

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE SECOND QUARTER
ENDED 30 JUNE 2015**

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	3 MONTHS PERIOD ENDED		6 MONTHS PERIOD ENDED		
	Note	30 JUNE 2015	30 JUNE 2014	30 JUNE 2015	30 JUNE 2014
	RM	RM	Unaudited RM	Unaudited RM	
Revenue	25,915,976	29,843,334	55,042,885	53,096,373	
Cost of sales	(15,668,767)	(16,949,668)	(34,161,197)	(29,768,750)	
Gross Profit	10,247,209	12,893,666	20,881,688	23,327,623	
Other operating income	1,179,793	114,930	2,903,781	207,109	
Administrative expenses	(9,736,702)	(7,887,406)	(19,395,083)	(15,774,270)	
Profit from operations	1,690,300	5,121,190	4,390,386	7,760,462	
Share of results of associate	(1,391,266)	-	(1,444,933)	-	
Profit before interest and taxation	299,034	5,121,190	2,945,453	7,760,462	
Finance costs	(1,350,790)	(363,086)	(1,777,910)	(686,096)	
(Loss)/Profit before taxation	(1,051,756)	4,758,104	1,167,543	7,074,366	
Taxation	(1,280,014)	(1,630,801)	(2,714,480)	(1,944,225)	
(Loss)/Profit for the period	(2,331,770)	3,127,303	(1,546,937)	5,130,141	
(Loss)/Profit attributable to:					
Owners of the Company	(2,332,812)	2,655,834	(1,543,926)	3,960,831	
Non-controlling interests	1,042	471,469	(3,011)	1,169,310	
	(2,331,770)	3,127,303	(1,546,937)	5,130,141	
(Loss)/Earnings per share attributable to Owner of the Company					
- Basic (sen)	B9	(0.97)	1.34	(0.62)	2.01
- Diluted (sen)	B9	(0.92)	1.33	(0.59)	2.01

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 SECOND QUARTER
ENDED 30 JUNE 2015**

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(THE FIGURES HAVE NOT BEEN AUDITED)

Note	INDIVIDUAL QUARTER 3 MONTHS PERIOD ENDED		CUMULATIVE QUARTER 6 MONTHS PERIOD ENDED	
	30 JUNE 2015	30 JUNE 2014	30 JUNE 2015	30 JUNE 2014
	RM	RM	Unaudited RM	Unaudited RM
(Loss)/Profit for the period	(2,331,770)	3,127,303	(1,546,937)	5,130,141
OTHER COMPREHENSIVE INCOME				
Exchange difference arising on translation of foreign operations	(104,172)	42,428	74,497	(205,637)
Amortisation of revaluation reserve	(11,634)	(11,871)	(23,269)	(23,744)
Other comprehensive (loss)/income, net of tax	(115,806)	30,557	51,228	(229,381)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	(2,447,576)	3,157,860	(1,495,709)	4,900,760
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(2,448,618)	2,686,391	(1,492,698)	3,731,450
Non-controlling interests	1,042	471,469	(3,011)	1,169,310
	(2,447,576)	3,157,860	(1,495,709)	4,900,760

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE SECOND QUARTER
ENDED 30 JUNE 2015**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Unaudited</i> 30 JUNE 2015	<i>Audited</i> 31 DECEMBER 2014
	RM	RM
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	8,116,207	8,937,135
Investment in associate	50,455,194	-
Goodwill on consolidation	15,033,946	15,033,946
Intangible assets	19,649,045	21,077,379
	<u>93,254,392</u>	<u>45,048,460</u>
CURRENT ASSETS		
Inventories	26,673	33,659
Trade and other receivables	58,722,175	54,168,581
Deferred tax assets	769,349	769,349
Tax recoverable	565,364	789,181
Deposits placed with licensed banks	3,756,440	2,079,148
Cash and bank balances	3,376,385	16,923,316
	<u>67,216,386</u>	<u>74,763,234</u>
TOTAL ASSETS	<u>160,470,778</u>	<u>119,811,694</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	26,029,469	23,517,495
Share premium	30,546,805	21,256,938
Treasury shares	(2,429,851)	(2,376,144)
Share based payment reserve	-	44,930
Revaluation reserve	2,303,619	2,326,888
Foreign currency translation reserve	1,459,453	1,384,956
Statutory reserve	203,809	203,809
Retained profits	31,036,210	32,556,863
	<u>89,149,514</u>	<u>78,915,735</u>
Non-controlling interests	128,830	131,841
TOTAL EQUITY	<u>89,278,344</u>	<u>79,047,576</u>
NON-CURRENT LIABILITIES		
Loans and borrowings	44,643,800	16,203,624
Deferred tax liabilities	26,111	25,415
	<u>44,669,911</u>	<u>16,229,039</u>
CURRENT LIABILITIES		
Trade and other payables	8,815,532	14,715,246
Loans and borrowings	9,579,463	5,560,097
Tax payables	5,937,763	4,259,736
Overdrafts - secured	2,189,765	-
	<u>26,522,523</u>	<u>24,535,079</u>
TOTAL LIABILITIES	<u>71,192,434</u>	<u>40,764,118</u>
TOTAL EQUITY AND LIABILITIES	<u>160,470,778</u>	<u>119,811,694</u>
Number of ordinary shares at RM0.10 sen par each	260,294,686	235,174,953
Net assets per share attributable to owners of the Company (sen)	<u>34.2</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 SECOND QUARTER
ENDED 30 JUNE 2015**

