

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE FIRST QUARTER  
ENDED 31 MARCH 2016**
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(THE FIGURES HAVE NOT BEEN AUDITED)

Note	INDIVIDUAL QUARTER 3 MONTHS PERIOD ENDED		CUMULATIVE QUARTER 3 MONTHS PERIOD ENDED	
	31 MARCH 2016	31 MARCH 2015	31 MARCH 2016	31 MARCH 2015
	RM	RM	Unaudited RM	Unaudited RM
Revenue	19,844,373	29,126,909	19,844,373	29,126,909
Cost of sales	(11,806,708)	(18,492,430)	(11,806,708)	(18,492,430)
Gross Profit	8,037,665	10,634,479	8,037,665	10,634,479
Other operating income	1,281,669	689,905	1,281,669	689,905
Administrative expenses	(10,004,431)	(8,624,298)	(10,004,431)	(8,624,298)
Profit from operations	(685,097)	2,700,086	(685,097)	2,700,086
Share of results of associate	(701,187)	(53,667)	(701,187)	(53,667)
Profit before interest and taxation	(1,386,284)	2,646,419	(1,386,284)	2,646,419
Finance costs	(887,299)	(427,120)	(887,299)	(427,120)
(Loss)/Profit before taxation	(2,273,583)	2,219,299	(2,273,583)	2,219,299
Taxation	(742,457)	(1,434,466)	(742,457)	(1,434,466)
(Loss)/Profit for the period	(3,016,040)	784,833	(3,016,040)	784,833
<b>(Loss)/Profit attributable to:</b>				
Owners of the Company	(3,119,999)	788,886	(3,119,999)	788,886
Non-controlling interests	103,959	(4,053)	103,959	(4,053)
	(3,016,040)	784,833	(3,016,040)	784,833

**(Loss)/Earnings per share attributable to  
Owner of the Company**

- Basic (sen)	B9	(1.16)	0.33	(1.16)	0.33
- Diluted (sen)	B9	(1.16)	0.33	(1.16)	0.33

*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 2015.

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE FIRST QUARTER  
ENDED 31 MARCH 2016**
**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

(THE FIGURES HAVE NOT BEEN AUDITED)

Note	INDIVIDUAL QUARTER 3 MONTHS PERIOD ENDED		CUMULATIVE QUARTER 12 MONTHS PERIOD ENDED	
	31 MARCH 2016	31 MARCH 2015	31 MARCH 2016	31 MARCH 2015
	RM	RM	Unaudited RM	Audited RM
(Loss)/Profit for the period	(3,016,040)	784,833	(3,016,040)	784,833
<b>OTHER COMPREHENSIVE INCOME</b>				
Exchange difference arising on translation of foreign operations	(66,661)	178,669	(66,661)	178,669
Amortisation of revaluation reserve	(11,402)	(11,635)	(11,402)	(11,635)
Other comprehensive (loss)/income, net of tax	(78,063)	167,034	(78,063)	167,034
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD</b>	<b>(3,094,103)</b>	<b>951,867</b>	<b>(3,094,103)</b>	<b>951,867</b>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the Company	(3,198,062)	955,920	(3,198,062)	955,920
Non-controlling interests	103,959	(4,053)	103,959	(4,053)
	<b>(3,094,103)</b>	<b>951,867</b>	<b>(3,094,103)</b>	<b>951,867</b>



QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE FIRST QUARTER  
ENDED 31 MARCH 2016

