

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2016**

	----- Individual Quarter -----		----- Cumulative Quarter -----	
	Current Quarter Ended 31 March 2016 RM'000	Preceding Period Corresponding Quarter Ended 31 March 2015 RM'000	(Unaudited) 12 months to date ended 31 March 2016 RM'000	(Unaudited) Preceding 12 months corresponding Period Ended 31 March 2015 RM'000
Revenue	151	45	3,415	1,953
Cost of Sales	(497)	(168)	(3,401)	(2,704)
Gross Profit/(Loss)	(346)	(123)	14	(751)
Other operating income/(loss)	(632)	5,309	4,187	5,349
Administrative expenses	(1,108)	(4,609)	(6,075)	(8,281)
Selling and distribution expenses	(82)	(303)	(457)	(1,281)
Other Income/ expenses				
- Impairment of Investment	-	-	-	(4,988)
- Share-based compensation pursuant to option granted under the Share Issuance Scheme ("SIS")	-	-	(6,537)	-
Operating Profit/(Loss)	(2,168)	274	(8,868)	(9,952)
Finance cost	-	-	-	-
Share of Result of A Jointly Controlled Entity	-	1	-	1
<b>Profit/(Loss) Before Taxation</b>	<b>(2,168)</b>	<b>275</b>	<b>(8,868)</b>	<b>(9,951)</b>
Taxation	-	1	-	1
<b>Net Profit/(Loss) After Taxation</b>	<b>(2,168)</b>	<b>276</b>	<b>(8,868)</b>	<b>(9,950)</b>
Other comprehensive loss, net of tax				
- Foreign currency translation on foreign entity	^	(127)	(555)	(225)
<b>Total comprehensive income/(loss)</b>	<b>(2,168)</b>	<b>149</b>	<b>(9,423)</b>	<b>(10,175)</b>
<b>Net Loss attributable to :</b>				
- Owners of the Company	(2,168)	311	(8,868)	(9,891)
- Non-controlling interests	-	(35)	(119)	(59)
<b>Net Profit/(Loss)</b>	<b>(2,168)</b>	<b>276</b>	<b>(8,749)</b>	<b>(9,950)</b>
<b>Total comprehensive income/(loss) attributable to :</b>				
- Owners of the Company	(2,168)	185	(9,281)	(10,115)
- Non-controlling interests	-	(36)	(142)	(60)
<b>Total comprehensive income/(loss)</b>	<b>(2,168)</b>	<b>149</b>	<b>(9,423)</b>	<b>(10,175)</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2016 (CON'T)**

	----- Individual Quarter -----		----- Cumulative Quarter -----	
	Current Quarter Ended 31 March 2016	Preceding Period Corresponding Quarter Ended 31 March 2015	(Unaudited) 12 months to date ended 31 March 2016	Preceding 12 months corresponding Period Ended 31 March 2015
Weighted average no. of ordinary shares in issue ('000)	294,493	272,367	284,062	272,367
Weighted average no. of ordinary shares in issue adjusted for the effect of dilutive potential ordinary shares('000)	294,493	272,367	284,062	272,367
<b>Earnings/(loss) per ordinary share (sen):</b>				
Basic earnings/(loss) per share (sen)	(0.74)	0.11	(3.32)	(3.65)
Diluted earnings/(loss) per share (sen)	N/A	0.11	N/A	(3.65)

## Notes:

- ^ Less than RM1,000.
- (i) Basic earnings/(loss) per share for the quarter and financial period is calculated based on the net loss divided by the weighted average number of ordinary shares for the quarter and year-to-date respectively.
- (ii) Diluted 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 after adjustment for the effects of all dilutive potential ordinary shares. No diluted earnings/(loss) per share is disclosed as all potential ordinary shares are anti-dilutive.
- (iii) The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial period ended ("FPE") 31 March 2015 and the accompanying notes attached to this interim financial report.
- (iv) The loss before taxation is arrived at after charging/ (crediting) the following items:-

	Current Quarter Ended 31 March 2016 RM'000	12 months to date ended 31 March 2016 RM'000
(a) Depreciation and amortisation	424	1,708
(b) Gain/ loss on disposal of properties, plant and equipment	(72)	(221)
(c) Allowance for impairment on trade receivables	129	810
(d) Allowance for impairment on other receivables	393	393
(e) Share-based compensation pursuant to option granted under the SIS	-	6,537
(f) Unrealised foreign exchange gain	-	(246)
(g) Realised foreign exchange loss	-	234
(h) (Surplus)/Deficit on disposal / de-consolidation of subsidiary	1,088	(3,683)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2016**