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

	Non-Distributable							Distributable		Non Controlling Interests	Total Equity
	Share Capital	Share Premium	Share Based Payment Reserve	Treasury Shares	Foreign Currency Translation Reserve	Revaluation Reserve	Statutory Reserve	Retained Profits	Sub-total		
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Current period-to-date ended 30 JUNE 2015											
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 exercised	159,234	114,181	(44,926)	-	-	-	-	-	228,489	-	228,489
(Loss)/Profit for the period	-	-	-	-	-	-	-	(1,543,926)	(1,543,926)	(3,011)	(1,546,937)
Other Comprehensive income for the period	-	-	-	-	74,497	(23,269)	-	-	51,228	-	51,228
Total comprehensive (loss)/income for the period	-	-	-	-	74,497	(23,269)	-	(1,543,926)	(1,492,698)	(3,011)	(1,495,709)
Amortisation of revaluation reserve	-	-	-	-	-	-	-	23,269	23,269	-	23,269
Forfeiture of ESOS	-	-	(4)	-	-	-	-	4	-	-	-
Shares-Buy back	-	-	-	(53,707)	-	-	-	-	(53,707)	-	(53,707)
Balance as at 30 June 2015	26,029,469	30,546,805	-	(2,429,851)	1,459,453	2,303,619	203,809	31,036,210	89,149,514	128,830	89,278,344
Corresponding period-to-date ended 30 JUNE 2014											
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	811,318	631,278	(284,736)	-	-	-	-	-	1,157,860	-	1,157,860
- Warrants converted	99,206	79,365	-	-	-	-	-	-	178,571	-	178,571
Profit for the period	-	-	-	-	-	-	-	3,960,831	3,960,831	1,169,310	5,130,141
Other comprehensive income for the period	-	-	-	-	(205,637)	(23,744)	-	-	(229,381)	-	(229,381)
Total comprehensive income for the period	-	-	-	-	(205,637)	(23,744)	-	3,960,831	3,731,450	1,169,310	4,900,760
Amortisation of revaluation reserve	-	-	-	-	-	-	-	23,744	23,744	-	23,744
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	3,803,662	3,803,662
Shares-Buy back	-	-	-	(1,125)	-	-	-	-	(1,125)	-	(1,125)
Balance as at 30 June 2014	20,388,665	9,738,345	91,884	(1,486,255)	528,331	2,350,631	203,809	32,957,136	64,772,546	5,097,798	69,870,344

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 SECOND QUARTER ENDED 30 JUNE 2015
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
(THE FIGURES HAVE NOT BEEN AUDITED)**