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Unaudited</i> 31 MARCH 2016	<i>Audited</i> 31 DECEMBER 2015
	RM	RM
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant & equipment	7,736,848	7,603,334
Investment in associate	29,973,887	30,675,074
Goodwill on consolidation	17,538,296	13,902,040
Intangible assets	13,986,829	14,118,153
	<u>69,235,860</u>	<u>66,298,601</u>
<b>CURRENT ASSETS</b>		
Inventories	-	24,206
Trade and other receivables	64,025,844	44,209,214
Amounts due from associate	-	-
Deferred tax assets	180,455	180,455
Tax recoverable	1,877,566	2,173,420
Deposits placed with licensed banks	4,114,519	3,815,358
Cash and bank balances	14,006,745	9,467,678
	<u>84,205,129</u>	<u>59,870,331</u>
<b>TOTAL ASSETS</b>	<b><u>153,440,989</u></b>	<b><u>126,168,932</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO OWNERS</b>		
<b>OF THE COMPANY</b>		
Share capital	28,550,479	26,029,469
Share premium	34,025,795	30,546,805
Treasury shares	(2,432,051)	(2,431,051)
Share based payment reserve	-	-
Revaluation reserve	2,268,948	2,280,350
Foreign currency translation reserve	1,502,110	1,568,771
Statutory reserve	203,809	203,809
Retained profits	(1,512,247)	2,528,566
	<u>62,606,843</u>	<u>60,726,719</u>
Non-controlling interests	1,452,503	127,689
<b>TOTAL EQUITY</b>	<b><u>64,059,346</u></b>	<b><u>60,854,408</u></b>
<b>NON-CURRENT LIABILITIES</b>		
Loans and borrowings	37,539,041	39,871,758
Deferred tax liabilities	2,248,612	2,249,273
	<u>39,787,653</u>	<u>42,121,031</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	37,067,113	11,873,733
Loans and borrowings	9,486,576	9,563,172
Tax payables	874,456	1,756,588
Overdrafts - secured	2,165,845	-
	<u>49,593,990</u>	<u>23,193,493</u>
<b>TOTAL LIABILITIES</b>	<b><u>89,381,643</u></b>	<b><u>65,314,524</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>153,440,989</u></b>	<b><u>126,168,932</u></b>
	-	-
Number of ordinary shares at RM0.10 sen par each	285,504,786	260,294,686
Net assets per share attributable to owners of the Company (sen)	<u>21.9</u>	<u>23.3</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 2015.

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE FIRST QUARTER  
ENDED 31 MARCH 2016**

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

	← Non-Distributable →							← Distributable →		Non Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Share Premium	Share Based Payment Reserve	Foreign Currency Translation Reserve	Revaluation Reserve	Statutory Reserve	Retained Profits	Sub-total		
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Current year ended 31 MARCH 2016</b>											
As at 1 January 2016	26,029,469	(2,431,051)	30,546,805	-	1,568,771	2,280,350	203,809	2,528,566	60,726,719	127,689	60,854,408
(Loss)/Profit for the period	-	-	-	-	-	-	-	(3,119,999)	(3,119,999)	103,959	(3,016,040)
Other Comprehensive income for the period	-	-	-	-	(66,661)	(11,402)	-	11,402	(66,661)	-	(66,661)
Total comprehensive (loss)/income for the period	-	-	-	-	(66,661)	(11,402)	-	(3,108,597)	(3,186,660)	103,959	(3,082,701)
Issuance of shares pursuant to :-											
- Private Placement	2,521,010	-	3,478,990	-	-	-	-	-	6,000,000	-	6,000,000
Acquisition of Subsidiary	-	-	-	-	-	-	-	-	-	1,220,855	1,220,855
Repurchased of shares	-	(1,000)	-	-	-	-	-	-	(1,000)	-	(1,000)
Prior year adjustment	-	-	-	-	-	-	-	(932,216)	(932,216)	-	(932,216)
Balance as at 31 March 2016	28,550,479	(2,432,051)	34,025,795	-	1,502,110	2,268,948	203,809	(1,512,247)	62,606,843	1,452,503	64,059,346
	-	-	-	-	-	-	-	-	-	-	-
<b>Corresponding year ended 31 MARCH 2015</b>											
As at 1 January 2015	23,517,495	(2,376,144)	21,256,938	44,930	1,384,956	2,326,888	203,809	32,556,863	78,915,735	131,841	79,047,576
Profit for the period	-	-	-	-	-	-	-	788,886	788,886	(4,053)	784,833
Other comprehensive income for the period	-	-	-	-	178,669	(11,635)	-	11,635	178,669	-	178,669
Total comprehensive income for the period	-	-	-	-	178,669	(11,635)	-	800,521	967,555	(4,053)	963,502
Issuance of shares pursuant to:-											
- Private placement	2,352,740	-	9,175,686	-	-	-	-	-	11,528,426	-	11,528,426
- ESOS exercised	10,000	-	5,561	(2,061)	-	-	-	-	13,500	-	13,500
Repurchased of shares	-	(11,947)	-	-	-	-	-	-	(11,947)	-	(11,947)
Balance as at 31 March 2015	25,880,235	(2,388,091)	30,438,185	42,869	1,563,625	2,315,253	203,809	33,357,384	91,413,269	127,788	91,541,057
	-	-	-	-	-	-	-	-	-	-	-

Note:

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2016**
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
(THE FIGURES HAVE NOT BEEN AUDITED)**

