



QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2015

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 2015	30 SEPTEMBER 2014	30 SEPTEMBER 2015	30 SEPTEMBER 2014
	RM	RM	Unaudited RM	Unaudited RM	
Revenue	26,819,789	37,228,187	81,862,674	90,324,560	
Cost of sales	(21,803,892)	(24,884,234)	(55,965,089)	(57,087,022)	
Gross Profit	5,015,897	12,343,953	25,897,585	33,237,538	
Other operating income	1,446,812	576,153	4,350,593	783,262	
Administrative expenses	(9,076,008)	(7,997,455)	(28,471,091)	(21,337,687)	
Profit from operations	(2,613,299)	4,922,651	1,777,087	12,683,113	
Share of results of associate	(752,261)	-	(2,197,194)	-	
Profit before interest and taxation	(3,365,560)	4,922,651	(420,107)	12,683,113	
Finance costs	(690,994)	(349,475)	(2,468,904)	(1,035,571)	
(Loss)/Profit before taxation	(4,056,554)	4,573,176	(2,889,011)	11,647,542	
Taxation	(777,249)	(1,155,393)	(3,491,729)	(3,099,618)	
(Loss)/Profit for the period	(4,833,803)	3,417,783	(6,380,740)	8,547,924	
(Loss)/Profit attributable to:					
Owners of the Company	(4,833,308)	2,923,473	(6,377,234)	6,884,304	
Non-controlling interests	(495)	494,310	(3,506)	1,663,620	
	(4,833,803)	3,417,783	(6,380,740)	8,547,924	
(Loss)/Earnings per share attributable to Owner of the Company					
- Basic (sen)	B9	(1.91)	1.30	(2.52)	3.31
- Diluted (sen)	B9	(1.91)	1.30	(2.31)	3.31

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.



SMR
GROUP

website : <http://www.smrhub.com/>

SMRT HOLDINGS BERHAD (659523-T)

QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2015

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(THE FIGURES HAVE NOT BEEN AUDITED)

Note	INDIVIDUAL QUARTER 3 MONTHS PERIOD ENDED		CUMULATIVE QUARTER 9 MONTHS PERIOD ENDED	
	30 SEPTEMBER 2015	30 SEPTEMBER 2014	30 SEPTEMBER 2015	30 SEPTEMBER 2014
	RM	RM	Unaudited RM	Unaudited RM
(Loss)/Profit for the period	(4,833,803)	3,417,783	(6,380,740)	8,547,924
OTHER COMPREHENSIVE INCOME				
Exchange difference arising on translation of foreign operations	234,312	57,418	308,809	(148,219)
Amortisation of revaluation reserve	(11,635)	(11,872)	(34,904)	(35,616)
Other comprehensive (loss)/income, net of tax	222,677	45,546	273,905	(183,835)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	(4,611,126)	3,463,329	(6,106,835)	8,364,089
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(4,610,631)	2,969,019	(6,103,329)	6,700,469
Non-controlling interests	(495)	494,310	(3,506)	1,663,620
	(4,611,126)	3,463,329	(6,106,835)	8,364,089



QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2015

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Unaudited</i> 30 SEPTEMBER 2015	<i>Audited</i> 31 DECEMBER 2014
	RM	RM
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	7,288,201	8,937,135
Investment in associate	45,377,923	-
Goodwill on consolidation	15,033,946	15,033,946
Intangible assets	18,957,128	21,077,379
	<u>86,657,198</u>	<u>45,048,460</u>
CURRENT ASSETS		
Inventories	26,124	33,659
Trade and other receivables	75,662,620	54,168,581
Amounts due from associate	219,420	-
Deferred tax assets	-	769,349
Tax recoverable	848,799	789,181
Deposits placed with licensed banks	3,787,773	2,079,148
Cash and bank balances	5,251,622	16,923,316
	<u>85,796,358</u>	<u>74,763,234</u>
TOTAL ASSETS	<u>172,453,556</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	(2,431,051)	(2,376,144)
Share based payment reserve	-	44,930
Revaluation reserve	2,291,984	2,326,888
Foreign currency translation reserve	1,693,765	1,384,956
Statutory reserve	203,809	203,809
Retained profits	26,214,537	32,556,863
	<u>84,549,318</u>	<u>78,915,735</u>
Non-controlling interests	128,335	131,841
TOTAL EQUITY	<u>84,677,653</u>	<u>79,047,576</u>
NON-CURRENT LIABILITIES		
Loans and borrowings	42,255,636	16,203,624
Deferred tax liabilities	27,829	25,415
	<u>42,283,465</u>	<u>16,229,039</u>
CURRENT LIABILITIES		
Trade and other payables	31,377,381	14,715,246
Loans and borrowings	9,564,000	5,560,097
Tax payables	3,338,824	4,259,736
Overdrafts - secured	1,212,233	-
	<u>45,492,438</u>	<u>24,535,079</u>
TOTAL LIABILITIES	<u>87,775,903</u>	<u>40,764,118</u>
TOTAL EQUITY AND LIABILITIES	<u>172,453,556</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>32.5</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 THIRD QUARTER
ENDED 30 SEPTEMBER 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 SEPTEMBER 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	-	-	-	-	-	-	-	(6,377,234)	(6,377,234)	(3,506)	(6,380,740)
Other Comprehensive income for the period	-	-	-	-	308,809	(34,904)	-	-	273,905	-	273,905
Total comprehensive (loss)/income for the period	-	-	-	-	308,809	(34,904)	-	(6,377,234)	(6,103,329)	(3,506)	(6,106,835)
Amortisation of revaluation reserve	-	-	-	-	-	-	-	34,904	34,904	-	34,904
Forfeiture of ESOS	-	-	(4)	-	-	-	-	4	-	-	-
Shares-Buy back	-	-	-	(54,907)	-	-	-	-	(54,907)	-	(54,907)
Balance as at 30 September 2015	26,029,469	30,546,805	-	(2,431,051)	1,693,765	2,291,984	203,809	26,214,537	84,549,318	128,335	84,677,653
Corresponding period-to-date ended 30 SEPTEMBER 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	1,959,100	10,579,140	-	-	-	-	-	-	12,538,240	-	12,538,240
- ESOS	923,318	727,949	(322,853)	-	-	-	-	-	1,328,414	-	1,328,414
- Warrants converted	870,660	696,528	-	-	-	-	-	-	1,567,188	-	1,567,188
Profit for the period	-	-	-	-	-	-	-	6,884,304	6,884,304	1,663,620	8,547,924
Other comprehensive income for the period	-	-	-	-	(148,219)	(35,616)	-	-	(183,835)	-	(183,835)
Total comprehensive income for the period	-	-	-	-	(148,219)	(35,616)	-	6,884,304	6,700,469	1,663,620	8,364,089
Amortisation of revaluation reserve	-	-	-	-	-	-	-	35,616	35,616	-	35,616
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	3,803,662	3,803,662
Shares-Buy back	-	-	-	(785,154)	-	-	-	-	(785,154)	-	(785,154)
Balance as at 30 September 2014	23,231,219	21,031,319	53,767	(2,270,284)	585,749	2,338,759	203,809	35,892,481	81,066,819	5,592,108	86,658,927