	CURRENT PERIOD ENDED 30 JUNE 2015	CORRESPONDING PERIOD ENDED 30 JUNE 2014
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,167,543	7,074,366
Adjustments for:		
Depreciation	1,567,918	2,178,813
Amortisation of intangible assets	1,428,334	1,136,584
Amortisation of other receivables no longer required	-	(137,898)
Interest income	(57,364)	(23,146)
Interest expenses	1,477,544	686,096
Share of result of associate	1,444,933	-
Loss/(gain) on disposal property, plant and equipment	(39,295)	-
Property, plant and equipment written off	202,699	-
Unrealised foreign exchange (gain)/loss	(8,834)	(139,806)
Operating profit before working capital changes	<u>7,183,478</u>	<u>10,775,009</u>
Changes in working capital		
Receivables	(4,447,048)	10,317,618
Payables	(5,899,731)	(8,762,777)
Inventories	6,986	212
Cash (used in)/generated from operations	<u>(3,156,315)</u>	<u>12,330,062</u>
Tax paid	(937,033)	(1,439,277)
Tax refund	116,863	-
Interest paid	(37,799)	(53,466)
Interest received	37,039	23,146
Net cash generated from/(used in) operating activities	<u>(3,977,245)</u>	<u>10,860,465</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(978,555)	(467,554)
Purchase of shares in associate	(51,900,127)	-
Deposit held as security	(59,857)	(824,915)
Net cash inflow on investment in subsidiary	-	(24,271,735)
Proceeds from disposal of property, plant & equipment	68,161	-
Addition of development cost	-	(855,688)
Net cash generated from/(used in) investing activities	<u>(52,870,378)</u>	<u>(26,419,892)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on issuance of shares capital	11,756,915	1,336,433
Term loan withdrawn	36,330,000	17,840,000
Purchase of treasury shares	(53,707)	(1,125)
Repayment of hire purchase payables	(234,458)	(609,768)
Repayment of term loan	(3,636,000)	(1,799,200)
Interest paid	(1,439,745)	(632,630)
Net cash generated from/(used in) financing activities	<u>42,723,005</u>	<u>16,133,710</u>
Net increase/(decrease) in cash and cash equivalents	(14,124,618)	574,283
Effect of foreign exchange rate change	5,357	8,600
Opening balance of cash and cash equivalents	16,923,316	3,185,199
Closing balance of cash and cash equivalents	<u>2,804,055</u>	<u>3,768,082</u>
Cash and cash equivalents		
Fixed deposits with licensed bank	3,756,440	1,653,167
Cash and bank balances	3,376,385	4,751,777
Overdraft	(2,189,765)	(983,695)
	<u>4,943,060</u>	<u>5,421,249</u>
Less: Deposits held as security	(2,139,005)	(1,653,167)
Closing balance of cash and cash equivalents	<u>2,804,055</u>	<u>3,768,082</u>

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 SECOND QUARTER ENDED 30 JUNE 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 Standards Board ("MASB") and Appendix 9B of the Bursa Malaysia Securities Berhad's ("Bursa Securities") ACE Market Listing Requirements ("AMLR").

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 to MFRS 119	Defined Benefit Plans: Employee Contributions
Annual Improvements to MFRSs	2010 - 2012 Cycle
Annual Improvements to MFRSs	2011 - 2013 Cycle

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 quarter under review, the Company issued additional 1,492,333 new ordinary shares of RM0.10 each at an average exercise price of RM0.144 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 for the current quarter under review are as follows:-

	No. of shares Issued and fully paid up ordinary '000	Share Capital RM '000	Share Premium RM '000	Total RM '000
As at 1 April 2015	258,802	25,880	30,438	56,318
Issuance of shares via Private Placement	-	-	-	-
Issuance of shares via ESOS	1,492	149	66	215
Transfer of ESOS reserved upon exercised of ESOS	-	-	43	43
Conversion of Warrants to Ordinary Shares	-	-	-	-
As at 30 June 2015	260,294	26,029	30,547	56,576

b) During the current quarter under review, the Company has repurchased 95,100 of its issued shares capital from the open market. The average price paid for the shares repurchased was RM0.44 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 current 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**

	Education RM'000	Training RM'000	Technology RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
6 Months Ended 30 June 15						
Revenue						
External customers	32,262	22,562	148	71	-	55,043
Inter-company sales	-	1,048	939	66	(2,053)	-
Dividend income	7,381	-	-	4,450	(11,831)	-
	<u>39,643</u>	<u>23,610</u>	<u>1,087</u>	<u>4,587</u>	<u>(13,884)</u>	<u>55,043</u>
Results:						
Interest income	1	-	20	36	-	57
Interest expenses	(1,170)	(34)	(28)	(246)	-	(1,478)
Depreciation	(795)	(700)	(76)	-	3	(1,568)
Amortisation	(322)	-	(1,106)	-	-	(1,428)
Unallocated expenses	13,068	4,135	(17)	1,816	(11,818)	7,184
Other non cash expenses	39	61	(771)	3	513	(155)
Operating profit	<u>10,821</u>	<u>3,462</u>	<u>(1,978)</u>	<u>1,609</u>	<u>(11,302)</u>	<u>2,612</u>
Share of results of associate	(1,445)	-	-	-	-	(1,445)
Profit before tax	<u>9,376</u>	<u>3,462</u>	<u>(1,978)</u>	<u>1,609</u>	<u>(11,302)</u>	<u>1,167</u>
Income tax expense	(1,781)	(786)	(147)	-	-	(2,714)
Segment profit/(loss)	<u>7,595</u>	<u>2,676</u>	<u>(2,125)</u>	<u>1,609</u>	<u>(11,302)</u>	<u>(1,547)</u>

