

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIXTH QUARTER ENDED 31 MARCH 2015**

	----- Individual Quarter ----		----- Cumulative Quarter ----- (Unaudited)	
	Current Quarter Ended 31 Mar 2015 RM'000	Preceding year corresponding Quarter ended 31 Mar 2014 RM'000	18 months to date ended 31 Mar 2015 RM'000	Preceding 18 months corresponding period ended 31 Mar 2014 RM'000
Revenue	45	450	2,640	N/A
Cost of Sales	(168)	(808)	(4,075)	N/A
Gross Profit/(Loss)	(123)	(358)	(1,435)	N/A
Other operating income				
- Reversal of impairment loss	4,988	-	4,988	N/A
- Others	321	1	370	N/A
Administrative expenses	(4,609)	(845)	(10,059)	N/A
Selling and distribution expenses	(303)	(409)	(2,099)	N/A
Other expenses	-	-	(4,988)	N/A
Operating Profit/(Loss)	274	(1,611)	(13,223)	N/A
Finance cost	-	-	-	N/A
Share of Result of A Jointly Controlled Entity	1	(7)	(6)	N/A
Profit/ (Loss) Before Taxation	275	(1,618)	(13,229)	N/A
Taxation	1	-	1	N/A
Net Profit / (Loss) After Taxation	276	(1,618)	(13,228)	N/A
Other comprehensive income/(loss), net of tax				
- Foreign currency translation on foreign entity	(127)	4	(228)	N/A
Total comprehensive income / (loss)	149	(1,614)	(13,456)	N/A
Net profit/(loss) attributable to :				
- Owners of the Company	311	(1,613)	(13,157)	N/A
- Non-controlling interests	(35)	(5)	(71)	N/A
Net Profit/(Loss)	276	(1,618)	(13,228)	N/A
Total comprehensive income/(loss) attributable to :				
- Owners of the Company	184	(1,609)	(13,385)	N/A
- Non-controlling interests	(35)	(5)	(71)	N/A
Total comprehensive income/ (loss)	149	(1,614)	(13,456)	N/A
Weighted average no. of ordinary shares in issue ('000)	272,367	227,000	272,367	N/A
Basic earnings/ (loss) per ordinary share (sen):				
Basic earnings/ (loss) per share (sen)	0.11	(0.71)	(4.83)	N/A
Diluted earnings/ (loss) per share (sen)	0.11	(0.71)	(4.83)	N/A

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE SIXTH QUARTER ENDED 31 MARCH 2015 (CONT')**

Notes:

- (i) Basic earnings/ (loss) per share for the quarter and financial period is calculated based on the net profit / (loss) divided by the weighted average number of ordinary shares for the quarter and year-to-date respectively.
- (ii) The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended ("FYE") 30 September 2013 and the accompanying notes attached to this interim financial report.
- (iii) Due to change in financial year end from 30 September 2014 to 31 March 2015, the results for corresponding 18 months period in prior year are not presented.
- (iii) The loss before taxation is arrived at after charging/ (crediting) the following items:-

	Current quarter 31 Mar 2015 RM'000	18 months to date 31 Mar 2015 RM'000
(a) Interest income	-	(39)
(b) Depreciation and amortisation	485	3,001
(c) (Gain)/Loss on disposal of properties, plant and equipment	-	(22)
(d) Unrealised loss on investment	-	81
(e) Net Impairment loss on investment in a jointly controlled entity	(5,015)	15
(f) Foreign exchange (gain)/ loss	(10)	(8)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015**

	(Unaudited) As at 31 March 2015 RM'000	(Audited) As at 30 September 2013 RM'000	(Audited) As at 30 September 2012 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	4,844	13,210	21,091
Investment in a jointly controlled entity	-	4,995	5,002
Investment in Securities	-	81	-
Intangible Assets	1,391	2,174	6,088
	6,235	20,460	32,181
Current assets			
Inventories	3,697	428	239
Trade Receivables	465	809	206
Other receivables, deposits and prepayment	1,389	157	269
Tax recoverable	1	1	^
Fixed deposits placed with licensed banks	-	2,020	8,042
Cash and bank balances	1,386	928	679
	6,938	4,343	9,435
Asset of disposal group classified as held for sale	4,974	-	-
	11,912	4,343	9,435
Total Assets	18,147	24,803	41,616
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the Company			
Share capital	27,237	22,700	22,700
Retained profits / (Accumulated losses)	(22,990)	(9,833)	7,276
Reserves	10,858	11,262	11,304
Shareholders' funds	15,105	24,129	41,280
Non-controlling interests	(119)	(48)	(23)
Total Equity	14,986	24,081	41,257
Current liabilities			
Trade Payables	138	195	40
Other payables and accruals	3,023	527	319
Total liabilities	3,161	722	359
Total equity and liabilities	18,147	24,803	41,616
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.06	0.11	0.18

Notes:

^ Less than RM1,000.