	<b>CURRENT PERIOD ENDED 31 MARCH 2016</b>	<b>CORRESPONDING PERIOD ENDED 31 MARCH 2015</b>
	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	(2,273,583)	2,219,299
Adjustments for:		
Depreciation	470,727	828,996
Amortisation of intangible assets	131,323	736,417
Impairment of investment in Assoc	-	53,667
Interest income	(867)	(20,609)
Interest expenses	887,299	427,120
Share of result of associate	701,187	-
Loss/(gain) on disposal of property, plant and equipment	(743,248)	(55,000)
Property, plant and equipment written off	1,694	-
Provision for doubtful debts	(100,054)	-
Unrealised foreign exchange (gain)/loss	55,255	125,952
Operating profit before working capital changes	<u>(870,267)</u>	<u>4,315,842</u>
Changes in working capital		
Receivables	(16,250,799)	(21,138,473)
Payables	23,651,283	15,906,997
Inventories	24,206	33,659
Cash (used in)/generated from operations	<u>6,554,423</u>	<u>(881,975)</u>
Tax paid	(3,333,059)	(515,183)
Tax refund	39,250	-
Interest expense	(33,879)	(8,930)
Interest income	867	20,609
<b>Net cash generated from/(used in) operating activities</b>	<b><u>3,227,602</u></b>	<b><u>(1,385,479)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(396,164)	(344,409)
Purchase of shares in associate	-	(51,900,127)
Deposit held as security	(299,162)	(39,857)
Net cash inflow on investment in subsidiary	(3,802,292)	-
Proceeds from disposal of property, plant & equipment	-	55,000
<b>Net cash generated from/(used in) investing activities</b>	<b><u>(4,497,618)</u></b>	<b><u>(52,229,393)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from disposal of assets	966,332	-
Proceeds on issuance of shares	6,000,000	11,541,926
Term loan drawdown	-	36,330,000
Purchase of treasury shares	(1,000)	(11,947)
Repayment of hire purchase payables	(72,313)	(178,344)
Repayment of term loan	(2,337,000)	(1,299,000)
Interest paid	(853,419)	(418,190)
<b>Net cash generated from/(used in) financing activities</b>	<b><u>3,702,600</u></b>	<b><u>45,964,445</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,432,584</b>	<b>(7,650,427)</b>
Effect of foreign exchange rate change	(59,363)	-
Opening balance of cash and cash equivalents	9,467,679	16,923,316
<b>Closing balance of cash and cash equivalents</b>	<b><u>11,840,900</u></b>	<b><u>9,272,889</u></b>
<b>Cash and cash equivalents</b>		
Fixed deposits with licensed bank	4,114,519	3,270,666
Cash and bank balances	14,006,745	10,233,341
Overdraft	(2,165,845)	(2,112,113)
	<u>15,955,419</u>	<u>11,391,894</u>
Less: Deposits held as security	(4,114,519)	(2,119,005)
<b>Closing balance of cash and cash equivalents</b>	<b><u>11,840,900</u></b>	<b><u>9,272,889</u></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 2015.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

**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 2015 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 2016 as disclosed below: -

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to MFRS 10, MFRS 12 and MFRS128	Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 101	Disclosure Initiative
Amendments to MFRS 116 and MFRS 141	Agriculture: Bear Plants
Amendments to MFRS 119	Employee Benefits
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Amendments to MFRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Annual Improvements to MFRSs	2012 - 2014 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 2015 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.

On 5 February 2016, the Company entered into a Conditional Share Sale Agreement ("SSA") with Priority Digit Sdn Bhd ("PDSB") to acquire 1,152,000 ordinary shares of RM1.00 each in N'osairis Technology Solutions Sdn Bhd. ("N'osairis"), representing 64% of the issued and paid up share capital of N'osairis for purchase consideration of RM 6 million. The purchase consideration was satisfied via the issuance of 25,210,100 ordinary shares of RM0.10 each, representing approximately 10% of the issued and paid up share capital of the Company at an issued price of RM0.238 each.