(b) Analysis by geographical areas

	6 months ended 30 June 2015			
	Malaysia RM'000	Overseas RM'000	Elimi- nations RM'000	Conso- lidated RM'000
Revenue				
External sales	54,862	181	-	55,043
Inter-segment	1,864	189	(2,053)	-
Total	<u>56,726</u>	<u>370</u>	<u>(2,053)</u>	<u>55,043</u>

	3 months ended 30 June 2015			
	Malaysia RM'000	Overseas RM'000	Elimi- nations RM'000	Conso- lidated RM'000
Revenue				
External sales	25,762	154	-	25,916
Inter-segment	1,371	(11)	(1,360)	-
Total	<u>27,133</u>	<u>143</u>	<u>(1,360)</u>	<u>25,916</u>

Segment assets	333,666	10,888	(184,083)	160,471
Segment liabilities	219,592	187	(148,587)	71,192
Depreciation & amortisation	2,973	23	-	2,996

A10 Material Events Subsequent to the End of the Current Quarter

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

A11 Changes in the Composition of the Group

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

A12 Contingent Liabilities or Contingent Assets

**As at 30.06.2015
RM'000**

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

69,221

A13 Capital Commitments

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

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

B1 Review of Performance

Current quarter compared to preceding year's corresponding quarter

The Group reported a lower revenue of RM25.9 million for the current quarter under review as compared to the preceding year's corresponding quarter (Q2, 2014) of RM29.8 million. However, the Group recorded a loss before taxation ("LBT") of RM1.2 million as compared to a profit before taxation ("PBT") of RM4.8 million in Q2, 2014 mainly due to share of loss from associate of RM1.4 million, higher finance costs as a result of acquisition and lower revenue generated from technology segment during the current quarter under review.

The education segment recorded a higher revenue of RM15.9 mil for the current quarter as compared to Q2, 2014 of RM13.8 mil. This segment reported a loss after taxation of RM1.7 mil for the current quarter as compared to a profit after taxation of RM2.4 mil in Q2, 2014 mainly due to share of loss from associate of RM1.4 mil, higher finance costs and professional fees incurred for acquisition.

The training segment recorded a lower revenue of RM10.8 mil for the current quarter as compared to Q2, 2014 of RM13.1 mil. The profit after taxation has decreased from RM1.8 mil in Q2, 2014 to RM1.3 million for the current quarter under review mainly due to lower revenue generated during the current quarter under review.

The technology segment recorded a significant lower revenue of RM0.4 mil for the current quarter as compared to RM2.9 mil in Q2, 2014. Hence, this business segment recorded a loss after taxation of RM1.0 mil as compared to a profit after taxation of RM1.3 mil in Q2, 2014. This is mainly due to lower contract secured for the current quarter.

B2 Material Change in Profit Before Tax for the Current Quarter as Compared with the Immediate Preceding Quarter

The Group recorded an overall LBT of RM1.2 million as compared to PBT of RM2.2 million in the immediate preceding quarter (Q1, 2015). The poor financial results are mainly attributable from the lower revenue contribution from technology segment, share of loss from associate for a full quarter of RM1.4 million, higher operating expenses and finance costs.

The education segment recorded a slightly lower revenue of RM15.9 mil for the current quarter as compared to Q1, 2015 of RM16.3 mil. This segment reported a loss after taxation of RM1.7 mil for the current quarter as compared to a profit after taxation of RM1.9 mil in Q1, 2015 mainly due to share of loss from associate for a full quarter of RM1.4 mil, higher finance costs and professional fees incurred for acquisition.

The training segment recorded a lower revenue of RM10.8 mil for the current quarter as compared to Q1, 2015 of RM12.8 mil. The profit after taxation for the current quarter is consistent with Q1, 2015 of RM1.3 million.

The technology segment recorded a lower revenue of RM0.4 mil for the current quarter as compared to RM0.7 mil in Q1, 2015. There is no significant change in the loss after taxation for the current quarter (RM1.0 mil) as compared to Q1, 2015 of RM1.1 mil.

B3 Prospects for the Current Financial Year

The Group's outlook for the year remain challenging due to softening of the business conditions and competitive landscape. Despite the challenging environment, the Group's strategy remains unchanged and the Group continues to focus 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.