- (i) The net asset per share for the quarter and financial period is calculated based on the net asset as at 31 MARCH 2015 divided by the number of outstanding ordinary shares as at 31 MARCH 2015.
- (ii) The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements of the Group for the FYE 30 September 2013 and the accompanying notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIXTH QUARTER ENDED 31 MARCH 2015**

	Current year to date 31 March 2015 RM'000	Preceding year corresponding period 31 March 2014 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) Before Taxation	(13,229)	N/A
Adjustments for Non-cash items	6,462	N/A
Operating profit/(loss) before working capital changes	<u>(6,767)</u>	<u>N/A</u>
Changes in working capital		
Net change in inventories	(13)	N/A
Net change in trade and other receivables	(2,324)	N/A
Net change in trade and other payables	2,691	N/A
Net cash from operations	<u>(6,413)</u>	<u>N/A</u>
Tax paid	1	N/A
Net cash flow from operating activities	<u>(6,412)</u>	<u>N/A</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	39	N/A
Cash and cash equivalents of subsidiary acquired	430	N/A
Product development costs incurred	(118)	N/A
Purchase of plant and equipment	(622)	N/A
Proceed from disposal of Property, plant and equipment	988	N/A
Net cash flow from investing activities	<u>717</u>	<u>N/A</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from issuance of shares	4,361	N/A
Net cash flow from financing activities	<u>4,361</u>	<u>N/A</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	(1,334)	N/A
Effects of Foreign Exchange Translation	(228)	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	2,948	N/A
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>1,386</u>	<u>N/A</u>
Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	1,386	N/A
Fixed deposits placed with licensed banks	-	N/A
	<u>1,386</u>	<u>N/A</u>

Note:

- (i) The Unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements of the Group for the FYE 30 September 2013 and the accompanying notes attached to this interim financial report.
- (ii) Due to change in financial year end from 30 September 2014 to 31 March 2015, the results for the corresponding 18 months period in the prior year are not presented

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIXTH QUARTER ENDED 31 MARCH 2015**

	Attributable to owners of the Company			Distributable Retained Profit / (Accumulated Losses) RM'000	Shareholders' Fund RM'000	Non- controlling Interest RM'000	Total equity RM'000
	Share Capital RM'000	Share Premium RM'000	Foreign Exchange Fluctuation Reserve RM'000				
Balance as at 1 October 2013	22,700	11,258	4	(9,833)	24,129	(48)	24,081
Total comprehensive income / (loss)	-	-	(228)	(13,157)	(13,385)	(71)	(13,456)
Issuance of ordinary shares	4,537	(176)	-	-	4,361	-	4,361
Balance as at 31 March 2015	27,237	11,082	(224)	(22,990)	15,105	(119)	14,986

As at preceding year corresponding quarter 30 September 2013

Balance as at 1 October 2012	22,700	11,258	46	7,276	41,280	(23)	41,257
Total comprehensive income / (loss)	-	-	(42)	(17,109)	(17,151)	(25)	(17,176)
Balance as at 30 September 2013	22,700	11,258	4	(9,833)	24,129	(48)	24,081

Note:

- (i) The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the FYE 30 September 2013 and the accompanying notes attached to this interim financial report.

QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report for the Sixth Quarter Ended 31 MARCH 2015

A: EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting, Paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 September 2013 and the accompanying explanatory notes attached to the interim financial report.

The Group has adopted the Malaysian Financial Reporting Standard (MFRS) framework issued by MASB with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully converge Malaysia’s existing Financial Reporting Standards (“FRS”) framework with the International Financial Reporting Standards (“IFRS”) framework issued by the International Accounting Standards Board. The transition from the previous FRs to the new MFRSs has no impact on the Group financial position, financial performance, cash flows and the notes to the financial statements.

The Group has also adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 October 2012. The adoption of these new and revised MFRSs and IC Interpretations have not resulted in any material impact on the financial statements of the Group.

A2. Auditors’ Report of preceding annual financial statements

The preceding year’s annual financial statements were not subject to any qualification.

