

QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE SECOND QUARTER
ENDED 30 SEPTEMBER 2013

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	3 MONTHS PERIOD ENDED		9 MONTHS PERIOD ENDED		
	Note	30 SEPTEMBER 2013	30 SEPTEMBER 2012	30 SEPTEMBER 2013	30 SEPTEMBER 2012
	RM	RM	Unaudited RM	Unaudited RM	
Revenue		12,206,572	17,060,209	34,947,109	49,303,553
Cost of sales		(9,128,477)	(10,786,804)	(25,124,182)	(32,313,910)
Gross Profit		3,078,094	6,273,405	9,822,926	16,989,643
Other operating income		103,697	1,949	282,757	20,475
Administrative expenses		(1,451,893)	(3,039,301)	(5,935,865)	(7,727,640)
Profit from operations		1,729,899	3,236,053	4,169,819	9,282,478
Finance costs		(42,235)	(70,148)	(146,315)	(303,021)
Profit before income tax		1,687,664	3,165,905	4,023,504	8,979,457
Income tax expenses		(629,340)	(137,592)	(857,723)	(315,615)
Profit for the period		1,058,325	3,028,313	3,165,782	8,663,842
Profit attributable to:					
Equity Holders of the Parent		1,052,744	3,023,988	3,166,355	8,669,388
Non controlling interest		5,580	4,325	(574)	(5,546)
		1,058,325	3,028,313	3,165,782	8,663,842

Earnings per share attributable to Equity Holders of the Parent					
- Basic (sen)	B10	0.55	1.77	1.65	5.28
- Diluted (sen)	B10	0.54	1.75	1.64	5.23

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 SECOND QUARTER
ENDED 30 SEPTEMBER 2013

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	
	30 SEPTEMBER 2013	30 SEPTEMBER 2012	30 SEPTEMBER 2013	30 SEPTEMBER 2012
	RM	RM	RM	RM
Profit for the period	1,058,325	3,028,313	3,165,782	8,663,842
OTHER COMPREHENSIVE INCOME				
Exchange difference arising on translation of foreign operations	2,461	(99,228)	233,253	(122,077)
Amortisation of revaluation reserve	(12,011)	(8,943)	(30,624)	(26,831)
Other comprehensive income, net of tax	(9,550)	(108,171)	202,629	(148,908)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,048,774	2,920,142	3,368,410	8,514,934
Total comprehensive income attributable to:				
Equity Holders of the Parent	1,043,194	2,915,817	3,368,984	8,520,480
Non controlling interest	5,580	4,325	(574)	(5,546)
	1,048,774	2,920,142	3,368,410	8,514,934

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE SECOND QUARTER
ENDED 30 SEPTEMBER 2013**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Unaudited</i>	<i>Audited</i>
	30 SEPTEMBER 2013	31 DECEMBER 2012
	RM	RM
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	8,363,203	8,665,084
Goodwill on consolidation	6,663,251	6,663,251
Intangible assets	-	-
Development costs	6,168,619	5,766,267
Other receivables, prepayments & deposits	<u>1,128,401</u>	<u>1,128,401</u>
	<u>22,323,474</u>	<u>22,223,003</u>
CURRENT ASSETS		
Inventories	31,037	40,953
Trade receivables	14,368,345	16,597,247
Other receivables, prepayments & deposits	14,954,658	7,520,631
Tax recoverable	757	757
Deposits placed with licensed bank	5,308,252	5,113,083
Cash and bank balances	<u>1,354,084</u>	<u>1,989,308</u>
	<u>36,017,133</u>	<u>31,261,979</u>
TOTAL ASSETS	<u>58,340,607</u>	<u>53,484,982</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	19,437,089	17,536,411
Share premium	9,002,396	6,757,395
Treasury Shares	(1,485,130)	(814,556)
Foreign currency translation reserve	246,442	13,189
Revaluation reserve	2,386,397	1,753,012
Legal Reserve	203,809	203,809
Share-based payment reserved in relating to ESOS	370,887	162,736
Retained profits	<u>23,922,767</u>	<u>21,670,258</u>
	<u>54,084,646</u>	<u>47,282,254</u>
Non controlling interest	78,416	78,990
TOTAL EQUITY	<u>54,163,063</u>	<u>47,361,244</u>
NON-CURRENT LIABILITIES		
Hire purchase payables	858,274	1,894,835
Finance lease payables	-	-
Deferred tax liabilities	<u>12,802</u>	<u>16,875</u>
	<u>871,076</u>	<u>1,911,710</u>
CURRENT LIABILITIES		
Trade payables	298,958	67,278
Other payables and accruals	1,562,077	1,998,134
Hire purchase payables	1,382,299	1,402,114
Finance lease payables	62,381	67,524
Taxation payables	753	676,978
Bank overdrafts - secured	-	-
	<u>3,306,468</u>	<u>4,212,028</u>
TOTAL LIABILITIES	<u>4,177,544</u>	<u>6,123,738</u>
TOTAL EQUITY AND LIABILITIES	<u>58,340,607</u>	<u>53,484,982</u>
Number of ordinary shares at RM0.10 sen par each	194,370,889	175,364,112
Net Assets per share attributable to ordinary equity holders of the Company (sen)	<u>27.8</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 SECOND QUARTER
ENDED 30 SEPTEMBER 2013**