	(Unaudited) As at 31 March 2016 RM'000	(Audited) As at 31 March 2015 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,100	8,099
Intangible Assets	876	1,392
	<u>4,976</u>	<u>9,491</u>
<b>Current assets</b>		
Inventories	206	441
Trade receivables	1,852	465
Other receivables, deposits and prepayment	5,131	1,389
Amount owing by the then associate	1,000	-
Tax recoverable	1	1
Cash and bank balances	978	1,386
	<u>9,168</u>	<u>3,682</u>
Assets classified as held for sale	5,000	4,989
	<u>14,168</u>	<u>8,671</u>
<b>Total Assets</b>	<b><u>19,144</u></b>	<b><u>18,162</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Company</b>		
Share capital	31,976	27,237
Accumulated losses	(31,724)	(22,975)
Reserves	18,070	10,859
Shareholders' funds	18,322	15,121
Non-controlling interests	-	(120)
<b>Total Equity</b>	<b><u>18,322</u></b>	<b><u>15,001</u></b>
<b>Current liabilities</b>		
Trade Payables	466	138
Other payables and accruals	356	3,023
<b>Total liabilities</b>	<b><u>822</u></b>	<b><u>3,161</u></b>
<b>Total equity and liabilities</b>	<b><u>19,144</u></b>	<b><u>18,162</u></b>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.06	0.06

## Notes:

- (i) The net asset per share for the quarter and financial period is calculated based on the net asset as at 31 March 2016 divided by the number of outstanding ordinary shares as at 31 March 2016.
- (ii) The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements of the Group for the FPE 31 March 2015 and the accompanying notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2016**

	Current year to date 31 March 2016 RM'000	Preceding period corresponding Period Ended 31 March 2015 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss Before Taxation	(8,749)	(13,229)
Adjustments for Non-cash items	9,409	6,462
Operating loss before working capital changes	660	(6,767)
Changes in working capital		
Net change in inventories	235	(13)
Net change in trade and other receivables	(6,129)	(2,324)
Net change in trade and other payables	(2,339)	2,691
Net cash flows from operations	(7,573)	(6,413)
Tax paid	-	1
Net cash flows from operating activities	(7,573)	(6,412)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest Received	^	39
Cash and cash equivalents of subsidiaries acquired		430
Product development costs incurred	-	(118)
Purchase of plant and equipment	-	(622)
Proceeds from disposal of Property, plant and equipment	1,632	988
Net cash flows from investing activities	1,632	717
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net proceeds from issuance of shares	5,190	4,361
Minority interest	120	-
Net cash flows from financing activities	5,310	4,361
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	(631)	(1,334)
Effects of Foreign Exchange Translation	223	(228)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	1,386	2,948
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	978	1,386
Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	978	1,386
Fixed deposits placed with licensed banks	-	-
	978	1,386

## Note:

The Unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements of the Group for the FPE 31 March 2015 and the accompanying notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2016**

	← Attributable to owners of the Company				← Non-distributable			Distributable	
	Share Capital RM'000	Share Premium RM'000	Foreign Exchange Fluctuation Reserve RM'000	Share Option Reserve RM'000	Accumulated Losses RM'000	Shareholders' Fund RM'000	Non- controlling Interest RM'000	Total equity RM'000	
Balance as at 1 April 2015	27,237	11,082	(223)	-	(22,975)	15,121	(120)	15,001	
Total comprehensive loss	-	-	(532)	-	(8,749)	(9,281)	(142)	(9,423)	
Share option granted under the SIS	-	-	-	6,537	-	6,537	-	6,537	
Issuance of ordinary shares at premium pursuant to SIS	4,739	1,346	-	(872)	-	5,213	-	5,213	
Share issuance expenses	-	(23)	-	-	-	(23)	-	(23)	
Adjustment on disposal/de-consolidation of subsidiary	-	-	755	-	-	755	262	1,017	
Balance as at 31 March 2016	<u>31,976</u>	<u>12,405</u>	<u>-</u>	<u>5,665</u>	<u>(31,724)</u>	<u>18,322</u>	<u>-</u>	<u>18,322</u>	
<b>As at preceding period ended 31 March 2015</b>									
Balance as at 1 April 2014	22,700	11,258	4	-	(9,833)	24,129	(48)	24,081	
Total comprehensive income / (loss)	-	-	(225)	-	(9,950)	(10,175)	(60)	(10,235)	
Other comprehensive income	-	-	-	-	-	-	-	-	
Issuance of ordinary shares	4,537	(176)	-	-	-	4,361	-	4,361	
Balance as at 31 March 2015	<u>27,237</u>	<u>11,082</u>	<u>(221)</u>	<u>-</u>	<u>(19,783)</u>	<u>18,315</u>	<u>(108)</u>	<u>18,207</u>	

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 FPE 31 March 2015 and the accompanying notes attached to this interim financial report.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS****Quarterly Report for the Fourth Quarter Ended 31 March 2016****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 period ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial report.

