

QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE SECOND QUARTER  
 ENDED 30 JUNE 2016

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

	INDIVIDUAL QUARTER 3 MONTHS PERIOD ENDED		CUMULATIVE QUARTER 6 MONTHS PERIOD ENDED		
	Note	30 JUNE 2016	30 JUNE 2015	30 JUNE 2016	30 JUNE 2015
		RM	RM	Unaudited RM	Unaudited RM
Revenue		19,366,795	25,915,976	39,211,168	55,042,885
Cost of sales		(11,034,482)	(15,668,767)	(22,841,190)	(34,161,197)
Gross Profit		8,332,313	10,247,209	16,369,978	20,881,688
Other operating income		429,398	2,213,876	1,711,067	2,903,781
Administrative expenses		(11,062,686)	(10,770,785)	(21,067,117)	(19,395,083)
Profit from operations		(2,300,975)	1,690,300	(2,986,072)	4,390,386
Share of results of associate		(1,086,493)	(1,391,266)	(1,787,680)	(1,444,933)
Profit before interest and taxation		(3,387,468)	299,034	(4,773,752)	2,945,453
Finance costs		(839,253)	(1,350,790)	(1,726,552)	(1,777,910)
(Loss)/Profit before taxation		(4,226,721)	(1,051,756)	(6,500,304)	1,167,543
Taxation		(565,846)	(1,280,014)	(1,308,303)	(2,714,480)
(Loss)/Profit for the period		(4,792,567)	(2,331,770)	(7,808,607)	(1,546,937)
<b>(Loss)/Profit attributable to:</b>					
Owners of the Company		(4,861,208)	(2,332,812)	(7,981,207)	(1,543,926)
Non-controlling interests		68,641	1,042	172,600	(3,011)
		(4,792,567)	(2,331,770)	(7,808,607)	(1,546,937)
<b>(Loss)/Earnings per share attributable to Owner of the Company</b>					
- Basic (sen)	B9	(1.75)	(0.97)	(2.87)	(0.62)
- Diluted (sen)	B9	(1.75)	(0.97)	(2.87)	(0.62)

## 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 SECOND QUARTER  
ENDED 30 JUNE 2016**

**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 2016	30 JUNE 2015	30 JUNE 2016	30 JUNE 2015
	RM	RM	Unaudited RM	Audited RM
(Loss)/Profit for the period	(4,792,567)	(2,331,770)	(7,808,607)	(1,546,937)
<b>OTHER COMPREHENSIVE INCOME</b>				
Exchange difference arising on translation of foreign operations	16,406	(104,172)	(50,255)	74,497
Amortisation of revaluation reserve	(11,401)	(11,634)	(22,803)	(23,269)
Other comprehensive (loss)/income, net of tax	5,005	(115,806)	(73,058)	51,228
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD</b>	<b>(4,787,562)</b>	<b>(2,447,576)</b>	<b>(7,881,665)</b>	<b>(1,495,709)</b>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the Company	(4,856,203)	(2,448,618)	(8,054,265)	(1,492,698)
Non-controlling interests	68,641	1,042	172,600	(3,011)
	<b>(4,787,562)</b>	<b>(2,447,576)</b>	<b>(7,881,665)</b>	<b>(1,495,709)</b>