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 under review.

B5 Income Tax Expenses

	Current Quarter 30.06.2015 RM'000	Cumulative Quarter 30.06.2015 RM'000
Income tax		
Current	1,280	2,713
(Over)/Under provision of tax in prior year	-	1
Deferred tax liabilities	-	-
	1,280	2,714

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 Status ("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 Corporate Proposal

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

	30.06.2015
	RM'000
<u>Secured short -term</u>	
Overdraft	2,190
Hire purchase payables	231
Term Loan	9,348
<u>Secured long -term</u>	
Hire purchase payables	542
Term Loan	44,102
Total borrowings	<u>56,413</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

	Current Quarter Ended		Cumulative Year To Date	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit attributable to ordinary equity holders of the parent	(2,333)	2,656	(1,544)	3,961
	Number of Shares	Number of Shares	Number of Shares	Number of Shares
	Unit	Unit	Unit	Unit
	('000)	('000)	('000)	('000)
Weighted average number of ordinary shares in issue	239,439	195,021	235,175	194,781
As at 1st January/April				
Add: Effect of issuance of shares	685	3,646	14,216	2,072
Add: Effect of conversion of warrants	-	195	-	98
Less: Effect of treasury shares held	(48)	-	(38)	-
As 30th June	<u>240,076</u>	<u>198,862</u>	<u>249,353</u>	<u>196,951</u>
Basic (loss)/profit per ordinary shares (sen)	<u>(0.972)</u>	<u>1.336</u>	<u>(0.619)</u>	<u>2.011</u>

(b) Fully diluted earnings per share

Diluted earnings per share amounts are calculated by dividing the Group's profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period 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.

	30.06.2015	30.06.2014	30.06.2015	30.06.2014
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit attributable to ordinary equity holders of the parent (RM'000)	(2,333)	2,656	(1,544)	3,961
	Number of Shares	Number of Shares	Number of Shares	Number of Shares
	Unit	Unit	Unit	Unit
	('000)	('000)	('000)	('000)
Weighted average no. of ordinary shares in issue	240,076	198,862	249,353	196,951
Effect of dilution for :-				
ESOS	-	410	-	410
Warrants	13,584	-	13,584	-
Adjusted weighted average number of ordinary shares in issue and issuable	<u>253,660</u>	<u>199,272</u>	<u>262,937</u>	<u>197,361</u>
Diluted (loss)/earnings per shares (sen)	<u>(0.920)</u>	<u>1.333</u>	<u>(0.587)</u>	<u>2.007</u>

B10 Proposed Dividend

The is no proposed dividend has been declared for the current 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 30 June 2015 are as follows:-

	As at 30.06.2015 RM'000	As at 31.12.2014 RM'000 Audited
Total retained profits of the Company and its subsidiaries:		
- Realised	44,105	43,310
- Unrealised	(471)	(480)
Total share of retained profits/(losses) from associate company:		
- Realised	(1,445)	-
- Unrealised	-	-
Less: Consolidated adjustments	<u>(11,153)</u>	<u>(10,273)</u>
Total Group retained profits as per consolidated accounts	<u>31,036</u>	<u>32,557</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.

B12 Operating Profit

	3 months ended		Year-to-date	
	30.06.2015 RM'000	30.06.2014 RM'000	30.06.2015 RM'000	30.06.2014 RM'000
Operating profit has been arrived at after charging:-				
Amortisation of developments cost	689	510	1,428	1,077
Depreciation of property, plant and equipment	739	1,093	1,568	2,179
Interest expenses	1,051	363	1,478	686
Property, plant and equipment written off	203	-	203	-
Realised loss on foreign exchange	-	27	1	17
Unrealised loss on foreign exchange	48	-	-	-
	<hr/>			
After crediting:-				
Gain on disposal of property, plant and equipment	39	-	39	-
Interest Income	36	22	57	27
Rental Income	885	61	1,979	136
Realised gain on foreign exchange	28	-	-	-
Unrealised gain on foreign exchange	-	5	9	131
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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

As at 30 June 2015, the Group had fully utilised all the proceeds from private placements.

a) Details of Utilisation	Utilisation as at 30.06.2015 RM'000
Proceeds from Private Placement dated 8 July 2014	12,538
a) Working Capital	7,448
b) Bank Borrowing	4,920
c) Estimated expenses for the Proposed Private Placement	170
Total	12,538

b) Details of Utilisation	Utilisation as at 30.06.2015 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.