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

	CURRENT PERIOD ENDED 30 SEPTEMBER 2015	CORRESPONDING PERIOD ENDED 30 SEPTEMBER 2014
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(2,889,011)	11,647,542
Adjustments for:		
Depreciation	2,440,066	3,263,772
Allowance of impairment for other receivables	-	1,074
Amortisation of intangible assets	2,120,251	1,703,951
Amortisation of other receivables no longer required	-	(137,898)
Interest income	(60,011)	(36,961)
Interest expenses	2,468,904	1,035,571
Share of result of associate	2,197,194	-
Loss/(gain) on disposal property, plant and equipment	(39,295)	-
Property, plant and equipment written off	202,699	-
Unrealised foreign exchange (gain)/loss	(28,752)	(88,295)
Operating profit before working capital changes	<u>6,412,045</u>	<u>17,388,756</u>
Changes in working capital		
Receivables	(21,109,862)	(17,706,716)
Payables	16,655,564	5,613,836
Inventories	7,535	7,579
Cash (used in)/generated from operations	<u>1,965,282</u>	<u>5,303,455</u>
Tax paid	(3,828,739)	(3,024,317)
Tax refund	119,363	-
Interest expense	(90,523)	(56,640)
Interest income	25,877	36,961
Net cash generated from/(used in) operating activities	<u>(1,808,740)</u>	<u>2,259,459</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances to associate	(219,420)	-
Dividend received from associate	4,325,010	-
Purchase of property, plant and equipment	(1,022,697)	(713,878)
Purchase of shares in associate	(51,900,127)	-
Deposit held as security	(91,190)	(1,198,704)
Net cash inflow on investment in subsidiary	-	(15,941,821)
Proceeds from disposal of property, plant & equipment	68,161	-
Addition of development cost	-	(1,989,136)
Net cash generated from/(used in) investing activities	<u>(48,840,263)</u>	<u>(19,843,539)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on issuance of shares capital	11,756,915	15,433,843
Term loan withdrawn	36,330,000	17,840,000
Purchase of treasury shares	(54,907)	(785,154)
Repayment of hire purchase payables	(301,085)	(834,852)
Repayment of term loan	(5,973,000)	(2,691,700)
Interest paid	(2,378,381)	(978,931)
Net cash generated from/(used in) financing activities	<u>39,379,542</u>	<u>27,983,206</u>
Net increase/(decrease) in cash and cash equivalents	(11,269,461)	10,399,126
Effect of foreign exchange rate change	2,969	3,261
Opening balance of cash and cash equivalents	<u>16,923,316</u>	<u>3,185,199</u>
Closing balance of cash and cash equivalents	<u>5,656,824</u>	<u>13,587,586</u>
Cash and cash equivalents		
Fixed deposits with licensed bank	3,787,773	9,026,956
Cash and bank balances	5,251,622	6,587,586
Overdraft	(1,212,233)	-
	<u>7,827,162</u>	<u>15,614,542</u>
Less: Deposits held as security	(2,170,338)	(2,026,956)
Closing balance of cash and cash equivalents	<u>5,656,824</u>	<u>13,587,586</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 THIRD QUARTER ENDED 30 SEPTEMBER 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 has repurchased 5,000 of its issued shares capital from the open market at RM0.24 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
9 Months Ended 30 Sep 2015						
Revenue						
External customers	49,281	31,463	474	645	-	81,863
Inter-company sales	-	2,306	1,576	353	(4,235)	-
Dividend income	12,756	-	-	4,900	(17,656)	-
	<u>62,037</u>	<u>33,769</u>	<u>2,050</u>	<u>5,898</u>	<u>(21,891)</u>	<u>81,863</u>
Results:						
Interest income	(11)	-	21	50	-	60
Interest expenses	(1,987)	(47)	(74)	(361)	-	(2,469)
Depreciation	(1,275)	(1,049)	(121)	(1)	6	(2,440)
Amortisation	(460)	-	(1,660)	-	-	(2,120)
Unallocated expenses	22,022	2,485	(1,455)	1,198	(17,839)	6,411
Other non cash expenses	39	70	(2,574)	13	2,318	(134)
Operating profit	<u>18,328</u>	<u>1,459</u>	<u>(5,863)</u>	<u>899</u>	<u>(15,515)</u>	<u>(692)</u>
Share of results of associate	(2,197)	-	-	-	-	(2,197)
Profit/(Loss) before tax	<u>16,131</u>	<u>1,459</u>	<u>(5,863)</u>	<u>899</u>	<u>(15,515)</u>	<u>(2,889)</u>
Income tax expense	(2,687)	(864)	61	(2)	-	(3,492)
Segment profit/(loss)	<u>13,444</u>	<u>595</u>	<u>(5,802)</u>	<u>897</u>	<u>(15,515)</u>	<u>(6,381)</u>

