



**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE FIRST QUARTER  
ENDED 31 MARCH 2013**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS PERIOD ENDED		3 MONTHS PERIOD ENDED	
	31 MARCH 2013	31 MARCH 2012	31 MARCH 2013	31 MARCH 2012
Note			Unaudited	Unaudited
	RM	RM	RM	RM
Revenue	11,627,826	11,959,476	11,627,826	11,959,476
Cost of sales	(8,379,316)	(8,110,041)	(8,379,316)	(8,110,041)
Gross Profit	3,248,510	3,849,435	3,248,510	3,849,435
Other operating income	68,741	-	68,741	-
Administrative expenses	(2,128,640)	(2,216,833)	(2,128,640)	(2,216,833)
Profit from operations	1,188,611	1,632,602	1,188,611	1,632,602
Finance costs	(54,893)	(99,191)	(54,893)	(99,191)
Profit before income tax	1,133,718	1,533,411	1,133,718	1,533,411
Income tax expenses	(34,063)	(71,289)	(34,063)	(71,289)
Profit for the period	1,099,655	1,462,122	1,099,655	1,462,122
Profit attributable to:				
Equity Holders of the Parent	1,103,556	1,462,643	1,103,556	1,462,643
Non controlling interest	(3,901)	(521)	(3,901)	(521)
	1,099,655	1,462,122	1,099,655	1,462,122
Earnings per share attributable to				
Equity Holders of the Parent				
- Basic (sen)	B10	0.58	0.89	0.58
- Diluted (sen)	B10	0.58	0.88	0.58

**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 2012.

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE FIRST QUARTER  
ENDED 31 MARCH 2013**

**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 2013	31 MARCH 2012	31 MARCH 2013	31 MARCH 2012
Note				<b>Audited</b>
	RM	RM	RM	RM
Profit for the period	1,099,655	1,462,122	1,099,655	1,462,122
<b>OTHER COMPREHENSIVE INCOME</b>				
Exchange difference arising on translation of foreign operations	46,066	(51,018)	46,066	(51,018)
Amortisation of revaluation reserve	(8,765)	(8,944)	(8,765)	(8,944)
Other comprehensive income, net of tax	37,301	(59,962)	37,301	(59,962)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,136,956</b>	<b>1,402,160</b>	<b>1,136,956</b>	<b>1,402,160</b>
Total comprehensive income attributable to:				
Equity Holders of the Parent	1,140,909	1,402,681	1,140,857	1,402,681
Non controlling interest	(3,901)	(521)	(3,901)	(521)
	<b>1,136,956</b>	<b>1,402,160</b>	<b>1,136,956</b>	<b>1,402,160</b>
	-	-	-	-

