUARTER
ENDED 31 MARCH 2012**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Unaudited</i>	<i>Audited</i>
	31 MARCH 2012	31 DECEMBER 2011
	RM	RM
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	9,749,177	9,694,266
Goodwill on consolidation	6,663,251	6,663,251
Intangible assets	-	-
Development costs	12,424,956	13,354,710
	<u>28,837,384</u>	<u>29,712,227</u>
CURRENT ASSETS		
Inventories	46,889	46,889
Trade receivables	16,676,902	11,661,100
Other receivables, prepayments & deposits	1,111,585	576,163
Tax recoverable	891	891
Deposits placed with licensed bank	358,191	338,191
Cash and bank balances	666,492	3,116,748
	<u>18,860,950</u>	<u>15,739,982</u>
TOTAL ASSETS	<u>47,698,334</u>	<u>45,452,209</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	16,397,766	16,143,266
Share premium	5,735,613	5,552,373
Foreign currency translation reserve	74,040	125,058
Revaluation reserve	1,779,843	1,788,787
Legal Reserve	131,380	131,380
Share-based payment reserved in relating to ESOS	394,901	489,066
Retained profits	15,439,672	13,968,085
	<u>39,953,215</u>	<u>38,198,015</u>
Non controlling interest	17,647	18,168
TOTAL EQUITY	<u>39,970,862</u>	<u>38,216,183</u>
NON-CURRENT LIABILITIES		
Hire purchase payables	2,956,121	3,300,320
Finance lease payables	66,301	67,537
Deferred tax liabilities	19,292	19,293
	<u>3,041,714</u>	<u>3,387,150</u>
CURRENT LIABILITIES		
Trade payables	371,949	279,779
Other payables and accruals	1,635,086	1,952,087
Hire purchase payables	1,324,515	1,295,278
Finance lease payables	89,969	132,003
Taxation payables	39,484	189,729
Bank overdrafts - secured	1,224,755	-
	<u>4,685,758</u>	<u>3,848,876</u>
TOTAL LIABILITIES	<u>7,727,472</u>	<u>7,236,026</u>
TOTAL EQUITY AND LIABILITIES	<u>47,698,334</u>	<u>45,452,209</u>
	-	-
Number of ordinary shares at RM0.10 sen par each	163,977,666	161,432,666
Net Assets per share attributable to ordinary equity holders of the Company (sen)	<u>24.4</u>	<u>23.7</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 2011.

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE FIRST QUARTER
ENDED 31 MARCH 2012**

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

	Attributable to Equity Holders of the Company					Distributable		Non Controlling Interest		Total Equity
	Share Capital	Share Premium	Share Based Payment Reserved	Foreign Currency Translation Reserve	Revaluation Reserve	Legal Reserve	Retained Profits	Sub-total	RM	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Current period-to-date ended										
31 MARCH 2012										
As at 1 January 2012	16,143,266	5,552,373	489,066	125,058	1,788,787	131,380	13,988,085	38,198,015	18,168	38,216,183
Issuance of shares pursuant to :-										
- ESOS	254,500	89,075						343,575		343,575
Profit for the period	-	-	-	-	-	-	1,462,643	1,462,643	(521)	1,462,122
Other Comprehensive Income for the period	-	-	-	(51,018)	(8,944)	-	-	(59,962)	-	(59,962)
Total comprehensive income for the period	-	-	-	(51,018)	(8,944)	-	1,462,643	1,402,681	(521)	1,402,160
Amortisation of revaluation reserve	-	-	-	-	-	-	8,944	8,944	-	8,944
Acquisition of Subsidiary	-	-	-	-	-	-	-	-	-	-
Transfer to legal reserve	-	-	-	-	-	-	-	-	-	-
Share-based payments in relation to ESOS	-	94,165	(94,165)	-	-	-	-	-	-	-
Exercised of ESOS	-	-	-	-	-	-	-	-	-	-
Disposal of investment in SMR HR Singapore	-	-	-	-	-	-	-	-	-	-
Balance at the end of period	16,397,766	5,735,613	394,901	74,040	1,779,843	131,380	15,439,672	39,953,215	17,647	39,970,862
Corresponding period-to-date ended										
31 MARCH 2011										
As at 1 January 2011	14,666,666	5,061,195	-	53,370	1,825,293	27,053	5,683,352	27,316,929	4,513	27,321,442
Issuance of shares pursuant to Private Placement	-	-	-	-	-	-	-	-	-	-
Gain for the period	-	-	-	-	-	-	1,046,154	1,046,154	(1,336)	1,044,818
Other Comprehensive Income for the period	-	-	-	(5,893)	(9,126)	-	-	(15,019)	-	(15,019)
Total comprehensive income for the period	-	-	-	(5,893)	(9,126)	-	1,046,154	1,031,135	(1,336)	1,029,799
Amortisation of revaluation reserve	-	-	-	-	-	-	9,126	9,126	-	9,126
Balance at the end of period	14,666,666	5,061,195	-	47,477	1,816,167	27,053	6,738,632	28,357,190	3,177	28,360,367