(b) Analysis by geographical areas

	9 months ended 30 September 2015			
	Malaysia RM'000	Overseas RM'000	Elimi- nations RM'000	Conso- lidated RM'000
Revenue				
External sales	81,655	208	-	81,863
Inter-segment	4,059	176	(4,235)	-
Total	<u>85,714</u>	<u>384</u>	<u>(4,235)</u>	<u>81,863</u>
Segment assets	347,875	12,833	(188,254)	172,454
Segment liabilities	235,124	127	(147,475)	87,776
Depreciation & amortisation	4,527	33	-	4,560

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

On 18 August 2015, CUCMS Education Sdn Bhd, a wholly-owned subsidiary of the Company had acquired 2 ordinary shares of RM1.00 each in CUCMS Edutech Sdn Bhd ("CUCMS Edutech") representing the 100% equity interest in CUCMS Edutech for a total cash consideration of RM2.00.

A12 Contingent Liabilities or Contingent Assets

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

As at 30.09.2015
RM'000

54,883

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 RM26.8 million for the current quarter under review as compared to the preceding year's corresponding quarter (Q3, 2014) of RM37.2 million. However, the Group recorded a loss before taxation ("LBT") of RM4.1 million as compared to a profit before taxation ("PBT") of RM4.6 million in Q3, 2014 mainly due to lower revenue generated from technology segment, share of loss of associate, higher finance cost from acquisition exercise and coupled with higher Cost of sales from other business segments.

The education segment recorded a higher revenue of RM17.0 million for the current quarter as compared to Q3, 2014 of RM14.5 million. This segment reported a profit after taxation of RM5.8 million for the current quarter as compared to a profit after taxation of RM0.9 million in Q3, 2014 mainly due to higher revenue generated coupled with dividend income.

The training segment recorded a lower revenue of RM8.9 million for the current quarter as compared to Q3, 2014 of RM12.1 million. The loss after taxation has increased from RM1.9 million in Q3, 2014 to RM2.1 million for the current quarter under review. Loss after taxation for the current quarter is mainly due to higher cost of sales.

The technology segment recorded a significant lower revenue for the current quarter as compared to RM10.5 million in Q3, 2014 mainly due to low project secured. Hence, this business segment recorded a loss after taxation of RM3.7 million as compared to a profit after taxation of RM6.3 million in Q3, 2014.

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

The Group reported a lower revenue of RM81.9 million for the cumulative quarter 2015 as compared to the previous year's corresponding cumulative quarter 2014 of RM90.3 million. However, the Group recorded a LBT of RM2.9 million as compared to a PBT of RM11.6 million in the corresponding cumulative quarter 2014 mainly due to share of loss from associate of RM2.2 million, higher finance cost from acquisition, lower margin from sales generated and higher professional expenses incurred for acquisition.

The education segment recorded an increase in revenue for the cumulative quarter 2015. This segment reported a profit after taxation of RM13.4 million as compared to RM3.3 million in the previous year's corresponding quarter 2014 mainly due to dividend income.

The training segment recorded a slight decrease in revenue from RM34.4 million for the cumulative quarter 2014 to RM31.5 million for the cumulative quarter 2015. A lower profit after taxation was reported for the cumulative quarter under review mainly due to higher Cost of sales.

The technology segment recorded a significant lower revenue (RM0.5 million) for the cumulative quarter 2015 as compared to RM18.2 million in the previous year's corresponding cumulative quarter 2014. Hence, this business segment recorded a loss after taxation of RM5.8 million as compared to a profit after taxation of RM6.1 million in the previous year's corresponding cumulative quarter 2014.

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 RM4.1 million as compared to LBT of RM1.1 million in the immediate preceding quarter (Q2, 2015). The poor financial results are mainly attributable to the higher cost of sales.

The education segment recorded a slight increase in revenue of RM17.0 million for the current quarter as compared to Q2, 2015 of RM15.9 million. There is no significant changes in the profit after taxation for the current quarter as compared to Q2, 2015.