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE FIRST QUARTER  
ENDED 31 MARCH 2013**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<i>Unaudited</i>	<i>Audited</i>
	<b>31 MARCH 2013</b>	<b>31 DECEMBER 2012</b>
	RM	RM
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant & equipment	8,419,215	8,665,084
Goodwill on consolidation	6,663,251	6,663,251
Intangible assets	-	-
Development costs	5,513,036	5,766,267
Other receivables, prepayments & deposits	1,128,401	1,128,401
	<u>21,723,903</u>	<u>22,223,003</u>
<b>CURRENT ASSETS</b>		
Inventories	39,728	40,953
Trade receivables	15,687,923	16,597,247
Other receivables, prepayments & deposits	8,603,328	7,520,631
Tax recoverable	757	757
Deposits placed with licensed bank	9,201,542	5,113,083
Cash and bank balances	2,966,593	1,989,308
	<u>36,499,871</u>	<u>31,261,979</u>
<b>TOTAL ASSETS</b>	<b><u>58,223,774</u></b>	<b><u>53,484,982</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>		
Share capital	19,284,389	17,536,411
Share premium	9,110,104	6,757,395
Treasury Shares	(1,030,797)	(814,556)
Foreign currency translation reserve	59,255	13,189
Revaluation reserve	1,744,247	1,753,012
Legal Reserve	203,809	203,809
Share-based payment reserved in relating to ESOS	152,259	162,736
Retained profits	22,782,579	21,670,258
	<u>52,305,845</u>	<u>47,282,254</u>
Non controlling interest	75,089	78,990
<b>TOTAL EQUITY</b>	<b><u>52,380,934</u></b>	<b><u>47,361,244</u></b>
<b>NON-CURRENT LIABILITIES</b>		
Hire purchase payables	1,552,764	1,894,835
Finance lease payables	-	-
Deferred tax liabilities	12,802	16,875
	<u>1,565,566</u>	<u>1,911,710</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	358,933	67,278
Other payables and accruals	2,022,669	1,998,134
Hire purchase payables	1,402,114	1,402,114
Finance lease payables	66,301	67,524
Taxation payables	427,257	676,978
Bank overdrafts - secured	-	-
	<u>4,277,274</u>	<u>4,212,028</u>
<b>TOTAL LIABILITIES</b>	<b><u>5,842,840</u></b>	<b><u>6,123,738</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>58,223,774</u></b>	<b><u>53,484,982</u></b>
Number of ordinary shares at RM0.10 sen par each	192,843,889	175,364,112
Net Assets per share attributable to ordinary equity holders of the Company (sen)	<u>27.1</u>	<u>27.0</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 2012.

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

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



	Attributable to Equity Holders of the Company					Distributable		Total Equity			
	Share Capital	Share Premium	Share Based Payment Reserved	Treasury Shares	Foreign Currency Translation Reserve	Revaluation Reserve	Legal Reserve		Retained Profits	Sub-total	Non Controlling Interest
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Current period-to-date ended</b>											
<b>31 MARCH 2013</b>											
As at 1 January 2013	17,536,411	6,757,395	162,736	(814,556)	13,189	1,753,012	203,809	21,670,258	47,282,254	78,980	47,361,244
Issuance of shares pursuant to :-											
- Private Placement	1,725,200	2,329,020	-	-	-	-	-	-	4,054,220	-	4,054,220
- ESOS	22,778	13,212	-	-	-	-	-	-	35,990	-	35,990
- Warrants Converted	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	1,103,556	1,103,556	(3,901)	1,099,655
Other Comprehensive income for the period	-	-	-	-	46,066	(8,765)	-	-	37,301	-	37,301
Total comprehensive income for the period	-	-	-	-	46,066	(8,765)	-	1,103,556	1,140,857	(3,901)	1,136,956
Amortisation of revaluation reserve	-	-	-	-	-	-	-	8,765	8,765	-	8,765
Transfer to legal reserve	-	-	-	-	-	-	-	-	-	-	-
Share-based payments in relation to ESOS	-	-	-	-	-	-	-	-	-	-	-
Exercised of ESOS	-	10,477	(10,477)	-	-	-	-	-	-	-	-
Lapsed ESOS	-	-	-	-	-	-	-	-	-	-	-
Shares-Buy back	-	-	-	(216,241)	-	-	-	-	(216,241)	-	(216,241)
Interim Dividend paid	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of period	19,284,389	9,110,104	152,259	(1,030,797)	59,255	1,744,247	203,809	22,782,579	52,305,845	75,089	52,380,934
<b>Corresponding period-to-date ended</b>											
<b>31 MARCH 2012</b>											
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 Private Placement	254,500	89,075	-	-	-	-	-	-	343,575	-	343,575
Gain for the period	-	-	-	-	(51,018)	(8,944)	-	1,462,643	1,462,643	(521)	1,462,122
Other Comprehensive income for the period	-	-	-	-	(51,018)	(8,944)	-	(59,962)	(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
Transfer to legal reserve	-	-	-	-	-	-	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	-	-
Share-based payments in relation to ESOS	-	94,165	(94,165)	-	-	-	-	-	-	-	-
Exercised of ESOS	-	-	-	-	-	-	-	-	-	-	-
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

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 2012.

