



**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE FIRST QUARTER  
ENDED 31 MARCH 2015**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	3 MONTHS PERIOD ENDED		3 MONTHS PERIOD ENDED		
	Note	31 MARCH 2015	31 MARCH 2014	31 MARCH 2015	31 MARCH 2014
			Unaudited	Unaudited	
	RM	RM	RM	RM	
Revenue	29,126,909	23,253,039	29,126,909	23,253,039	
Cost of sales	(18,492,430)	(12,819,082)	(18,492,430)	(12,819,082)	
Gross Profit	10,634,479	10,433,957	10,634,479	10,433,957	
Other operating income	689,905	92,179	689,905	92,179	
Administrative expenses	(8,624,298)	(7,886,864)	(8,624,298)	(7,886,864)	
Profit from operations	2,700,086	2,639,272	2,700,086	2,639,272	
Share of results of associate	(53,667)	-	(53,667)	-	
Profit before interest and income tax	2,646,419	2,639,272	2,646,419	2,639,272	
Finance costs	(427,120)	(323,010)	(427,120)	(323,010)	
Profit before income tax	2,219,299	2,316,262	2,219,299	2,316,262	
Income tax expenses	(1,434,466)	(313,424)	(1,434,466)	(313,424)	
Profit for the period	784,833	2,002,838	784,833	2,002,838	
Profit attributable to:					
Equity Holders of the Parent	788,886	1,304,997	788,886	1,304,997	
Non controlling interest	(4,053)	697,841	(4,053)	697,841	
	784,833	2,002,838	784,833	2,002,838	
Earnings per share attributable to					
Equity Holders of the Parent					
- Basic (sen)	B9	0.33	0.67	0.33	0.67
- Diluted (sen)	B9	0.25	0.66	0.25	0.66

*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 2014.

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE FIRST QUARTER  
ENDED 31 MARCH 2015**

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

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		3 MONTHS PERIOD ENDED		3 MONTHS PERIOD ENDED	
		31 MARCH 2015	31 MARCH 2014	31 MARCH 2015	31 MARCH 2014
		RM	RM	Unaudited RM	Unaudited RM
Profit for the period		784,833	2,002,838	784,833	2,002,838
<b>OTHER COMPREHENSIVE INCOME</b>					
Exchange difference arising on translation of foreign operations		178,669	(248,065)	178,669	(248,065)
Amortisation of revaluation reserve		(11,635)	(11,872)	(11,635)	(11,872)
Other comprehensive income, net of tax		167,034	(259,937)	167,034	(259,937)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>951,867</b>	<b>1,742,901</b>	<b>951,867</b>	<b>1,742,901</b>
Total comprehensive income attributable to:					
Equity Holders of the Parent		955,920	1,045,060	955,920	1,045,060
Non controlling interest		(4,053)	697,841	(4,053)	697,841
		<b>951,867</b>	<b>1,742,901</b>	<b>951,867</b>	<b>1,742,901</b>

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE FIRST QUARTER  
ENDED 31 MARCH 2015**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<i>Unaudited</i>	<i>Audited</i>
	<b>31 MARCH 2015</b>	<b>31 DECEMBER 2014</b>
	RM	RM
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant & equipment	8,462,935	8,937,135
Goodwill on consolidation	15,033,947	15,033,946
Intangible assets	12,302,954	21,077,379
Investment in associate	51,846,460	-
Development costs	8,038,008	-
	<u>95,684,304</u>	<u>45,048,460</u>
<b>CURRENT ASSETS</b>		
Inventories	-	33,659
Trade receivables	60,223,297	46,724,394
Other receivables, prepayments & deposits	15,255,992	7,444,187
Deferred tax assets	769,349	769,349
Tax recoverable	671,614	789,181
Deposits placed with licensed bank	3,270,666	2,079,148
Cash and bank balances	10,233,341	16,923,316
	<u>90,424,259</u>	<u>74,763,234</u>
<b>TOTAL ASSETS</b>	<b><u>186,108,563</u></b>	<b><u>119,811,694</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>		
Share capital	25,880,235	23,517,495
Share premium	30,438,185	21,256,938
Treasury Shares	(2,388,091)	(2,376,144)
Foreign currency translation reserve	1,563,625	1,384,956
Revaluation reserve	2,315,253	2,326,888
Legal Reserve	203,809	203,809
Share-based payment reserved	42,869	44,930
Retained profits	33,357,384	32,556,863
	<u>91,413,269</u>	<u>78,915,735</u>
Non controlling interest	127,788	131,841
<b>TOTAL EQUITY</b>	<b><u>91,541,057</u></b>	<b><u>79,047,576</u></b>
<b>NON-CURRENT LIABILITIES</b>		
Hire purchase payables	587,611	643,824
Term Loan	46,438,800	15,559,800
Deferred tax liabilities	26,113	25,415
	<u>47,052,524</u>	<u>16,229,039</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	341,522	1,250,498
Other payables and accruals	30,082,295	13,464,748
Hire purchase payables	252,413	364,097
Term Loan	9,348,000	5,196,000
Tax payables	5,378,639	4,259,736
Bank overdrafts - secured	2,112,113	-
	<u>47,514,982</u>	<u>24,535,079</u>
<b>TOTAL LIABILITIES</b>	<b><u>94,567,506</u></b>	<b><u>40,764,118</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>186,108,563</u></b>	<b><u>119,811,694</u></b>
Number of ordinary shares at RM0.10 sen par each	258,802,353	235,174,953
Net Assets per share attributable to ordinary equity holders of the Company (sen)	<u>35.3</u>	<u>33.6</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 2014.