The training segment recorded a lower revenue of RM8.9 million for the current quarter as compared to Q2, 2015 of RM10.8 million. A LBT of RM2.1 million reported for the current quarter (Q2, 2015 Profit after taxation: RM1.3 million) mainly due to higher operating cost.

The technology segment recorded a higher loss after taxation of RM3.7 million as compared to LBT in Q2, 2015 of RM1.0 million mainly due to unrealised foreign exchange loss.

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 30.09.2015 RM'000	Cumulative Quarter 30.09.2015 RM'000
Income tax		
Current	1,342	4,056
(Over)/Under provision of tax in prior year	(565)	(564)
Deferred tax liabilities	-	-
	<u>777</u>	<u>3,492</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 Proposal

The Company had on 27 October 2015 announced that Bursa Securities had, vide its letter dated 27 October 2015, approved the listing of and quotation for such number of additional new SMRT Shares, representing up to fifteen (15%) of the issued and paid-up ordinary share capital of SMRT (excluding treasury shares) to be issued pursuant to the exercise of the Proposed ESOS.

B7 Group Borrowings and Debt Securities

	30.09.2015 RM'000
<u>Secured short -term</u>	
Overdraft	1,212
Hire purchase payables	216
Term Loan	9,348
<u>Secured long -term</u>	
Hire purchase payables	491
Term Loan	41,765
Total borrowings	<u>53,032</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	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit attributable to ordinary equity holders of the parent	(4,833)	2,923	(6,377)	6,884
	Number of Shares Unit ('000)		Number of Shares Unit ('000)	
Weighted average number of ordinary shares in issue As at 1st January/July	253,000	199,289	235,175	194,781
Add: Effect of issuance of shares	-	18,580	17,890	10,370
Add: Effect of conversion of warrants	-	6,497	-	2,589
Less: Effect of treasury shares held As 30th September	(1)	-	(65)	-
	252,999	224,366	253,000	207,740
Basic (loss)/profit per ordinary shares (sen)	(1.910)	1.303	(2.521)	3.314

(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.

	Current Quarter Ended		Cumulative Year To Date	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit attributable to ordinary equity holders of the parent (RM'000)	(4,833)	2,923	(6,377)	6,884
	Number of Shares Unit ('000)		Number of Shares Unit ('000)	
Weighted average no. of ordinary shares in issue	252,999	224,366	253,000	207,740
Effect of dilution for :-				
ESOS	-	254	-	254
Warrants*	-	-	22,988	-
Adjusted weighted average number of ordinary shares in issue and issuable	252,999	224,620	275,988	207,994
Diluted (loss)/earnings per shares (sen)	(1.910)	1.301	(2.311)	3.310

* The average market price is lower than the exercise price. Thus, no effect of dilution for warrants for the current quarter.

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 September 2015 are as follows:-

	As at 30.09.2015 RM'000	As at 31.12.2014 RM'000
Total retained profits of the Company and its subsidiaries:		Audited
- Realised	43,463	43,310
- Unrealised	(451)	(480)
Total share of retained profits/(losses) from associate company:		
- Realised	(2,197)	-
- Unrealised	-	-
Less: Consolidated adjustments	<u>(14,600)</u>	<u>(10,273)</u>
Total Group retained profits as per consolidated accounts	<u>26,215</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	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Operating profit has been arrived at after charging:-				
Amortisation of developments cost	692	627	2,120	1,704
Depreciation of property, plant and equipment	872	1,085	2,440	3,264
Interest expenses	991	350	2,469	1,036
Property, plant and equipment written off	-	-	203	-
Realised loss on foreign exchange	23	-	24	17
After crediting:-				
Gain on disposal of property, plant and equipment	-	-	39	-
Interest Income	3	16	60	43
Rental Income	1,403	62	3,382	198
Unrealised gain on foreign exchange	20	(43)	29	88

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 20 March 2015	11,528
a) Part- finance the Poposed 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.