Notwithstanding this, the financial statements of the subsidiaries comprise the following emphasis of matter paragraph in the auditors’ report:-

Smartag International Inc.

“The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in notes of the financial statements, the Company has suffered recurring losses from operations and is dependent upon the continued sale of its securities, obtaining debt financing, or finding a suitable candidate for a business combination for funds to meet its cash requirements. These factors raise substantial doubt on the Company’s ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.”

Smartag Technologies Sdn Bhd

“Without qualifying our opinion, we draw attention to Note to the financial statements which disclose the premise upon which the Company has prepared its financial statements by applying the going concern assumption, notwithstanding that the Company incurred a net loss of RM17,263 during the financial year ended 30 September 2013, and as at that date, the Company’s current liabilities exceeded its current assets by RM62,237 and recorded a capital deficiency of RM60,822, thereby indicating the existence of a material uncertainty which may cast significant doubt about the Company’s ability to continue as going concern.

A3. Seasonal or cyclical factors

The Group’s operations are not materially affected by seasonal and cyclical factors.

A4. Unusual Items affecting assets, liabilities, equity, net income or cash flows

There were no other unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter under review.

A5. Material changes in estimates

There were no material changes in estimates in the current financial quarter under review and financial year-to-date.

A6. Debts and equity securities

Save for the issuance of 45,367,200 new ordinary shares of RM0.10 each in SMTrack pursuant to the Proposed Private Placement as disclosed in Section B7, there was no issuance or repayment of debt or equity securities, share buy-backs, share cancellations, share held as treasury shares and resale of treasury shares for the current financial quarter under review.

A7. Dividends

There were no dividends paid or declared for the current financial quarter under review.

A8. Segmental Information

The Group has one reportable segment, which is principally engaged in the distribution, research, design and deployment of the radio frequency identification (RFID) tag and operates predominantly in one country, that is, Malaysia. Accordingly, information by operating and geographical segments on the Group's operations as required by MFRS 8 is not presented.

Further information on the Group's revenue is discussed in Section B1.

A9. Valuation of property, plant and equipment

The Company has not carried out valuation on its property, plant and equipment in the current financial quarter under review.

A10. Capital commitments

There were no material capital commitments in respect of property, plant and equipment as at the current financial quarter under review.

A11. Other commitments

There were no material other commitments as at the current financial quarter under review.

A12. Changes in the composition of the Group

There were no material changes in the composition of the Group for the current financial quarter.

A13. Contingent assets or liabilities

The Directors are of the opinion that the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position and business of the Group as at reporting date.

A14. Material events subsequent to the end of the quarter

On 21 May 2015, M&A Securities Sdn Bhd had on behalf of the Board of Directors announce to BURSA Malaysia that the Company entered into a Share Sale Agreement with One Trooper Systems Sdn Bhd to dispose its 50% equity interest in My Record Sdn Bhd (formerly known as Sure-Reach Smartag Sdn Bhd) comprising 5,015,000 ordinary shares of RM1.00 each for a cash disposal consideration of RM5,000,000.

A15. Change of financial year end

On 14 January 2015, the Company had announced to Bursa Malaysia Securities Berhad that the Company had changed its financial year end from 30 September to 31 March. Accordingly, the next audited financial statements of the Group and the Company shall be for a period of 18 months, made up from 1 October 2013 to 31 March 2015.

Thereafter, the subsequent financial years of the Company shall end on 31 March every year.

B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of the performance of the Group

For the current financial period ended (“FPE”) 31 March 2015, the Group recorded revenue of RM2.640 million. The revenue of RM2.640 million for the current financial period was mainly contributed by sales of RFID solutions, software solutions and related equipment which amounted to RM1.651 million, traceability sales from subsidiary Smartag International Inc, US and LEYS International Ltd, HK of RM0.343 million, recurring revenue stream of RM0.228 million from Secured Trade Project, and RM0.418 million from digital wallet sales.

For the current quarter ended 31 March 2015, the Group recorded a revenue of RM0.045 million and loss before taxation of RM0.409 million as compared to a revenue and loss before taxation of RM0.450 million and RM1.618 million respectively for the preceding year corresponding quarter. The revenue for the current quarter was mainly contributed by digital wallet sale. Increase in loss before taxation was mainly due to higher expenses reported at subsidiaries level.