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:-

	<b>No. of shares Issued and fully paid up ordinary '000</b>	<b>Share Capital RM '000</b>	<b>Share Premium RM '000</b>	<b>Total RM '000</b>
As at 1 January 2016	260,295	26,029	30,547	56,576
Issuance of shares via Private Placement	25,210	2,521	3,479	6,000
Issuance of shares via ESOS	-	-	-	-
Transfer of ESOS reserved upon exercised of ESOS	-	-	-	-
Conversion of Warrants to Ordinary Shares	-	-	-	-
<b>As at 31 March 2016</b>	<b>285,505</b>	<b>28,550</b>	<b>34,026</b>	<b>62,576</b>

**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**

	<b>Education RM'000</b>	<b>Training RM'000</b>	<b>Technology RM'000</b>	<b>Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>3 Months Ended 31 March 2016</b>						
<b>Revenue</b>						
External customers	16,213	1,267	1,979	385	-	19,844
Inter-company sales	-	32	47	753	(832)	-
Dividend income	-	-	-	-	-	-
	<u>16,213</u>	<u>1,299</u>	<u>2,026</u>	<u>1,138</u>	<u>(832)</u>	<u>19,844</u>
<b>Results:</b>						
Interest income	1	-	-	-	-	1
Interest expenses	(753)	(5)	(34)	(95)	-	(887)
Depreciation	(324)	(97)	(49)	-	-	(470)
Amortisation	(131)	-	-	-	-	(131)
Unallocated expenses	1,548	(1,666)	120	(959)	(9)	(966)
Other non cash expenses	-	762	1,000	0	(881)	881
Operating profit	<u>341</u>	<u>(1,006)</u>	<u>1,037</u>	<u>(1,054)</u>	<u>(890)</u>	<u>(1,572)</u>
Share of results of associate	(701)	-	-	-	-	(701)
Profit/(Loss) before tax	<u>(360)</u>	<u>(1,006)</u>	<u>1,037</u>	<u>(1,054)</u>	<u>(890)</u>	<u>(2,273)</u>
Income tax expense	(371)	(307)	(63)	(2)	-	(743)
Segment profit/(loss)	<u>(731)</u>	<u>(1,313)</u>	<u>974</u>	<u>(1,056)</u>	<u>(890)</u>	<u>(3,016)</u>

(b) Analysis by geographical areas

Revenue	3 months ended 31 March 2016			
	Malaysia RM'000	Overseas RM'000	Elimi- nations RM'000	Conso- lidated RM'000
External sales	19,792	52	-	19,844
Inter-segment	785	47	(832)	-
Total	20,577	99	(832)	19,844

<b>Segment assets</b>	339,178	11,146	(196,883)	153,441
<b>Segment liabilities</b>	247,433	62	(158,114)	89,381
<b>Depreciation &amp; amortisation</b>	589	13	-	602

**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 5 February 2016, the Company entered into a Conditional Share Sale Agreement ("SSA") with Priority Digit Sdn Bhd ("PDSB") to acquire 1,152,000 ordinary shares of RM1.00 each in N'osairis Technology Solutions Sdn Bhd. ("N'osairis"), representing 64% of the issued and paid up share capital of N'osairis for purchase consideration of RM 6 million.

**A12 Contingent Liabilities or Contingent Assets**

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

**As at 31.03.2016  
RM'000**

7,493

**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 decrease in revenue of RM19.8 million for the current quarter under review as compared to the preceding year's corresponding quarter amounted to RM29.1million (Q1,2015). Therefore, the Group recorded a loss before taxation ("LBT") of RM2.3 million as compared to a profit before taxation ("PBT") of RM2.2 million in Q1,2015.The significant losses mainly due to lower revenue generated from training segments, share of losses of associate and high finance cost from acquisition exercise.

The education segment recorded its revenue of RM16.2 million for the current quarter and Q1,2015. However, this segment reported a loss after tax ("LAT") of RM0.7 million for current quarter as compared to a profit after taxation ("PAT") of RM2.9 million in Q1,2015 mainly due to share of losses in associate and finance cost .

The training segment recorded a lower revenue of RM1.3 million for the current quarter as compared to Q1, 2015 of RM12.8 million. Therefore, the training segment recorded a LAT of RM1.3 million as compared to a PAT of RM1.2 million in Q1, 2015.

The technology segment recorded an increased in revenue of RM2.0 million for the current quarter as compared to RM0.7 million in Q1, 2015 mainly due to revenue contribution resulted from acquisition of N'osairis representing 64% equity interest of the issued and paid up share capital of N'osairis. Hence, the technology segment recorded an improvement in PAT of RM1.0 million as compared to Q1, 2015 of LAT of RM1.1 million.

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

The Group's recorded a Loss Before Tax decrease to RM2.3 million for the current quarter from RM26.1 million in the immediate preceding quarter (Q4, 2015). The significant losses in Q4, 2015 was mainly due to lower revenue generated, share of losses of associate, high finance cost from acquisition exercise and impairment loss on intangible assets.