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE FIRST QUARTER  
ENDED 31 MARCH 2015**

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

	Attributable to Equity Holders of the Company							Retained Profits	Sub-total	Non Controlling Interest	Total Equity
	Share Capital	Share Premium	Share Based Payment Reserved	Treasury Shares	Foreign Currency Translation Reserve	Revaluation Reserve	Legal Reserve				
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Current period-to-date ended 31 MARCH 2015</b>											
As at 1 January 2015	23,517,495	21,256,938	44,930	(2,376,144)	1,384,956	2,326,888	203,809	32,556,863	78,915,735	131,841	79,047,576
Issuance of shares pursuant to :-											
- Private Placement	2,352,740	9,175,686	-	-	-	-	-	-	11,528,426	-	11,528,426
- ESOS	10,000	3,500	-	-	-	-	-	-	13,500	-	13,500
Profit for the period	-	-	-	-	-	-	-	788,886	788,886	(4,053)	784,833
Other Comprehensive income for the period	-	-	-	-	178,669	(11,635)	-	-	167,034	-	167,034
Total comprehensive income for the period	-	-	-	-	178,669	(11,635)	-	788,886	955,920	(4,053)	951,867
Amortisation of revaluation reserve	-	-	-	-	-	-	-	11,635	11,635	-	11,635
Exercised of ESOS	-	2,061	(2,061)	-	-	-	-	-	-	-	-
Shares-Buy back	-	-	-	(11,947)	-	-	-	-	(11,947)	-	(11,947)
Balance at the end of period	25,880,235	30,438,185	42,869	(2,388,091)	1,563,625	2,315,253	203,809	33,357,384	91,413,269	127,788	91,541,057
<b>Corresponding period-to-date ended 31 MARCH 2014</b>											
As at 1 January 2014	19,478,141	9,027,702	376,620	(1,485,130)	733,968	2,374,375	203,809	28,972,561	59,682,046	124,826	59,806,872
Issuance of shares pursuant to:-											
- Private Placement	-	-	-	-	-	-	-	-	-	-	-
- ESOS	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	1,304,997	1,304,997	697,841	2,002,838
Other Comprehensive income for the period	-	-	-	-	(248,065)	(11,872)	-	-	(259,937)	-	(259,937)
Total comprehensive income for the period	-	-	-	-	(248,065)	(11,872)	-	1,304,997	1,045,060	697,841	1,742,901
Amortisation of revaluation reserve	-	-	-	-	-	-	-	11,872	11,872	-	11,872
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	3,803,661	3,803,661
Shares-Buy back	-	-	-	(1,125)	-	-	-	-	(1,125)	-	(1,125)
Exercised of ESOS	27,248	14,886	(5,350)	-	-	-	-	-	36,784	-	36,784
Balance at the end of period	19,505,389	9,042,588	371,270	(1,486,255)	485,903	2,362,503	203,809	30,289,430	60,774,637	4,626,328	65,400,965

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 2014.