B2. Comparison to the Results of the Preceding Quarter

	Current Quarter	Preceding Quarter
	31/3/15	31/12/14
	RM'000	RM'000
Revenue	45	214
Profit / (Loss) before tax	275	(6,749)

Revenue of the Group decreased to RM0.045 million for the current quarter ended 31 March 2015 as compared to RM0.214 million registered in the preceding quarter ended 31 December 2014 due to no recurring sales in RFID and software solutions in current quarter. The Group’s profit before taxation for the current quarter ended 31 March 2015 of RM0.275 million had improved significantly compared to preceding quarter ended 31 December 2014 loss before taxation of RM6.749 million. The differences in profit / (loss) before tax for the said 2 quarters was due to the following :

- i) The profit for the quarter under review was due to the reversal of allowance for impairment of investment in a jointly controlled entity of RM5.000 million but was adversely effected by the increase in administrative, selling and distribution expenses of RM2.838 million ; and
- ii) The loss in preceding quarter was due to impairment of investment of RM4.988 million.

B3. Prospects

The Agreement between SMTrack Berhad and the Ketua Pengarah Kastam Diraja Malaysia (“JKDM”) in relation to the implementation and operation of the Container Security and Trade Facilitation System using Radio Frequency Identification 2014 that JKDM will not give consideration for the extension of the said Agreement.

Nevertheless, SMTrack Berhad has taken precautionary measures to further enhance the current existing domestic Secured Trade System to one which include cross border Secured Trade facilitation relying on the core RFID traceability system, the existing technology and hardware can thus be re-utilised for online tracking of containers from one country to another.

For a start, SMTrack Berhad had on 12 February 2015 entered into a contract to source, transport and track up to 5,000mt per month of palm oil related products with Sino Renewable Energy Corporation (“SREC”) in China. For this purpose, SMTrack Berhad had obtained the required license from the Malaysian Palm Oil Board (“MPOB”) for exporting and transporting of palm oil products including the trading of crude palm oil (“CPO”), sludge palm oil (“SPO”), processed palm oil (“PPO”), crude palm kernel oil (“CPKO”). This is expected to augur well for SMTrack Group as SMTrack will be able to utilize the ability to deal direct with suppliers from the source to ensure that full traceability can be complied with thereby providing reassurance on the quality via track and trace of such exports to other countries.

B4. Profit forecast and profit guarantee

The Group has not issued any profit forecast or profit guarantee for the current financial quarter under review or in any public documents.

B5. Taxation

	Current Quarter Ended 31/3/15 RM'000	18 Months Period Ended 31/3/15 RM'000
Current tax expense	1	1

The effective tax rate is higher than the statutory tax rate of 25% due to non-recognition of deferred tax assets arising from loss incurred during the current quarter and current year to date for the financial period. The company was accorded the MSC (Multimedia Super Corridor) status and was granted Pioneer Status on 11th July 2007 which exempts 100% of its eligible statutory business income for a period of five (5) years, which has been extended for a further period of five (5) years.

B6. Status of Corporate Proposal

There were no corporate proposals announced but not completed as at the date of this announcement.

B7. Status of utilisation of proceeds

The status of utilisation of the gross proceeds of RM4.537 million (through the issuance of 45,367,200 new ordinary shares of RM0.10 each) raised from the Proposed Private Placement as at 31 March 2015 are as follows:-

Purposes	Proposed Amount as Disclosed in the Circular to Shareholders dated 4 April 2014 (RM'000)	Amount Utilized as at 31.3.2015 (RM'000)	Amount Unutilized as at 31.3.2015 (RM'000)	Timeframe for Utilisation of Proceeds from Date of Listing
Development of food traceability platform	2,800	2,518	282	Within 12 months
RFID Community projects	900	900	-	Within 6 months
Marketing Expenses	640	640	-	Within 12 months
Estimated expenses in relation to Private Placement	197	176*	21	Within 1 month
Total	4,537	4,234	303	

Notes:

* In view that the actual listing expenses were lower than estimated, the excess will be utilised for marketing purposes.

B8. Group borrowings and debt securities

The Group does not have any borrowings and debt securities in the current financial quarter under review and financial year-to-date.

In terms of inter-Group borrowings, on 17 March 2009, the Company entered into a Revolving Promissory Note (the "Secured Note") with Smartag International Inc. Under the terms of the Secured Note, the Company agreed to advance to Smartag International Inc. from time to time amounts up to an aggregate of USD200,000. The Secured Note is renewable from year to year and all advances are interest free and shall be paid on or before 31 December 2010. The purpose of the Secured Note is to enable Smartag International Inc. to settle any statutory and administrative expenses such as audit fees, filing expenses, secretarial expenses and corporate exercise fees as and when incurred.