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE SECOND QUARTER  
ENDED 30 JUNE 2016**
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<i>Unaudited</i> <b>30 JUNE 2016</b>	<i>Audited</i> <b>31 DECEMBER 2015</b>
	<b>RM</b>	<b>RM</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant & equipment	7,898,463	7,603,334
Investment in associate	28,887,394	30,675,074
Goodwill on consolidation	17,538,639	13,902,040
Intangible assets	13,855,506	14,118,153
	<b>68,180,002</b>	<b>66,298,601</b>
<b>CURRENT ASSETS</b>		
Inventories	-	24,206
Trade and other receivables	44,165,521	44,209,214
Amounts due from associate	-	-
Deferred tax assets	180,455	180,455
Tax recoverable	1,805,265	2,173,420
Deposits placed with licensed banks	4,134,520	3,815,358
Cash and bank balances	8,558,625	9,467,678
	<b>58,844,386</b>	<b>59,870,331</b>
<b>TOTAL ASSETS</b>	<b>127,024,388</b>	<b>126,168,932</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	2,257,547	2,280,350
Foreign currency translation reserve	1,518,516	1,568,771
Statutory reserve	203,809	203,809
Retained profits	(5,429,838)	2,528,566
	<b>58,694,257</b>	<b>60,726,719</b>
Non-controlling interests	1,629,702	127,689
<b>TOTAL EQUITY</b>	<b>60,323,959</b>	<b>60,854,408</b>
<b>NON-CURRENT LIABILITIES</b>		
Loans and borrowings	33,782,634	39,871,758
Deferred tax liabilities	2,248,656	2,249,273
	<b>36,031,290</b>	<b>42,121,031</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	18,412,665	11,873,733
Loans and borrowings	10,858,450	9,563,172
Tax payables	(844,414)	1,756,588
Overdrafts - secured	2,242,438	-
	<b>30,669,139</b>	<b>23,193,493</b>
<b>TOTAL LIABILITIES</b>	<b>66,700,429</b>	<b>65,314,524</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>127,024,388</b>	<b>126,168,932</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)	20.6	23.3

## 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 SECOND QUARTER  
ENDED 30 JUNE 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 30 JUNE 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	-	-	-	-	-	-	-	(7,981,207)	(7,981,207)	172,600	(7,808,607)
Other Comprehensive income for the period	-	-	-	-	(50,255)	(22,803)	-	22,803	(50,255)	-	(50,255)
Total comprehensive (loss)/income for the period	-	-	-	-	(50,255)	(22,803)	-	(7,958,404)	(8,031,462)	172,600	(7,858,862)
Issuance of shares pursuant to :-											
- Private Placement	2,521,010	-	3,478,990	-	-	-	-	-	6,000,000	-	6,000,000
Acquisition of Subsidiary	-	-	-	-	-	-	-	-	-	1,329,413	1,329,413
Repurchased of shares	-	(1,000)	-	-	-	-	-	-	(1,000)	-	(1,000)
Prior year adjustment	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2016	28,550,479	(2,432,051)	34,025,795	-	1,518,516	2,257,547	203,809	(5,429,838)	58,694,257	1,629,702	60,323,959
	-	-	-	-	-	-	-	-	-	-	-
<b>Corresponding year ended 30 JUNE 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	-	-	-	-	-	-	-	(1,543,926)	(1,543,926)	(3,011)	(1,546,937)
Other comprehensive income for the period	-	-	-	-	74,497	(23,269)	-	23,269	74,497	-	74,497
Total comprehensive income for the period	-	-	-	-	74,497	(23,269)	-	(1,520,657)	(1,469,429)	(3,011)	(1,472,440)
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	(44,930)	-	-	-	4	228,489	-	228,489
Repurchased of shares	-	(53,707)	-	-	-	-	-	-	(53,707)	-	(53,707)
Balance as at 30 June 2015	26,029,469	(2,429,851)	30,546,805	-	1,459,453	2,303,619	203,809	31,036,210	89,149,514	128,830	89,278,344
	-	-	-	-	-	-	-	-	-	-	-

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 2015.

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENT FOR THE SECOND QUARTER  
ENDED 30 JUNE 2016**
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
(THE FIGURES HAVE NOT BEEN AUDITED)**