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2015**
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
(THE FIGURES HAVE NOT BEEN AUDITED)**

	CURRENT PERIOD ENDED 31 MARCH 2015	Notes	CORRESPONDING PERIOD ENDED 31 MARCH 2014
	RM		RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax	2,219,299		2,316,262
Adjustments for:			
Depreciation	828,996		1,086,358
Amortisation of intangible assets	736,417		567,367
Interest Income	(20,609)		(4,734)
Interest expenses	427,120		323,010
Share of result of associate	53,667		-
Loss / (gain) on Disposal PPE	(55,000)		-
Effects of foreign exchange rate changes	125,952		(247,045)
Operating profit before working capital changes	4,315,842		4,041,218
Changes in working capital			
Receivables	(21,138,473)		(1,769,815)
Payables	15,906,997		5,769,155
Inventories	33,659		(16,200)
Cash (used in) / generated from operations	(881,975)		8,024,358
Tax paid	(515,183)		(786,774)
Interest expenses	(8,930)		(942)
Interest received	20,609		4,734
<b>Net cash generated from / (used in) operating activities</b>	<b>(1,385,479)</b>		<b>7,241,376</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	(344,409)		(111,160)
Purchase of shares in associate	(51,900,127)		-
Deposit held as security	(39,857)		(890,914)
Net Cash inflow on investment in subsidiary	-		(13,022,977)
Proceeds from disposal of property, plant & equipment	55,000		-
Addition of development cost	-		(855,688)
<b>Net cash generated from / (used in) investing activities</b>	<b>(52,229,393)</b>		<b>(14,880,739)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds on issuance of shares capital	2,362,740		27,248
Premium on issuance of shares capital	9,179,186		9,537
Term loan facilities	36,330,000		14,921,156
Share buy back	(11,947)		(1,125)
Repayment of hire purchase payables	(178,344)		(401,505)
Repayment of term loan	(1,299,000)		(624,400)
Interest paid	(418,190)		(322,068)
<b>Net cash generated from / (used in) financing activities</b>	<b>45,964,445</b>		<b>13,608,843</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(7,650,427)</b>		<b>5,969,480</b>
Foreign exchange translation differences			-
Opening balance of cash and cash equivalents	16,923,316		3,185,199
<b>Closing balance of cash and cash equivalents</b>	<b>9,272,889</b>		<b>9,154,679</b>
<b>Cash and cash equivalents</b>			
Fixed deposits with licensed bank	3,270,666		3,946,593
Cash and bank balances	10,233,341		8,741,413
Overdraft	(2,112,113)		(1,814,161)
	11,391,894		10,873,845
Less: Deposits held as security	(2,119,005)		(1,719,166)
<b>Closing balance of cash and cash equivalents</b>	<b>9,272,889</b>		<b>9,154,679</b>

**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 2014.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2015

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

**A1 Basis of Preparation**

- a) These interim financial statements of SMRT Holdings 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 Reporting 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 2014. 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 2014.

**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 2014 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 2015 as disclosed below: -

Amendments/Improvements to MFRSs

MFRS 10	Consolidated Financial Statements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 127	Separate Financial Statements
MFRS 132	Financial Instruments: Presentations
MFRS 136	Impairment of Assets
MFRS 139	Financial Instruments: Recognition and Measurement

New IC Interpretations ("IC Int")

IC Int 21	Levies
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The adoption of the above amendments / improvements to MFRSs and new IC Int do not have any significant effect on the financial statements of the Group and Company.

**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 2014 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 100,000 new ordinary shares of RM0.10 each at exercise price of RM0.135 pursuant to the Employee Shares Option Scheme ("ESOS").
- b) On 20 March 2015, the Company had completed the Private Placement for 23,527,400 new ordinary shares of RM0.10 each, representing approximately 10% of the issued and paid up share capital of the Company to various companies at an issue price of RM0.49 each ("Private Placement").

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 '000	Capital RM '000	Share Premium RM '000	Total RM '000
As at January 2015	235,175		23,517	21,257	44,774
Issuance of shares via Private Placement	23,527		2,353	9,176	11,529
Issuance of shares via ESOS	100		10	3	13
Transfer of ESOS reserved upon exercised of ESOS	-		-	2	2
Conversion of Warrants to Ordinary Shares	-		-	-	-
As at 31 March 2015	<b>258,802</b>		<b>25,880</b>	<b>30,438</b>	<b>56,318</b>

- d) During the current quarter under review, the Company has repurchased 23,300 of its issued shares capital from the open market. The average price paid for the shares repurchased was RM0.5128 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	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
<b>Segment revenue</b>				
- Technology & implementation services	682	1,570	682	1,570
- Consulting, training, others	12,806	9,105	12,806	9,105
- Education	16,332	13,478	16,332	13,478
- Investment holding & management services	-	-	-	-
Elimination of inter-segment sales	(693)	(900)	(693)	(900)
Total operations	29,127	23,253	29,127	23,253
<b>Segment Results</b>				
- Technology & implementation services	(1,128)	345	(1,128)	345
- Consulting, training, others	1,266	801	1,266	801
- Education	2,886	1,321	2,886	1,321
- Investment holding & management services	(1,529)	(464)	(1,529)	(464)
Consolidation adjustments	(710)	-	(710)	-
Profit after tax for total operations	785	2,003	785	2,003