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

	Attributable to Equity Holders of the Company										Total Equity RM	
	Non-Distributable					Distributable						
	Share Capital RM	Share Premium RM	Share Based Payment Reserve RM	Treasury Shares RM	Foreign Currency Translation Reserve RM	Revaluation Reserve RM	Legal Reserve RM	Relating to Assets Held for Sale RM	Retained Profits RM	Sub-total RM	Non Controlling Interest RM	
Current period-to-date ended 30 SEPTEMBER 2013												
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	78,990	47,361,244
Issuance of shares pursuant to :-												
- Private Placement	1,725,200	2,329,020	-	-	-	-	-	-	-	4,054,220	-	4,054,220
- ESOS	175,478	66,658	57,476	-	-	-	-	-	-	299,610	-	299,610
Profit for the period	-	-	-	-	233,253	(30,624)	-	-	3,166,355	3,166,355	(574)	3,165,782
Other Comprehensive income for the period	-	-	-	-	-	-	-	-	-	202,629	-	202,629
Total comprehensive income for the period	-	-	-	-	233,253	(30,624)	-	-	3,166,355	3,368,984	(574)	3,368,410
Amortisation of revaluation reserve	-	-	-	-	-	-	-	-	30,624	30,624	-	30,624
Revaluation of properties, plant & equipment	-	-	-	-	-	664,000	-	-	-	664,000	-	664,000
Exercised of ESOS	-	(150,675)	150,675	-	-	-	-	-	-	-	-	-
Lapsed ESOS	-	-	-	-	-	-	-	-	(7,464)	(7,464)	-	(7,464)
Shares-Buy back	-	-	-	(670,574)	-	-	-	-	(670,574)	(670,574)	-	(670,574)
Interim Dividend payable	-	-	-	-	-	-	-	-	(937,007)	(937,007)	-	(937,007)
Balance at the end of period	19,437,099	9,002,396	370,887	(1,485,130)	246,442	2,386,388	203,809	-	23,922,767	54,064,648	78,416	54,163,064
Corresponding period-to-date ended 30 SEPTEMBER 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	1,072,500	379,975	-	-	-	-	-	-	-	1,452,475	-	1,452,475
- Warrants Converted	200	160	-	-	-	-	-	-	-	360	-	360
Profit for the period	-	-	-	-	(122,077)	(26,831)	-	-	8,669,388	8,669,388	(5,546)	8,663,842
Other Comprehensive income for the period	-	-	-	-	(122,077)	(26,831)	-	-	-	(148,908)	-	(148,908)
Total comprehensive income for the period	-	-	-	-	(222,077)	(26,831)	-	-	8,669,388	8,520,480	(5,546)	8,514,934
Amortisation of revaluation reserve	-	-	-	-	-	-	-	-	26,831	26,831	-	26,831
Shares-Buy back	-	-	-	(163,447)	-	-	-	-	-	(163,447)	-	(163,447)
Interim Dividend paid	-	-	-	-	-	-	-	-	(840,285)	(840,285)	-	(840,285)
Exercised of ESOS	-	386,825	(386,825)	-	-	-	-	-	-	-	-	-
Balance at the end of period	17,215,966	6,329,333	92,241	(163,447)	2,981	1,761,956	131,380	-	21,824,019	47,194,429	12,622	47,207,051

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.