	<b>CURRENT PERIOD ENDED 30 JUNE 2016</b>	<b>CORRESPONDING PERIOD ENDED 30 JUNE 2015</b>
	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	(6,500,304)	1,167,543
Adjustments for:		
Depreciation	910,491	1,567,918
Amortisation of intangible assets	262,647	1,428,334
Impairment of investment in Assoc	-	-
Interest income	(3,882)	(57,364)
Interest expenses	1,726,552	1,477,544
Share of result of associate	1,787,680	1,444,933
Loss/(gain) on disposal of property, plant and equipment	(743,248)	(39,295)
Property, plant and equipment written off	1,694	202,699
Provision for doubtful debts	1,673,184	-
Unrealised foreign exchange (gain)/loss	10,410	(8,834)
Operating profit before working capital changes	(874,776)	7,183,478
Changes in working capital		
Receivables	2,658,782	(4,447,048)
Payables	3,673,757	(5,899,731)
Inventories	24,206	6,986
Cash (used in)/generated from operations	5,481,969	(3,156,315)
Tax paid	(3,965,118)	(937,033)
Tax refund	39,250	116,863
Interest expense	(65,023)	(37,799)
Interest income	3,882	37,039
<b>Net cash generated from/(used in) operating activities</b>	<b>1,494,960</b>	<b>(3,977,245)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(997,509)	(978,555)
Purchase of shares in associate	-	(51,900,127)
Deposit held as security	(319,162)	(59,857)
Net cash inflow on investment in subsidiary	(3,796,792)	-
Proceeds from disposal of property, plant & equipment	-	68,161
<b>Net cash generated from/(used in) investing activities</b>	<b>(5,113,463)</b>	<b>(52,870,378)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from disposal of assets	966,332	-
Proceeds on issuance of shares	6,000,000	11,756,915
Term loan drawdown	-	36,330,000
Purchase of treasury shares	(1,000)	(53,707)
Repayment of hire purchase payables	(119,846)	(234,458)
Repayment of term loan	(4,674,000)	(3,636,000)
Interest paid	(1,661,529)	(1,439,745)
<b>Net cash generated from/(used in) financing activities</b>	<b>509,957</b>	<b>42,723,005</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(3,108,546)</b>	<b>(14,124,618)</b>
Effect of foreign exchange rate change	(42,946)	5,357
Opening balance of cash and cash equivalents	9,467,679	16,923,316
<b>Closing balance of cash and cash equivalents</b>	<b>6,316,187</b>	<b>2,804,055</b>
<b>Cash and cash equivalents</b>		
Fixed deposits with licensed bank	4,134,519	3,756,440
Cash and bank balances	8,558,625	3,376,385
Overdraft	(2,242,438)	(2,189,765)
	10,450,706	4,943,060
Less: Deposits held as security	(4,134,519)	(2,139,005)
<b>Closing balance of cash and cash equivalents</b>	<b>6,316,187</b>	<b>2,804,055</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 SECOND QUARTER ENDED 30 JUNE 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.

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 2016	285,505	28,551	34,026	62,577
Issuance of shares via Private Placement	-	-	-	-
Issuance of shares via ESOS	-	-	-	-
Transfer of ESOS reserved upon exercised of ESOS	-	-	-	-
Conversion of Warrants to Ordinary Shares	-	-	-	-
As at 30 June 2016	<b>285,505</b>	<b>28,551</b>	<b>34,026</b>	<b>62,577</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**

	Education RM'000	Training RM'000	Technology RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b>3 Months Ended 30 June 2016</b>						
<b>Revenue</b>						
External customers	16,797	2,295	1,535	(1,260)	-	19,367
Inter-company sales	-	5	1,330	863	(2,198)	-
Dividend income	2,100	-	-	900	(3,000)	-
	<u>18,897</u>	<u>2,300</u>	<u>2,865</u>	<u>503</u>	<u>(5,198)</u>	<u>19,367</u>

**Results:**

Interest income	3	-	-	-	-	3
Interest expenses	(716)	(6)	(31)	(87)	-	(840)
Depreciation	(334)	(70)	(37)	-	-	(441)
Amortisation	(132)	-	-	-	-	(132)
Unallocated expenses	3,261	426	55	143	(3,792)	93
Other non cash expenses	(26)	3	201	(2,271)	268	(1,825)
Operating profit	<u>2,056</u>	<u>353</u>	<u>188</u>	<u>(2,215)</u>	<u>(3,524)</u>	<u>(3,142)</u>
Share of results of associate	(1,086)	-	-	-	-	(1,086)
Profit/(Loss) before tax	<u>970</u>	<u>353</u>	<u>188</u>	<u>(2,215)</u>	<u>(3,524)</u>	<u>(4,228)</u>
Income tax expense	(195)	(306)	(62)	(2)	-	(565)
Segment profit/(loss)	<u>775</u>	<u>47</u>	<u>126</u>	<u>(2,217)</u>	<u>(3,524)</u>	<u>(4,793)</u>

**6 Months Ended 30 June 2016****Revenue**

External customers	33,010	3,562	3,514	(875)	-	39,211
Inter-company sales	-	37	1,377	1,616	(3,030)	-
Dividend income	2,100	-	-	900	(3,000)	-
	<u>35,110</u>	<u>3,599</u>	<u>4,891</u>	<u>1,641</u>	<u>(6,030)</u>	<u>39,211</u>