On 16 May 2014, SMTrack advances to Smartag International Inc had increased to USD300,000, the advances are interest free and shall be paid on or before 30 September 2015. The repayment were subsequently extended to 30 September 2016.

B9. Off balance sheet financial instruments

As at the reporting date, the Group does not have any off balance sheet financial instruments.

B10. Material Litigations

Claim against both the defendants being G.T. & T. Engineering (M) Sdn Bhd (“GTT (M)”) and G.T.&T. Engineering Pte Ltd (“GTT(S)”)

On 14 April 2009 and 17 March 2010, the Company had claimed from GTT (M) and GTT(S) respectively through the Johor Bahru High Court an amount of RM850,000.00 for the supply of 30,000 units of inferior RFID tags to Johor Port Berhad.

GTT(M) had on 13 May 2009 filed a claim against the Company for an amount of RM108,762.32 under the Johor Bahru Sessions Court (formerly in Shah Alam Sessions Court) in respect of damages for replacement of the abovementioned inferior RFID tags (referred to as the “JB Sessions Court Summons”). On 8 March 2011, the Company’s solicitors had filed its statement of defense and counterclaim, being the claim of RM850,000.00 for the supply of 30,000 units of inferior RFID tags to Johor Port Berhad.

The Company’s solicitors then filed an application to transfer all three (3) suit, being the GTT (S) suit, GTT (M) suit and the JB Sessions Court Summons to the Penang High Court and thereafter an Order In Terms (“OIT”) was granted to the said applications on 16 November 2011.

On 27 January 2012, the two (2) suit being the GTT (S) and GTT (M) were transferred from Johor Bahru High Court to Penang High Court and subsequently were consolidated on 24 July 2012. The JB Sessions Court Summons was transferred from Johor Bahru Sessions Court to Georgetown Sessions Court (“Georgetown Sessions Court Summons”) on 1 February 2012 and the plaintiff’s solicitors then filed an application to transfer the Georgetown Sessions Court Summons to Penang High Court which to be heard together with the cases of GTT (S) and GTT (M). On 28 August 2012, an OIT was granted to the said application.

On 30 October 2012, an appointment/meeting for an amicable settlement was held between the Company, Johor Port Berhad, GTT (S) and GTT (M) together with their solicitors. This amicable settlement is currently at the stage of negotiation between the parties and targeted to be resolved prior to the Full Trial date.

On 12 November 2013, the Penang High Court has fixed the aforesaid suit for Full Trial to be held on 5th, 6th and 7th of May 2014 in the Penang High Court, on 5 May 2014, the Full Trial have been taken off and postponed to 11 and 12 August 2014.

On 11 August 2014, the Judicial Commissioner transferred the matter to the Session Court on the basis that the amount claimed is within the jurisdiction of the Session Court. Pending extraction of High Court, this matter will be registered with the Session Court for the Trial to proceed.

On 24 November 2014, the Session Court has fixed this matter for case management on 17 December 2014. The case management on 17 December 2014 was postponed to 21 May 2015 and the Full Trial has been fixed on 18 August 2015.

B11. Dividends

The Board of Directors does not recommend any dividends for the current financial quarter under review.

B12. Earnings / (loss) per share

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31/3/15	Preceding Corresponding Quarter Ended 31/3/14	18 Months to date ended 31/3/15	Preceding 18 Months Corresponding Period To date ended 31/3/14
Net profit / (loss) attributable to ordinary equity holders of the Company (RM'000)	311	(1,613)	(13,157)	N/A
Weighted average number of ordinary shares in issue ('000)	272,367	227,000	272,367	N/A
Basic earnings / (loss) per share (sen)	0.11	(0.71)	(4.83)	N/A

Diluted earnings per share is not disclosed herein as it is not applicable to the Group.

B13. Disclosure of realised and unrealised profit / losses

	As at 31/3/15 RM'000	As at 31/3/14 RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries		
- Realised	(29,773)	(17,998)
- Unrealised	18	4
	(29,755)	(17,994)
Total share of retained profits of a jointly controlled entity		
- Realised	(26)	(26)
- Unrealised	-	-
	(29,781)	(18,020)
Add: Consolidation adjustments	6,791	4,921
Total retained profits / (Accumulated losses)	(22,990)	(13,099)

B14. Authorisation for issue

The interim financial statement were authorised for issue by the Board of Directors in accordance with a resolution of the directors.

SMTRACK BERHAD
28 May 2015
BY ORDER OF THE BOARD