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**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE SECOND QUARTER
 ENDED 30 SEPTEMBER 2013**
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
 (THE FIGURES HAVE NOT BEEN AUDITED)**

	CURRENT PERIOD ENDED 30 SEPTEMBER 2013 RM	CORRESPONDING PERIOD ENDED 30 SEPTEMBER 2012 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,023,504	8,979,457
Adjustments for:		
Depreciation	1,315,714	1,388,889
Amortisation	1,547,007	2,162,432
Interest Income	(118,014)	(838)
Interest expenses	146,315	303,021
Loss / (gain) on Disposal PPE	1,077	-
PPE written off	-	1,173
Share-based payments reserved in relating to ESOS	50,017	-
Effects of foreign exchange rate changes	202,950	217,911
Bargain purchase arising from acquisition of Subsidiary	-	-
Operating profit before working capital changes	7,168,569	13,052,045
Changes in working capital		
Receivables	(5,177,464)	(3,462,426)
Payables	(210,949)	(362,816)
Inventories	9,916	3,646
Cash (used in) / generated from operations	1,790,073	9,230,449
Tax paid	(1,533,148)	(500,558)
Interest expenses	(6)	(71,974)
Interest Received	118,014	-
Net cash generated from / (used in) operating activities	374,934	8,657,917
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(359,750)	(720,746)
Deposit held as security	(110,869)	(340,000)
Proceeds from disposal of property, plant & equipment	5,000	-
Development Cost	(1,949,359)	-
Interest Income	-	838
Net cash generated from / (used in) Investing activities	(2,414,978)	(1,059,908)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on issuance of shares capital	1,900,678	1,502,833
Premium on issuance of shares Capital	2,395,676	-
Share Buy Back	(670,574)	(163,446)
Investment in subsidiary	-	(49,998)
Repayment of hire purchase payables	(1,056,376)	(964,286)
Repayment of finance lease payables	(5,143)	(115,551)
Interim Dividend Paid	(937,007)	(840,287)
Interest paid	(146,309)	(231,047)
Net cash generated from / (used in) financing activities	1,480,945	(861,782)
Net decrease in cash and cash equivalents	(559,099)	6,736,227
Foreign exchange translation differences	8,174	(272,836)
Opening balance of cash and cash equivalents	6,405,009	3,116,748
Closing balance of cash and cash equivalents	5,854,084	9,580,139
Cash and cash equivalents		
Fixed deposits with licensed bank	5,308,252	7,178,191
Cash and bank balances	1,354,084	3,080,139
Overdraft	-	-
	6,662,336	10,258,330
Less: Deposits held as security	(808,252)	(678,191)
Closing balance of cash and cash equivalents	5,854,084	9,580,139

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 SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 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: -

		Effective for financial periods beginning on or after
<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) During the current financial quarter under review, the Company issued additional 1,457,000 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 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	1,755	176	66	242
Transfer of ESOS reserved upon exercised of ESOS	-	-	(151)	(151)
Conversion of Warrants to Ordinary Shares	-	-	-	-
As at 30 September 2013	194,371	19,437	9,002	28,439

- b) During the current quarter under review, the Company has repurchased 5,000 of its issued shares capital from the open market. The average price paid for the shares repurchased was RM0.21 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

There was a revaluation performed by a independent professional valuer on the office suite owned by SMR HR Technologies Sdn Bhd, a wholly-owned subsidiary of the Company to the value of RM4.2 million. The resulting surplus of RM0.66 million has been recognised in the revaluation reserve.

A7 Dividend Paid

On 31 July 2013, the Company paid a tax exempt interim dividend of RM0.005 per ordinary share in respect of the financial year ended 31 December 2013 amounting to RM937,007.

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	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Segment revenue				
- software & implementation services	2,362	5,168	3,590	6,344
- outsourcing, consulting, executive search services, learning & development	10,717	14,373	33,457	46,577
- investment holding & management services	-	-	-	-
Elimination of inter-segment sales	(873)	(2,480)	(2,100)	(3,617)
Total operations	12,206	17,061	34,947	49,304
Segment Results				
- software & implementation services	1,145	1,051	(169)	(2,737)
- outsourcing, consulting, executive search services, learning & development	420	2,465	4,623	12,618
- investment holding & management services	1,228	1,014	450	294
Consolidation adjustments	(1,735)	(1,502)	(1,738)	(1,511)
Profit after tax for total operations	1,058	3,028	3,166	8,664

(b) Analysis by geographical areas

	3 months ended 30 September 2013			
	Malaysia RM'000	Overseas RM'000	Elimi- nations RM'000	Conso- lidated RM'000
Revenue				
External sales	10,560	1,646	-	12,206
Inter-segment	843	-	(843)	-
Total	11,403	1,646	(843)	12,206