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 2011.

QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2012
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
(THE FIGURES HAVE NOT BEEN AUDITED)**

	CURRENT PERIOD ENDED 31 MARCH 2012	CORRESPONDING PERIOD ENDED 31 MARCH 2011
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,533,411	1,053,986
Adjustments for:		
Depreciation	458,471	448,527
Amortisation	929,754	759,150
Interest expenses	99,192	130,481
Loss / (gain) on Disposal PPE	-	(75,999)
PPE written off	1,173	-
Unrealised Foreign exchange loss	209,375	-
Negative goodwill from acquisition of Subsidiary	-	-
Operating profit before working capital changes	3,231,376	2,316,145
Changes in working capital		
Receivables	(5,721,152)	(1,343,135)
Payables	(319,815)	755,934
Inventories	-	9,370
Cash (used in) / generated from operations	(2,809,591)	1,738,314
Tax paid	(221,533)	(43,128)
Tax refund	-	-
Interest expenses	(15,219)	(69,760)
Net cash generated from / (used in) operating activities	(3,046,343)	1,625,426
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(447,427)	(39,691)
Deposit held as security	(10,000)	(1,392,500)
Proceeds from disposal of property, plant & equipment	-	76,000
Net cash generated from / (used in) investing activities	(457,427)	(1,356,191)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	393,573	-
Investment in subsidiary	(49,998)	-
Repayment of hire purchase payables	(395,010)	(207,124)
Repayment of finance lease payables	(31,463)	(28,220)
Interest paid	(83,973)	(60,721)
Net cash generated from / (used in) financing activities	(166,871)	(296,065)
Net decrease in cash and cash equivalents	(3,670,641)	(26,830)
Foreign exchange translation differences	(4,370)	(5,679)
Opening balance of cash and cash equivalents	3,116,748	(4,149,588)
Closing balance of cash and cash equivalents	(558,263)	(4,182,097)
Cash and cash equivalents		
Fixed deposits with licensed bank	358,191	2,060,302
Cash and bank balances	666,492	210,468
Overdraft	(1,224,755)	(4,392,565)
	(200,072)	(2,121,795)
Less: Deposits held as security	(358,191)	(2,060,302)
Closing balance of cash and cash equivalents	(558,263)	(4,182,097)

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 2011.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2012**

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 2011. 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 2011.

b) Significant Accounting Policies

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 2011 except for the Group has adopted the Malaysian Financial Reporting Standards (MFRS) framework issued by Malaysian Accounting Standards Boards (MASB) with effect from 1 January 2012. This framework was introduced by the MASB in order to fully converge Malaysia's existing Financial Reporting Standards (FRS) framework with the International Accounting Standards Boards. Whilst all FRSs issued under the existing FRSs framework are equivalent to the MFRSs issued under MFRSs framework except for the differences in relation to the transitional provisions as well as differences in effective dates contained in certain of the existing FRSs.