**Results:**

Interest income	4	-	-	-	-	4
Interest expenses	(1,469)	(11)	(65)	(182)	-	(1,727)
Depreciation	(658)	(167)	(86)	-	-	(911)
Amortisation	(263)	-	-	-	-	(263)
Unallocated expenses	4,809	(1,240)	175	(816)	(3,801)	(873)
Other non cash expenses	(26)	765	1,201	(2,271)	(613)	(944)
Operating profit	<u>2,397</u>	<u>(653)</u>	<u>1,225</u>	<u>(3,269)</u>	<u>(4,414)</u>	<u>(4,714)</u>
Share of results of associate	(1,787)	-	-	-	-	(1,787)
Profit before tax	<u>610</u>	<u>(653)</u>	<u>1,225</u>	<u>(3,269)</u>	<u>(4,414)</u>	<u>(6,501)</u>
Income tax expense	(566)	(613)	(125)	(4)	-	(1,308)
Segment profit/(loss)	<u>44</u>	<u>(1,266)</u>	<u>1,100</u>	<u>(3,273)</u>	<u>(4,414)</u>	<u>(7,809)</u>

(b) Analysis by geographical areas

Revenue	3 months ended 30 June 2016			
	Malaysia RM'000	Overseas RM'000	Elimi- nations RM'000	Conso- lidated RM'000
External sales	19,363	4	-	19,367
Inter-segment	2,198	-	(2,198)	-
Total	21,561	4	(2,198)	19,367

Revenue	6 months ended 30 June 2016			
	Malaysia RM'000	Overseas RM'000	Elimi- nations RM'000	Conso- lidated RM'000
External sales	39,155	56	-	39,211
Inter-segment	2,983	47	(3,030)	-
Total	42,138	103	(3,030)	39,211

<b>Segment assets</b>	312,450	11,303	(196,729)	127,024
<b>Segment liabilities</b>	222,722	61	(156,083)	66,700
<b>Depreciation &amp; amortisation</b>	1,160	13	-	1,173

**A10 Material Events Subsequent to the End of the Current Quarter**

Reference is made to the announcement dated 16th March 2016, the Company on 18th July 2016 announced that all the Conditions Precedent of the Agreement have been fulfilled and the disposal has been completed. Accordingly, SMR Education Solutions Sdn Bhd ceased to be a wholly-owned subsidiary of the Company.

**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 30.06.2016  
RM'000

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

7,464

Save for the above, there were no changes in the contingent liabilities and contingent assets of the Group, since the last audited accounts as at 31 December 2015.

**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 recorded a decrease in revenue of 25% to RM19.4 million for the current quarter under review as compared to the preceding year's corresponding quarter amounted to RM25.9 million (Q2,2015). The Group recorded a loss before taxation ("LBT") of RM4.2 million as compared to LBT of RM1.05 million in Q2,2015. The losses mainly due to lower revenue generated.

The education segment recorded an increased in revenue of RM16.8 million for the current quarter as compared to Q2,2015 of RM15.9 million. This segment reported a lower profit after tax ("PAT") of RM0.8 million for current quarter as compared to RM5.7 million in Q2,2015 due to one off dividend income received from associate company in Q2, 2015.

The training segment recorded a lower revenue of RM2.3 million for the current quarter as compared to Q2, 2015 of RM10.8 million. The training segment recorded a breakeven amount for current quarter as compared to PAT of RM1.4 million in Q2, 2015.

The technology segment recorded an increased in revenue of RM2.9 million for the current quarter as compared to RM0.4 million in Q2, 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 RM0.1 million as compared to Q2, 2015 of LAT of RM1.0 million.

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

The Group recorded a decreased in revenue to RM39.2 million for the cumulative quarter 2016 as compared to the previous year's corresponding cumulative quarter 2015 of RM55.0 million. As a results, the Group recorded a LBT of RM6.5 million as compared to a PBT of RM1.2 million in the corresponding cumulative quarter 2015 mainly due to lower revenue contribution and share of loss from associate.