**(b) Analysis by geographical areas**

Revenue	3 months ended 31 March 2015			
	Malaysia RM'000	Overseas RM'000	Elimi- nations RM'000	Conso- lidated RM'000
External sales	29,100	27	-	29,127
Inter-segment	493	200	(693)	-
Total	29,593	227	(693)	29,127

<b>Segment assets</b>	344,389	12,117	(170,397)	186,109
<b>Segment liabilities</b>	239,685	181	(145,298)	94,568
<b>Depreciation &amp; amortisation</b>	1,550	15	-	1,565

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

There is no material events subsequent to the end of current quarter under review.

**A11 Changes in the Composition of the Group**

- a) On 9 January 2015, the Company had announced that the acquisition of 2 ordinary shares of RM1.00 each in Vibrant Hallmark Sdn Bhd ("Vibrant Hallmark") representing the 100% equity interest in Vibrant Hallmark for a total cash consideration of RM2.00. On 9 February 2015, Vibrant Hallmark has changed its name to SMR Shared Services Sdn Bhd with effect from 5 February 2015 as stipulated in the Certificate of Incorporation on Change of Name of Company issued by the Companies Commission of Malaysia.
- b) On 9 January 2015, the Company had announced that the acquisition of 2 ordinary shares of RM1.00 each in Regalia Acres Sdn Bhd ("Regalia Acres") representing the 100% equity interest in Regalia Acres for a total cash consideration of RM2.00. On 9 February 2015, Regalia Acres has changed its name to SMR Management Sdn Bhd with effect from 5 February 2015 as stipulated in the Certificate of Incorporation on Change of Name of Company issued by the Companies Commission of Malaysia.
- c) On 16 February 2015, the Company had announced that the acquisition of 2 ordinary shares of RM1.00 each in Smartchrome Sdn Bhd ("Smartchrome") representing the 100% equity interest in Smartchrome for a total cash consideration of RM2.00. On 13 March 2015, Smartchrome has changed its name to SMR Global Links Sdn Bhd with effect from 12 March 2015 as stipulated in the Certificate of Incorporation on Change of Name of Company issued by the Companies Commission of Malaysia.
- d) On March 2015, the Company had announced that Statagic Ambience Sdn Bhd, a wholly-owned subsidiary of the Company have completed the acquisition of approximately 23% of the voting shares of Masterskill Education Group Berhad ("MEGB"). The purchase consideration for the Acquisition of approximately RM51.9 million was satisfied via external borrowings of approximately RM36.3 million, net proceeds from the Placement of approximately RM11.4 million and the remaining amount of approximately RM4.2 million via internally generated funds.

**A12 Contingent Liabilities or Contingent Assets**

As at 31.03.2015  
RM'000

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

15,799

**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 RM29.13 million with a profit before tax ("PBT") of RM2.22 million as compared to a revenue of RM23.25 million and PBT of RM2.32 million in the same corresponding quarter of last year (Q1, 2014). The increase in revenue was mainly due to higher revenue generated from the education segment. The improved revenue did not result in improved PBT due to lower Gross Profit Margin achieved for the current quarter under review.

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

The Group's PBT recorded an increase by RM1.73 million for the current quarter from RM0.49 million in the immediate preceding quarter (Q4, 2014). The increase in PBT from Q4 2014 was mainly due to one off corporate exercise expenses of approximately RM221,530 and impairment of goodwill of RM1.5mill incurred in the immediate preceding quarter.

**B3 Prospects for the current financial year**

The Group maintains a positive outlook on its performance for year 2015. The projects in Malaysia and Middle East have contributed positively to maintain the Group's profitable position. With the expansion to the education sector, the Group is confident that it can sustain its profitability and continual growth in the year 2015.

The Group has increasingly focused on the learning space - the Education sector as both the Malaysian government and the government in the countries that we focus on have high growth economies and they continue to invest heavily in education and workforce learning and development. With Malaysia's Economic Transformation Programme ("ETP") focusing on developing a high income nation and substantial investments in Education and Workforce development, the group is confident of the demand for its solutions in the learning space.