The Group had also adopted all the new and revised FRSs, amendments / improvements to FRSs and IC Int and amendments to IC Int , which are effective for annual periods beginning on or after 1 January 2012, other than disclosed as follows:-

		Effective for financial periods beginning on or after
<u>New FRSs</u>		
FRS 9	Financial Instruments	01-Jan-15
FRS 10	Consolidated Financial Statements	01-Jan-13
FRS 11	Joint Arrangements	01-Jan-13
FRS 12	Disclosures of Interests in Other Entities	01-Jan-13
FRS 13	Fair Value Measurement	01-Jan-13
<u>Revised FRSs</u>		
FRS 119	Employee Benefits	01-Jan-13
FRS 124	Related Party Disclosures	01-Jan-12
FRS 127	Separate Financial Statements	01-Jan-13
FRS 128	Investments in Associates and Joint Ventures	01-Jan-13
<u>Amendments / Improvements to FRSs</u>		
FRS 1	First-time Adoption of Financial Reporting Standards	01-Jan-12
FRS 7	Financial Instruments: Disclosures	01-Jan-12 and 01-Jan-2013
FRS 9	Financial Instruments	01-Mar-12
FRS 101	Presentation of Financial Statements	01-Jul-12
FRS 112	Income Taxes	01-Jan-12
FRS 132	Financial Instruments: Presentation	01-Jan-14

IC Int

IC Int 19	Extinguishing Financial Liabilities with Equity Instruments	01-Jul-11
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	01-Jan-13

Amendments to IC Int

IC Int 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	01-Jul-11
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Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group.

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 2011 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, other than disclosed as follows:-

During the current quarter, the company issued additional 2,545,000 new ordinary shares of RM0.10 each at an exercise price RM0.135 pursuant to the Employee Shares Option Scheme ("ESOS")

The details movement of the issued and paid up capital and share premium reserved for the Company are as follows:-

	No. of shares Issued and fully paid up ordinary shares of RM0.10 each	Share Capital	Share Premium	Total
	'000	RM '000	RM '000	RM '000
As at January 2012	161,433	16,143	5,552	21,695
Issuance of shares via ESOS	2,545	255	89	344
Transfer of ESOS reserved upon exercised of ESOS	-	-	94	94
As at 31 March 2012	163,978	16,398	5,735	22,133

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		3 months ended	
	31.03.12	31.03.11	31.03.12	31.03.11
	RM'000	RM'000	RM'000	RM'000
Segment revenue				
- software & implementation services	787	28	787	28
- outsourcing, consulting, executive search services, learning & development	11,949	9,017	11,949	9,017
- investment holding & management services	-	-	-	-
Elimination of inter-segment sales	(776)	-	(776)	-
Total operations	11,960	9,045	11,960	9,045
Segment Results				
- software & implementation services	(1,976)	(1,052)	(1,976)	(1,052)
- outsourcing, consulting, executive search services, learning & development	3,628	2,265	3,628	2,265
- investment holding & management services	(186)	(168)	(186)	(168)
Consolidation adjustments	(4)	-	(4)	-
Profit after tax for total operations	1,462	1,045	1,462	1,045

(b) Analysis by geographical areas

	3 months ended 31 March 2012			
	Malaysia	Overseas	Eliminations	Total Operations
	RM'000	RM'000	RM'000	RM'000
External sales	11,998	(38)	-	11,960
Inter-segment	776	-	(776)	-
Total	12,774	(38)	(776)	11,960

Segment assets	74,325	1,780	(28,407)	47,698
Segment liabilities	27,658	355	(20,285)	7,728
Depreciation & amortisation	1,384	4	-	1,388

A10 Material Events Subsequent to the end of the current quarter

- a) Further to the announcement on 28 February 2012 in relation to the :-
- (i) proposed Bonus Issue of up to 92,906,999 Warrants on the basis of one (1) Warrant for every two (2) existing ordinary shares of RM0.10 each held on an entitlement date to be determined later;
 - (ii) proposed increase in the authorised share capital from RM25,000,000 comprising 250,000,000 shares to RM50,000,000 comprising 500,000,000 shares; and
 - (iii) proposed amendment to the Memorandum and Article of Association of the Company ("Proposals").