The education segment recorded an slightly increased in revenue RM33.0 million as compared to Q2, 2015 of RM32.3 million. This segment reported a breakeven amount as compared to RM7.6 million in the previous year's corresponding quarter 2015 mainly due to share of loss of associate. Furthermore, this segment recorded a decreased in dividend income received of RM2.1 million as compared to Q2, 2015 of RM7.4 million.

The training segment recorded a decreased in revenue for RM3.6 million as compared to RM23.6 million for the cumulative quarter 2015. As a results, this segment recorded a LAT of RM1.3 million as compared to a PAT of RM2.7 million in the cumulative quarter 2015 mainly due lower revenue generated from this segment.

The technology segment recorded an increased in revenue for RM4.9 million as compared to RM1.1 million for the cumulative quarter 2015. Hence, this business segment recorded an improvement in PAT of RM1.1 million as compared to a LAT of RM2.1 million in the cumulative quarter 2015.

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

The Group's recorded an increased in loss before tax of RM4.2 million in the current quarter as compared to RM2.3 million in the immediate preceding quarter (Q1, 2016). The losses in Q2, 2016 was mainly due to lower revenue generated, higher share of losses of associate and higher operating expenses incurred.

### 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 30.06.2016 RM'000	Cumulative Quarter 30.06.2016 RM'000
Income tax		
Current	566	1,308
(Over)/Under provision of tax in prior year	-	-
Deferred tax liabilities	-	-
	<b>566</b>	<b>1,308</b>

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.

**B7 Group Borrowings and Debt Securities**

	30.06.2016 RM'000
<u>Secured short -term</u>	
Overdraft	2,242
Hire purchase payables	213
Term Loan	10,646
<u>Secured long -term</u>	
Hire purchase payables	326
Term Loan	33,456
Total borrowings	46,883

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	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
(Loss)/Profit attributable to ordinary equity holders of the parent (RM'000)	(4,861)	(2,333)	(7,981)	(1,544)
Weighted average number of ordinary shares in issue ('000)				
As at 1 January/ April 2016	277,745	239,439	260,295	235,175
Add: Effect of issuance of shares	-	685	17,453	14,216
Add: Effect of conversion of warrants	-	-	-	-
Less: Effect of treasury shares held	-	(48)	(3)	(38)
As at 30 June 2016	277,745	240,076	277,745	249,353
Basic (loss)/profit per ordinary shares (sen)	(1.750)	(0.972)	(2.873)	(0.619)

**(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	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
(Loss)/Profit attributable to ordinary equity holders of the parent (RM'000)	(4,861)	(2,333)	(7,981)	(1,544)
Weighted average no. of ordinary shares in issue ('000)	277,745	240,076	277,745	249,353
Effect of dilution for :-				
ESOS ('000)	-	-	-	-
Warrants ('000)*	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	277,745	240,076	277,745	249,353
Diluted (loss)/earnings per shares (sen)	(1.750)	(0.972)	(2.873)	(0.619)

\* 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 30.06.2016 RM'000	As at 31.12.2015 RM'000 Audited
<b>Total retained profits of the Company and its subsidiaries:</b>		
- Realised	13,045	16,481
- Unrealised	(3,366)	(3,350)
	9,679	13,131
<b>Total share of retained profits/(losses) from associate company:</b>		
- Realised	(7,549)	(15,892)
- Unrealised	-	-
	(7,549)	(15,892)
<b>Less: Consolidated adjustments</b>	(7,560)	5,289
<b>Total Group retained profits as per consolidated accounts</b>	(5,430)	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	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
	RM'000	RM'000	RM'000	RM'000
Operating profit has been arrived at after charging:-				
Amortisation of intangible assets	132	692	263	1,428
Depreciation of property, plant and equipment	439	739	910	1,568
Interest expenses	840	1,051	1,727	1,478
Loss on disposal of property, plant and equipment	-	-	-	-
Property, plant and equipment written off	-	203	2	203
Realised loss on foreign exchange	94	(29)	121	-
Unrealised loss on foreign exchange	(42)	-	13	-
After crediting:-				
Gain on disposal of property, plant and equipment	-	(11)	743	39
Interest Income	3	36	4	57
Rental Income	97	81	151	141
Realised gain on foreign exchange	(5)	1	16	1
Unrealised gain on foreign exchange	-	(48)	-	9

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