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE FIRST QUARTER  
ENDED 31 MARCH 2013**
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
(THE FIGURES HAVE NOT BEEN AUDITED)**

	<b>CURRENT PERIOD ENDED 31 MARCH 2013</b>	<b>CORRESPONDING PERIOD ENDED 31 MARCH 2012</b>
	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,133,718	1,533,411
Adjustments for:		
Depreciation	437,931	458,471
Amortisation	541,556	929,754
Interest Income	(13,511)	-
Interest expenses	54,893	99,192
Loss / (gain) on Disposal PPE	-	-
PPE written off	-	1,173
Effects of foreign exchange rate changes	31,797	209,375
Bargain purchase arising from acquisition of Subsidiary	-	-
Operating profit before working capital changes	2,186,384	3,231,376
Changes in working capital		
Receivables	(151,597)	(5,721,152)
Payables	311,321	(319,815)
Inventories	1,225	-
Cash (used in) / generated from operations	2,347,333	(2,809,591)
Tax paid	(299,405)	(221,533)
Interest expenses	-	(15,219)
Interest Received	12,642	-
<b>Net cash generated from / (used in) operating activities</b>	<b>2,060,570</b>	<b>(3,046,343)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(183,152)	(447,427)
Deposit held as security	(60,000)	(10,000)
Development Cost	(288,325)	-
<b>Net cash generated from / (used in) investing activities</b>	<b>(531,477)</b>	<b>(457,427)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds on issuance of shares capital	1,747,978	393,573
Premium on issuance of shares Capital	2,342,231	-
Share Buy Back	(216,241)	-
Investment in subsidiary	-	(49,998)
Repayment of hire purchase payables	(342,071)	(395,010)
Repayment of finance lease payables	(1,223)	(31,463)
Interest paid	(54,893)	(83,973)
<b>Net cash generated from / (used in) financing activities</b>	<b>3,475,781</b>	<b>(166,871)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>5,004,874</b>	<b>(3,670,641)</b>
Foreign exchange translation differences	-	(4,370)
Opening balance of cash and cash equivalents	6,405,009	3,116,748
<b>Closing balance of cash and cash equivalents</b>	<b>11,409,883</b>	<b>(558,263)</b>
<b>Cash and cash equivalents</b>		
Fixed deposits with licensed bank	9,201,542	358,191
Cash and bank balances	2,966,593	666,492
Overdraft	-	(1,224,755)
	12,168,135	(200,072)
Less: Deposits held as security	(758,252)	(358,191)
<b>Closing balance of cash and cash equivalents</b>	<b>11,409,883</b>	<b>(558,263)</b>

**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 2012.



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2013**

**PART A - EXPLANATORY NOTES PURSUANT TO MFRS 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 MFRS 134 - Interim Financial Reporting issued by the Malaysian Financial 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 2012. 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 2012.

**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 2012 except for the Group has adopted the Malaysian Financial Reporting Standards (MFRS) framework issued by Malaysian Accounting Standards Boards (MASB) which are effective for annual periods beginning on or after 1 January 2013 as disclosed below: -

		<b>Effective for financial periods beginning on or after</b>
<u>New MFRSs</u>		
MFRS 10	Consolidated Financial Statements	01-Jan-13
MFRS 11	Joint Arrangements	01-Jan-13
MFRS 12	Disclosures of Interests in Other Entities	01-Jan-13
MFRS 13	Fair Value Measurement	01-Jan-13
<u>Revised MFRSs</u>		
MFRS 119	Employee Benefits	01-Jan-13
MFRS 127	Separate Financial Statements	01-Jan-13
MFRS 128	Investments in Associates and Joint Ventures	01-Jan-13
<u>Amendments / Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Financial Reporting Standards	01-Jan-13
MFRS 7	Financial Instruments: Disclosures	01-Jan-13
MFRS 10	Consolidated financial Statements	01-Jan-13
MFRS 11	Joint Arrangements	01-Jan-13
MFRS 12	Disclosures of Interests in Other Entities	01-Jan-13
MFRS 101	Presentation of Financial Statements	01-July-12 and 01-Jan-13
MFRS 132	Financial Instruments: Presentation	01-Jan-13
MFRS 134	Interim Financial Reporting	01-Jan-13