The Group has also adopted all Amendments/Improvements to MFRSs that are relevant and effective for accounting periods beginning on or after 1 April 2015. The adoption of these Amendments/Improvements to MFRSs has 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 for the period ended 31 March 2015 of the Group were qualified for the following matters:

**(i) Property, plant and equipment**

As disclosed in Note 4(a) to the financial statements, included in property, plant and equipment of the Group and the Company as at 31 March 2015 are IT equipment and IT equipment under installation amounting to RM2,871,071 and RM3,255,305 respectively that relates to a project which was terminated during the financial period. The directors are confident that the said equipment would have alternative uses which can generate economic benefits to the Group in the future. However, since a substantial portion of the said equipment has yet to be fully deployed as at the date of this report, we were unable to ascertain the directors’ assessment of the recoverable amount of the said equipment in accordance with MFRS 136: Impairment of Assets. Therefore, we could not determine the effect of adjustments, if any, on the financial position of the Group and the Company as at 31 March 2015, or on its financial performance and cash flows for the period then ended.

**(ii) Intangible assets**

As disclosed in Note 9(iii) to the financial statements, the total carrying amount of intangible assets of the Group and the Company of RM1,391,543 as at 31 March 2015 consists of product development costs that relates to a project which was terminated during the financial period. The directors are confident that the technological knowhow contained in the development costs can be used in alternative projects which can generate economic benefits to the Group in the future. We were unable to ascertain the directors’ assessment of the recoverable amount of the development expenditure in accordance with MFRS 136: Impairment of Assets. Therefore, we could not determine the effect of adjustments, if any, on the financial position of the Group and its related disclosures as at 31 March 2015, or on its financial performance and cash flows for the period then ended.

**A3. Seasonal or cyclical factors**

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**Quarterly Report for the Fourth Quarter Ended 31 March 2016**

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

**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 issuances of 10,894,600 new ordinary shares of RM0.10 each on 8 June 2015; and 36,500,000 new ordinary shares of RM0.10 each on 4 March 2016 in SMTrack Berhad respectively pursuant to exercise of options under the Offer of Options under Share Issuance Scheme (“SIS”) to eligible employees, there was no other 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 period-to-date.

**A7. Dividends**

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

**A8. Segmental Information**

The Group has only 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.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS****Quarterly Report for the Fourth Quarter Ended 31 March 2016****A: EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS ("FRS") 134 (CONT'D)****A12. Changes in the composition of the Group**

The changes in composition of the Group during the current quarter under review are as follows:

- i) On 9 September 2015, the Board of Directors announced to Bursa Malaysia that the Company's equity interest in Smartag International Inc. ("SII"), a 94.01% owned subsidiary company of the Company, had been diluted from 94.01% to 31.61% as a result of issuance of restricted common stocks in SII to new shareholders. Following the dilution, SII ceased to be a subsidiary and became a 31.61% owned associate company of the Company.

On 30 March 2016, the Board of Directors announced to Bursa Malaysia that the Company disposed its entire 31.61% equity interest amounting to 10 million ordinary shares in Smartag International Inc. ("SII") at a prevailing market price of USD0.0006 cents per share quoted on the Over-The-Counter ("OTC") market in the United States for a total consideration of USD6,000 on 29 March 2016 (at the date of the United States) ("the Disposal"). Following the disposal, SII ceased to be an associate company of the Company.

- ii) On 11 November 2015, the Board of Directors announced to Bursa Malaysia that the Company entered into a Sale and Purchase Agreement with Sun Bright International Holding Limited for the disposal of the entire issued and paid-up share capital of LEYS International Limited, a wholly-owned subsidiary of the Company, comprising 2 ordinary shares of HKD1.00 each, for the share transfer price of HKD2.00. Following the disposal, LEYS International Limited ceased to be a subsidiary of the Company.