### 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 31.03.2016 RM'000	Cumulative Quarter 31.03.2016 RM'000
Income tax		
Current	742	742
(Over)/Under provision of tax in prior year	-	-
Deferred tax liabilities	-	-
	<u>742</u>	<u>742</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 15 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 15 June 2018.

**B6 Status of Corporate Proposal**

There was no other corporate proposals announced but not yet completed as at the date of this quarterly announcement, other than disclosed as follows:-

On 16 March 2016, the Company had entered into a Share Sale and Purchase Agreement ("Agreement") with Brecon Synergy Sdn Bhd ("Purchaser") for the disposal of 900,000 ordinary shares of RM1.00 each ("Sale Shares") representing 90% equity interest in the issued and paid-up share capital of SMR Education Solutions Sdn Bhd ("SMRES") for a consideration of RM450,000.00 ("Proposed Disposal").

Upon completion of the Proposed Disposal, SMRES shall cease to be a wholly-owned subsidiary of the Company.

**B7 Group Borrowings and Debt Securities**

	<b>31.03.2016</b> <b>RM'000</b>
<u>Secured short -term</u>	
Overdraft	2,166
Hire purchase payables	139
Term Loan	9,348
<u>Secured long -term</u>	
Hire purchase payables	448
Term Loan	37,091
<b>Total borrowings</b>	<b>49,192</b>

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 Loss / Earning Per Share ("LPS / EPS")**

The basic LPS/ 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	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
(Loss)/Profit attributable to ordinary equity holders of the parent (RM'000)	(3,120)	789	(3,120)	789
Weighted average number of ordinary shares in issue ('000)	-	-	-	-
As at 1 January 2016	260,295	235,175	260,295	235,175
Add: Effect of issuance of shares	9,696	4,269	9,696	4,269
Add: Effect of conversion of warrants	-	-	-	-
Less: Effect of treasury shares held	(2)	(5)	(2)	(5)
As at 31 March 2016	269,989	239,439	269,989	239,439
<b>Basic (loss)/profit per ordinary shares (sen)</b>	<b>(1.156)</b>	<b>0.330</b>	<b>(1.156)</b>	<b>0.330</b>

**(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	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
(Loss)/Profit attributable to ordinary equity holders of the parent (RM'000)	(3,120)	789	(3,120)	789
Weighted average no. of ordinary shares in issue ('000)	269,989	239,439	269,989	239,439
Effect of dilution for :-				
ESOS ('000)	-	-	-	-
Warrants ('000)*	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	269,989	239,439	269,989	239,439
Diluted (loss)/earnings per shares (sen)	(1.156)	0.330	(1.156)	0.330

\* 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 31 March 2016 are as follows:-

	As at 31.03.2016 RM'000	As at 31.12.2015 RM'000 Audited
<b>Total retained profits of the Company and its subsidiaries:</b>		
- Realised	15,548	16,481
- Unrealised	(3,405)	(3,350)
	12,143	13,131
<b>Total share of retained profits/(losses) from associate company:</b>		
- Realised	(16,593)	(15,892)
- Unrealised	-	-
	(16,593)	(15,892)
<b>Less: Consolidated adjustments</b>	2,938	5,289
<b>Total Group retained profits as per consolidated accounts</b>	(1,512)	2,528

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	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	RM'000	RM'000	RM'000	RM'000
Operating profit has been arrived at after charging:-				
Amortisation of intangible assets	131	736	131	736
Depreciation of property, plant and equipment	471	829	471	829
Interest expenses	887	427	887	427
Loss on disposal of property, plant and equipment	-	-	-	-
Property, plant and equipment written off	2	-	2	-
Realised loss on foreign exchange	27	29	27	29
Unrealised loss on foreign exchange	55	-	55	-
After crediting:-				
Gain on disposal of property, plant and equipment	743	50	743	50
Interest Income	1	21	1	21
Rental Income	54	60	54	60
Realised gain on foreign exchange	21	-	21	-
Unrealised gain on foreign exchange	-	57	-	57

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 31 March 2016, the Group had fully utilised all the proceeds from private placements.

Details of Utilisation	Utilisation as at 31.03.2016 RM'000
Proceeds from Private Placement dated 1 March 2016	6,000
a) Proposed Acquisition of N'osairis	6,000
Total	6,000

The net proceeds amount from Placement of RM6 million used as purchase consideration of N'osairis.