The adoption of the above revised MFRSs, amendments to MFRSs, and interpretation does not have material impact on the financial statements of 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 2012 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:-

- a) On 21 January 2013, the Company had completed the Private Placement for 17,252,000 new ordinary shares of RM0.10 each, representing 10% of the issued and paid up share capital of the Company to Goldleaf Pavilion Sdn Bhd at an issue price of RM0.235 each ("Private Placement")
- b) During the current financial quarter under review, the Company issued additional 227,777 new ordinary shares of RM0.10 each at an exercise price RM0.158 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 2013	175,364	17,536	6,758	24,294
Issuance of shares via Private Placement	17,252	1,725	2,329	4,054
Issuance of shares via ESOS	228	23	13	36
Transfer of ESOS reserved upon exercised of ESOS	-	-	10	10
Conversion of Warrants to Ordinary Shares	-	-	-	-
As at 31 March 2013	<b>192,844</b>	<b>19,284</b>	<b>9,110</b>	<b>28,394</b>

- b) During the current quarter under review, the Company has repurchased 1,045,000 of its issued shares capital from the open market. The average price paid for the shares repurchased was RM0.2069 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965.

**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	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
<b>Segment revenue</b>				
- software & implementation services	537	787	537	787
- outsourcing, consulting, executive search services, learning & development	11,612	11,949	11,612	11,949
- investment holding & management services	-	-	-	-
Elimination of inter-segment sales	(521)	(776)	(521)	(776)
Total operations	11,628	11,960	11,628	11,960
<b>Segment Results</b>				
- software & implementation services	(509)	(1,976)	(509)	(1,976)
- outsourcing, consulting, executive search services, learning & development	1,986	3,628	1,986	3,628
- investment holding & management services	(377)	(186)	(377)	(186)
Consolidation adjustments	-	(4)	-	(4)
Profit after tax for total operations	1,100	1,462	1,100	1,462

### (b) Analysis by geographical areas

Revenue	3 months ended 31 March 2013			
	Malaysia	Overseas	Eliminations	Total Operations
	RM'000	RM'000	RM'000	RM'000
External sales	10,943	685	-	11,628
Inter-segment	521	-	(521)	-
Total	11,464	685	(521)	11,628

<b>Segment assets</b>	81,757	7,408	(30,941)	58,224
<b>Segment liabilities</b>	27,465	136	(21,758)	5,843
<b>Depreciation &amp; amortisation</b>	970	10	-	980

## A10 Material Events Subsequent to the end of the current quarter

- On 16 May 2013, the Company had announced the Company is proposing to change its name from "SMR Technologies Berhad" to "SMRT Holdings Berhad" ("Proposed Change of Name"). The proposed change name is subject to the approval of shareholders at the Annual General Meeting to be convened at a date to be announced later.
- On 23 May 2013, Maybank Investment Bank Berhad had announced on behalf of SMR Education Sdn Bhd, a wholly-owned subsidiary of the Company ("Purchaser") entered into a conditional sale of shares agreement with In-Fusion Solutions Sdn Bhd, MIG Education Sdn Bhd, Commerce Technology Ventures Sdn Bhd, Edufuture Sdn Bhd and Dr. Mohamad Salmi bin Mohd Sohod in relation to the Proposed Acquisition of 70% of the issued and paid-up share capital of In-Fusion Education Sdn Bhd ("IESB") for a purchase consideration of RM27,448,758.58.