**A13. Contingent assets or liabilities**

Save as disclosed in the quarterly reports, 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 performance of the Group as at reporting date.

**A14. Material events subsequent to the end of the quarter**

There are no material events subsequent to the end of the reporting quarter that have not been reflected in the financial quarter under review.



**QUARTERLY REPORT ON CONSOLIDATED RESULTS**
**Quarterly Report for the Fourth Quarter Ended 31 March 2016**
**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 financial period ended (“FPE”) 31 March 2016, the Group recorded revenue of RM3.40 million which represents an increase of RM1.45 million as compared to the revenue of RM1.95 million registered in the preceding year corresponding period. The increase in revenue for the current year-to-date was mainly contributed by more software solutions and related equipment supplies secured locally.

The Group recorded a loss after taxation of RM8.87 million for FPE 31 March 2016 as compared to a loss after taxation of RM9.95 million registered in the preceding year corresponding period. The lower current year to date’s loss was mainly due to reduction in administrative cost and an impairment loss of RM4.99 million made on investment in prior period.

For the current quarter ended 31 March 2016, the Group recorded a revenue of RM151,000 and loss before taxation of RM2.17 million as compared to a revenue and profit before taxation of RM45,000 and RM0.28 million respectively for the preceding year corresponding quarter. The higher revenue in the preceding year corresponding quarter was mainly due to revenue contributed by more software solutions and related equipment supplies secured locally. However, the unfavourable result for the current quarter as compared to preceding year corresponding quarter was mainly due to the de-consolidation loss of RM1.09 million for prior periods and allowance for doubtful debts in total of RM0.52 million being provided in the current quarter.

**B2. Comparison to the Results of the Preceding Quarter**

	<b>Current Quarter Ended</b> <b>31M arch 2016</b> <b>RM'000</b>	<b>Preceding Quarter Ended</b> <b>31 December 2015</b> <b>RM'000</b>
Revenue	151	2,546
Profit/(Loss) before tax	(2,168)	720

Revenue of the Group decreased to RM0.13 million for the current quarter ended 31 March 2016 as compared to RM2.55 million registered in the preceding quarter ended 31 December 2015 due to slow in sales from software solutions and related equipment supplies. The Group recorded a loss before taxation for the current quarter ended 31 March 2016 of RM2.17 million as compared to preceding quarter ended 30 September 2015’s profit before taxation of RM0.72 million. The reversal of profit before tax to a loss before taxation position for the said corresponding quarters was mainly due to the de-consolidation loss of RM1.09 million for prior period and an allowance for doubtful debts in total of RM0.52 million being provided in the current quarter.

## QUARTERLY REPORT ON CONSOLIDATED RESULTS

Quarterly Report for the Fourth Quarter Ended 31 March 2016

**B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)**

### B3. Prospects

The Group will also be focusing with its regional business expansion to China market for new potential track and traceability software solutions. In this respect, the recent tie-up with the Nan Fang Ping Tai or Southern China Logistics Information Platform, a Guangdong government sponsored single window initiative, augurs well for the Group as we are well positioned to take advantage of any new online businesses including exports from China using e-Commerce with track and trace capabilities as well as imports into China including Malaysian made Halal food products.

In view of the uncertain domestic economic conditions, the Group is anticipating a challenging year in 2016/2017 and will continue its efforts to diversify both locally and regionally in order to consolidate its revenue streams.

### 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

	<b>Current Quarter Ended</b>	<b>12 Months</b>
	<b>31 March 2016</b>	<b>Period Ended</b>
	<b>RM'000</b>	<b>31 March 2016</b>
		<b>RM'000</b>
Current tax expense	-	-

There is no tax expense for the current quarter and current year to date as majority of the Company's business income are exempted under Pioneer Status, and further there is no taxable profit for the financial period. The Company was accorded the MSC (Multimedia Super Corridor) status and granted Pioneer Status on 11 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 till 11 July 2017.

### B6. Status of Corporate Proposal

- i) On 21 May 2015, the Board of Directors announced to Bursa Malaysia that the Company entered into a Share Sale Agreement with One Trooper Systems Sdn Bhd ("One Trooper") to dispose its 50% equity interest in My Record Sdn Bhd (formerly known as Sure-Reach Smatag Sdn Bhd) comprising 5,015,000 ordinary shares of RM1.00 each for a cash disposal consideration of RM5,000,000. The Company had received a deposit sum equivalent to 10% of the Disposal Consideration amounting to Ringgit Malaysia Five Hundred Thousand (RM500,000.00). As at the date of this report, the Share Sale Agreement ("SSA") is pending fulfillment of the conditions precedent in accordance with the terms of the SSA.