On 25 April 2012, HwangDBS Investment Bank Berhad ("HwangDBS") had announced that the Company applications relating to the Proposals have been submitted to Bursa Malaysia Securities Berhad ("Bursa Securities") and Bank Negara Malaysia ("BNM") on 25 May 2012.

On 7 May 2012, Hwang DBS had announced that Bursa Securities has via its letter dated 4 May 2012 and approved the following: -

- (i) Admission to the Official List and the listing and quotation of up to 92,906,999 Warrants to be issued pursuant to the Bonus Issue of Warrants; and
- (ii) Listing and quotation of up to 92,906,999 new Shares to be issued pursuant to the exercise of warrants.

The approval by Bursa Securities for the Proposed Bonus Issue of Warrants is subject to the following conditions: -

- (1) SMRT and HwangDBS must fully comply with the relevant provisions under the ACE Market Listing Requirements pertaining to the implementation of the Proposed Bonus Issue of Warrants;
- (2) SMRT and HwangDBS to inform Bursa Securities upon the completion of the Proposed Bonus Issue of Warrants; and
- (3) SMRT to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue of Warrants is completed.

On 11 May 2012, HwangDBS had announced that BNM has vide its letter dated 10 May 2012 and approved the issuance of Warrants to entitled non-resident shareholders of the Company pursuant to the Proposed Bonus Issue of Warrants.

A11 Changes in the Composition of the Group

There were no material changes in the composition of the Group for the current quarter under review.

A12 Contingent Liabilities or Contingent Assets

As at 31.03.2012
RM'000

Corporate Guarantees issued to financial institutions in respect of banking facilities granted to subsidiary companies	10,200
Bank Guarantee issued by a subsidiary company in favour of third parties	115
	<u>10,315</u>

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**

For the current quarter under review, the group had achieved a revenue of RM11.96 million with a profit before tax ("PBT") of RM1.53 million compared with a turnover of RM9.05 million and PBT of RM1.05 million in the same quarter of 2011 (Q1, 2011). The increase in revenue and PBT was mainly due to the special projects with Pembangunan Sumber Manusia Berhad, Ministry of Human Resources in Malaysia and Petro Rabigh in Saudi in this quarter.

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

The Group's revenue increased by 32% to RM11.96 million for the cumulative Q1, 2012 compared to the previous year's corresponding quarter. The increase was due to higher revenue generated from various projects. PBT for the cumulative quarter of RM1.53 million compared with the PBT for the previous year's corresponding cumulative quarter of RM1.05 million.

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 of RM1.53 million against RM3.38 million in the immediate preceding quarter (Q4, 2011). This was mainly due to an increase in expenses for staff bonus paid in this quarter and corporate exercise expenses in relation to the Proposed Bonus Issue of Warrants as well as traditionally the 1st quarter is slower in this business.

B3 Prospects for the current financial year

The Group maintains a positive outlook on its performance for year 2012. The projects in Malaysia and projects in Saudi Arabia and Bahrain have contributed positively to maintain the Group profitable position. With positive demand in Gulf Co-operation Countries (GCC) and Malaysia, the Group is confident that it can sustain its profitability and continual growth in the year 2012.