**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 31.03.2013  
RM'000

Corporate Guarantees issued to financial institutions in respect of  
banking facilities granted to subsidiary companies

10,200

**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 RM11.63 million with a profit before tax ("PBT") of RM1.13 million compared with a turnover of RM 11.96 million and PBT of RM1.53 million in the same quarter of 2012 (Q1, 2012). PBT of the reporting quarter decreased to RM1.13 million due to the increased in the scheduled expenses as per the contract for English Language Teaching ("ELT") project.

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

The Group's revenue decreased by 2.8% to RM11.63 million for the cumulative Q1, 2013 compared to the previous year's corresponding quarter. PBT for the cumulative quarter of RM1.13 million compared with the PBT for the previous year's corresponding cumulative quarter of RM1.53 million.

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

The Group's PBT recorded a marginal increased of RM1.13 million for the current quarter against RM1.04 million in the immediate preceding quarter, mainly resulted from one off branding cost incurred during Q4, 2012.

**B3 Prospects for the current financial year**

The Group maintains a positive outlook on its performance for year 2013. The projects in Malaysia and projects in the Middle East have contributed positively to maintain the Group profitable position. With positive demand in Gulf Cooperation Council ("GCC") Countries and Malaysia, the Group is confident that it can sustain its profitability and continual growth in the year 2013.

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 31.03.2013 RM'000	Cumulative Quarter 31.03.2013 RM'000
Income tax		
Current tax	129	129
(Over) / under provision of tax in prior year	(97)	(97)
Deferred tax liabilities	2	2
	34	34

**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:-

On 23 May 2013, Maybank Investment Bank Berhad had announced on behalf of SMR Education Sdn Bhd, a wholly-owned subsidiary of the Company ("Purchaser") entered into a conditional sale of shares agreement with In-Fusion Solutions Sdn Bhd, MIG Education Sdn Bhd, Commerce Technology Ventures Sdn Bhd, Edufuture Sdn Bhd and Dr. Mohamad Salmi bin Mohd Sohod in relation to the Proposed Acquisition of 70% of the issued and paid-up share capital of In-Fusion Education Sdn Bhd ("IESB") for a purchase consideration of RM27,448,758.58.

**B7 Group Borrowings and Debt Securities**

	31.03.2013 RM'000
Secured short -term	
Overdraft	-
Hire purchase payables	1,402
Lease assets payables	66
Secured long -term	
Hire purchase payables	1,553
Lease assets payables	-
Total borrowings	3,021

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	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Profit attributable to ordinary equity holders of the parent (RM'000)	1,104	1,463	1,104	1,463
Weighted average no. of ordinary shares of RM 0.10 each ('000)	188,992	163,572	188,992	163,572
Basic profit per ordinary shares (sen)	0.584	0.894	0.584	0.894

**(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	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Profit attributable to ordinary equity holders of the parent (RM'000)	1,104	1,463	1,104	1,463
Weighted average no. of ordinary shares of RM 0.10 each ('000)	188,992	163,572	188,992	163,572
Effect of dilution for ESOS ('000)	1,874	2,830	1,874	2,830
Adjusted weighted average number of ordinary shares in issue and issuable	190,866	166,402	190,866	166,402
Diluted earnings per shares (sen)	0.578	0.879	0.578	0.879

**B11 Proposed Dividend**

The is no proposed dividend has been declared for the financial quarter under review.

**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 2.07 and 2.23 of Bursa Malaysia Ace 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 March 2013 are as follows:-

	As at <b>31.03.2013</b> RM'000	As at <b>31.12.2012</b> RM'000
Total retained profits of the Company and its subsidiaries:		Audited
- Realised	23,839	22,685
- Unrealised	(1,056)	(1,015)
Total group retained profits as per consolidated accounts	22,783	21,670

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 as at 31.03.2013 RM'000	Amount unutilised RM'000
- Business Expansion Opportunities	4,225	48	4,177
- Estimated expenses for the Proposed Private Placement	130	72	58
Total	4,355	120	4,235

The amount is expected to be utilised within 12 months from the date of the completion of the Private Placement, being 21 January 2014.