	9 months ended September 2013			
	Malaysia RM'000	Overseas RM'000	Elimi- nations RM'000	Total Operations RM'000
Revenue				
External sales	32,422	2,525	-	34,947
Inter-segment	2,070	-	(2,070)	-
Total	34,492	2,525	(2,070)	34,947

Segment assets	89,932	8,147	(39,738)	58,341
Segment liabilities	34,181	281	(30,284)	4,178
Depreciation & amortisation	2,820	43	-	2,863

A10 Material Events Subsequent to the end of the current quarter

- a) On 9 July 2013, the Company had announced that the Company had on 9 July 2013 received the Certificate on Change of Name of Company (Form 13) into "SMRT Holdings Berhad" dated 5 July 2013 issued by the Companies Commission of Malaysia.

- b) On 6 August 2013, the Company had announced that the acquisition of 2 ordinary shares of RM1.00 each, representing 100% of the total issued and paid up share capital of SMR Education Solutions Sdn Bhd for a total cash consideration of RM2.00.

A11 Changes In the Composition of the Group

- a) On 4 June 2013, the Company had announced that the acquisition of 2 ordinary shares of RM1.00 each, representing 100% of the total issued and paid up share capital of SMR Properties Management Sdn Bhd for a total cash consideration of RM2.00.

- b) On 4 June 2013, the Company had announced that the acquisition of 2 ordinary shares of RM1.00 each, representing 100% of the total issued and paid up share capital of SMR Voctech Sdn Bhd for a total cash consideration of RM2.00.

A12 Contingent Liabilities or Contingent Assets

As at 30.09.2013
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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PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE AMLR

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 RM12.21 million with a profit before tax ("PBT") of RM1.69 million compared with a revenue of RM 17.06 million and PBT of RM3.17 million in the same quarter of 2012 (Q3, 2012). PBT of the reporting quarter decreased to RM1.48 million mainly due to the completion of Accelerated Skills Enhancement Training ("ASET") programme worth RM26.60 million for one year contract and 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 29% to RM34.95 million for the cumulative Q3, 2013 compared to the previous year's corresponding cumulative quarter. PBT for the cumulative quarter of RM4.02 million compared with the PBT for the previous year's corresponding cumulative quarter of RM8.98 million. The decreased in revenue and PBT are mainly due to the completion of ASET programme worth RM26.60 million for one year contract and increased in the scheduled expenses as per the contract for English Language Teaching ("ELT") project.

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 RM0.49million for the current quarter against RM1.20 million in the immediate preceding quarter mainly resulted from lower operational expenses for the quarter under review.

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 30.09.2013 RM'000	Cumulative Quarter 30.09.2013 RM'000
Income tax		
Current tax	194	517
(Over) / under provision of tax in prior year	436	339
Deferred tax liabilities	-	2
	<u>630</u>	<u>858</u>

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

	30.09.2013 RM'000
Secured short -term	
Overdraft	-
Hire purchase payables	1,382
Lease assets payables	62
Secured long -term	
Hire purchase payables	858
Lease assets payables	-
Total borrowings	2,302

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	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
Profit attributable to ordinary equity holders of the parent (RM'000)	1,053	3,024	3,166	8,669
Weighted average no. of ordinary shares of RM 0.10 each ('000)	192,505	171,208	191,915	164,075
Basic profit per ordinary shares (sen)	0.547 1.766 1.650 5.284			

(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	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
Profit attributable to ordinary equity holders of the parent (RM'000)	1,053	3,024	3,166	8,669
Weighted average no. of ordinary shares of RM 0.10 each ('000)	192,505	171,208	191,915	164,075
Effect of dilution for ESOS ('000)	1,548	1,775	1,548	1,775
Adjusted weighted average number of ordinary shares in issue and issuable	194,053 172,983 193,463 165,850			
Diluted earnings per shares (sen)	0.543 1.748 1.637 5.227			

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 30 September 2013 are as follows:-

	As at 30.09.2013 RM'000	As at 31.12.2012 RM'000
Total retained profits of the Company and its subsidiaries:		Audited
- Realised	24,395	22,685
- Unrealised	(472)	(1,015)
Total group retained profits as per consolidated accounts	<u>23,923</u>	<u>21,670</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 as at 30.09.2013 RM'000	Amount unutilised RM'000
- Business Expansion Opportunities	4,225	2,724	1,501
- Estimated expenses for the Proposed Private Placement	130	72	58
Total	4,355	2,796	1,559

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