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**

	<b>Current Quarter 31.03.2015 RM'000</b>	<b>Cumulative Quarter 31.03.2015 RM'000</b>
Income tax		
Current	1,433	1,433
(Over) / under provision of tax in prior year	1	1
Deferred tax liabilities	-	-
	<u>1,434</u>	<u>1,434</u>

The income tax expenses were mainly due to provision of income tax expenses in education and training segments.

Management Made Easy Sdn Bhd, a wholly-owned subsidiary, was awarded Multimedia Super Corridor Statues ("MSC Status") on 15th July 2013 thereby making said subsidiary eligible for Pioneer Status for 100% tax exemption on its chargeable income for a period of five years which expire on 15th June 2018.

**B6 Status of corporate proposals announced but not yet completed**

There were no other corporate proposals announced but not yet completed as at the date of this quarterly report.

**B7 Group Borrowings and Debt Securities**

	<b>31.03.2015 RM'000</b>
<u>Secured short-term</u>	
Overdraft	2,112
Hire purchase payables	252
Term Loan	9,348
<u>Secured long-term</u>	
Hire purchase payables	588
Term Loan	46,439
Total borrowings	<u>58,739</u>

All borrowings are denominated in Ringgit Malaysia.

**B8 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.

**B9 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	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary equity holders of the parent (RM'000)	789	1,305	789	1,305
	<b>Number of Shares</b>		<b>Number of Shares</b>	
	<b>Unit ('000)</b>	<b>Unit ('000)</b>	<b>Unit ('000)</b>	<b>Unit ('000)</b>
Weighted average number of ordinary shares in issue				
As at 1st January	235,175	194,781	235,175	194,781
Add: Effect of issuance of shares	4,269	191	4,269	191
Less: Effect of treasury shares held	(5)	-	(5)	-
As 31st March	239,439	194,972	239,439	194,972
<b>Basic profit per ordinary shares (sen)</b>	<b>0.330</b>	<b>0.669</b>	<b>0.330</b>	<b>0.669</b>

**(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	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary equity holders of the parent (RM'000)	789	1,305	789	1,305
	<b>Number of Shares</b>		<b>Number of Shares</b>	
	<b>Unit ('000)</b>	<b>Unit ('000)</b>	<b>Unit ('000)</b>	<b>Unit ('000)</b>
Weighted average no. of ordinary shares in issue	239,439	194,972	239,439	194,972
Effect of dilution for :-				
ESOS	1,087	1,460	1,087	1,460
Warrants	74,459	-	74,459	-
Adjusted weighted average number of ordinary shares in issue and issuable	314,985	196,432	314,985	196,432
Diluted earnings per shares (sen)	0.250	0.664	0.250	0.664

**B10 Proposed Dividend**

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

**B11 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 December 2014 are as follows:-

	As at	As at
	31.03.2015	31.12.2014
	RM'000	RM'000
Total retained profits of the Company and its subsidiaries:		Audited
- Realised	43,587	43,310
- Unrealised	(422)	(480)
Less: Consolidated adjustments	(9,808)	(10,273)
Total group retained profits as per consolidated accounts	33,357	32,557

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.

**B12 Operating Profit**

	3 months ended		Year-to-date	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Operating profit has been arrived at after charging:-				
Amortisation of developments cost	736	567	736	567
Depreciation of property, plant and equipment	829	1,087	829	1,087
Interest expenses	427	323	427	323
Realised loss on foreign exchange	29	-	29	-
After crediting:-				
Gain on disposal of property, plant and equipment	50	-	50	-
Interest Income	21	5	21	5
Rental Income	60	75	60	75
Realised gain on foreign exchange	-	10	-	10
Unrealised gain on foreign exchange	57	126	57	126

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

**B13 Status of Utilisation of Proceeds from Private Placement**

a) Details of Utilisation	Utilisation as at
	31.03.2015 RM'000
Proceeds from Private Placement dated 8 July 2014	12,538
a) Working Capital	5,853
b) Bank Borrowing	4,108
c) Estimated expenses for the Proposed Private Placement	156
Total	10,117

The amount is expected to be utilised within 12 months from the date of the completion of the Private Placement, being 9 July 2015.

b) Details of Utilisation	Utilisation as at
	31.03.2015 RM'000
Proceeds from Private Placement dated 20 March 2015	11,528
a) Part-finance the Proposed Acquisition of MEGB	11,355
b) Estimated expenses for the Proposed Private Placement	173
Total	11,528

The net proceeds amount from Placement of RM11,355 million used as purchase consideration of MEGB.