The Group is continuing to build on its core strength and focus on increasing operational 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 31.03.2012 RM'000	Cumulative Quarter 31.03.2012 RM'000
Income tax		
Current tax	71	71
(Over) / under provision of tax in prior year	-	-
Deferred tax liabilities	-	-
	71	71

B6 Status of corporate proposals announced but not yet completed

There was no other corporate proposals announced but not yet completed as at the date of this quarterly report, other than disclosed as follows:-

As explained in Note A10 (a) above, the Company has:-

- (i) proposed Bonus Issue of up to 92,906,999 Warrants on the basis of one (1) Warrant for every two (2) existing ordinary shares of RM0.10 each held on an entitlement date to be determined later;
- (ii) proposed increase in the authorised share capital from RM25,000,000 comprising 250,000,000 shares to RM50,000,000 comprising 500,000,000 shares; and
- (iii) proposed amendment to the Memorandum and Article of Association of the Company.

On 7 May 2012, Hwang DBS had announced that Bursa Securities has via its letter dated 4 May 2012 and approved the following:-

- (i) Admission to the Official List and the listing and quotation of up to 92,906,999 Warrants to be issued pursuant to the Bonus Issue of Warrants; and
- (ii) Listing and quotation of up to 92,906,999 new Shares to be issued pursuant to the exercise of warrants.

On 11 May 2012, HwangDBS had announced that BNM has vide its letter dated 10 May 2012 and approved the issuance of Warrants to entitled non-resident shareholders of the company pursuant to the Proposed Bonus Issue of Warrants.

B7 Group Borrowings and Debt Securities

31.03.2012

	RM'000
Secured short -term	
Overdraft	1,225
Hire purchase payables	1,325
Lease assets payables	90
Secured long -term	
Hire purchase payables	2,956
Lease assets payables	66
Total borrowings	<u>5,662</u>

All borrowings are denominated in Ringgit Malaysia.

B8 Off Balance Sheet Financial Instruments

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

B9 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.

B10 Earning Per Share ("EPS")

The basic EPS is calculated based on the Group's profit 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

	3 months ended		Year-to-date	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Profit attributable to ordinary equity holders of the parent (RM'000)	1,463	1,046	1,463	1,046
Weighted average no. of ordinary shares of RM 0.10 each ('000)	163,572	146,666	163,572	146,666
Basic profit per ordinary shares (sen)	<u>0.894</u>	<u>0.713</u>	<u>0.894</u>	<u>0.713</u>

(b) Fully diluted earnings per share

Diluted earnings per share amounts are calculated by dividing the Group's profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	3 months ended		Year-to-date	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Profit attributable to ordinary equity holders of the parent (RM'000)	1,463	-	1,463	-
Weighted average no. of ordinary shares of RM 0.10 each ('000)	163,572	-	163,572	-
Effect of dilution for ESOS ('000)	2,830	-	2,830	-
Adjusted weighted average number of ordinary shares in issue and issuable	<u>166,402</u>	<u>-</u>	<u>166,402</u>	<u>-</u>
Diluted earnings per shares (sen)	<u>0.879</u>	<u>-</u>	<u>0.879</u>	<u>-</u>

B11 Dividend

There is no dividend declared for the current financial quarter.

B12 Disclosure of Realised and Unrealised Profits/(Losses)

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits and losses.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

Pursuant to the directive, the amounts of realised and unrealised profits or losses included in the retained profits of the Group and the Company as at 31 December 2011 are as follows:-

	As at 31.03.12 RM'000	As at 31.12.11 RM'000
Total retained profits of the Company and its subsidiaries:		Audited
- Realised	16,058	14,377
- Unrealised	(618)	(409)
Total group retained profits as per consolidated accounts	<u>15,440</u>	<u>13,968</u>

The determination of realised and unrealised profits is based on Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

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			
- Payment of employees' salaries	943	943	-
- Payment to creditors	788	788	-
- Expenses for advertising and promotional activities	150	150	-
Estimated expenses for the Proposed Private Placement	70	64	6
Total	1,951	1,945	6

The amount is expected to be utilised within 12 months from the date of the completion of the Private Placement, being 5 August 2011.