On 18 February 2016, the Company had written to One Trooper to seek for an official reply in respect of the due diligence conducted by them on My Record Sdn. Bhd. pursuant to the SSA and the Board of Directors had agreed to grant a further period of three (3) weeks until 12 March 2016 for One Trooper to respond officially in writing.

On 1 March 2016, the Company received notice from One Trooper stating that they did not want to proceed with the said acquisition which resulting in the termination of the said agreement.

## QUARTERLY REPORT ON CONSOLIDATED RESULTS

### Quarterly Report for the Fourth Quarter Ended 31 March 2016

#### **B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)**

- ii) On 11 November 2015, the Board of Directors announced to Bursa Malaysia that the Company entered into a Sale and Purchase Agreement with Sun Bright International Holding Limited for the disposal of the entire issued and paid-up share capital of LEYS International Limited, a wholly-owned subsidiary of the Company, comprising 2 ordinary shares of HKD1.00 each, for the share transfer price of HKD2.00. Following the disposal, LEYS International Limited ceased to be a subsidiary of the Company.
- iii) On 30 March 2016, the Board of Directors announced to Bursa Malaysia that the Company disposed its entire 31.61% equity interest amounting to 10 million ordinary shares in Smartag International Inc. ("SII") at a prevailing market price of USD0.0006 cents per share quoted on the Over-The-Counter ("OTC") market in the United States for a total consideration of USD6,000 on 29 March 2016 (at the date of the United States) ("the Disposal"). Following the disposal, SII ceased to be an associate company of the Company.

#### **B7. Group borrowings and debt securities**

As at the reporting date, the Group does not have any borrowings and debt securities.

#### **B8. Off balance sheet financial instruments**

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

#### **B9. 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.

Subsequently, GTT(M) filed a counterclaim 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").

After the close of pleadings, the cases (namely the Company's suits against GTT (M) and GTT(S) and GTT(M)'s counterclaim) were consolidated and transferred to the Penang High Court. Thereafter, the Penang High Court transferred the cases to the Penang Sessions Court because the amount claimed by the respective parties were within the jurisdiction of the Sessions Court.

Trial dates had previously been fixed but the trial were postponed for various reasons. At the latest, trial was fixed on 10 August 2015. However, the trial did not proceed because the Company had filed an application for leave to amend its Statement of Claim, which was subsequently allowed by the Penang Sessions Court. Parties have filed their respective amended Statement of Claim and amended Statement of Defence.

Currently, the case is fixed for full trial on 13 and 14 June 2016.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**
**Quarterly Report for the Fourth Quarter Ended 31 March 2016**
**B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)**
**B10. Dividends**

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

**B11. Earnings / (loss) per share**
**a) Basic earnings/(loss) per share**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31 March 2016	Preceding Corresponding Quarter Ended 31 March 2015	12 Months to date ended 31 March 2016	Preceding 12 Months Corresponding Period To date ended 31 March 2015
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	(2,168)	274	(8,868)	(9,951)
Weighted average number of ordinary shares in issue ('000)	294,493	272,367	284,062	272,367
<b>Basic earnings/(loss) per share (sen)</b>	<b>(0.74)</b>	<b>0.11</b>	<b>(3.32)</b>	<b>(3.65)</b>

**B11. Earnings / (loss) per share (CONT'D)**
**b) Diluted earnings/(loss) per share**

No diluted earnings/(loss) per share is disclosed as all potential ordinary shares are anti-dilutive.

**B12. Disclosure of realised and unrealised profits or losses**

	As at 31 March 2016 RM'000	As at 31 March 2015 RM'000
Total accumulated losses of the Company and its subsidiaries		
- Realised	(31,478)	(29,773)
- Unrealised	246	18
	(31,724)	(29,755)
Total share of accumulated losses of a jointly controlled entity		
- Realised	-	(26)
- Unrealised	-	-
	(31,724)	(29,781)
Add: Consolidation adjustments	-	6,791
<b>Total Accumulated losses</b>	<b>(31,724)</b>	<b>(22,990)</b>

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**Quarterly Report for the Fourth Quarter Ended 31 March 2016**

**B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)**

**B13. Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 30 May 2016 .

**SMTRACK BERHAD**  
30 May 2016  
BY ORDER OF THE BOARD