

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 OCTOBER 2016**

	----- Individual Quarter ----		----- Cumulative Quarter -----	
	Current Quarter Ended	*Preceding Period Corresponding Quarter Ended	(Unaudited) 3 months to date ended	(Unaudited) *Preceding corresponding 3 months Period Ended
	31 October 2016 RM'000	30 September 2015 RM'000	31 October 2016 RM'000	30 September 2015 RM'000
Revenue	611	187	611	187
Cost of Sales	(534)	(161)	(534)	(161)
Gross Profit/(Loss)	77	21	77	21
Other income/(loss)	8	4,024	8	4,024
Administrative expenses	(347)	(3,459)	(347)	(3,459)
Selling and distribution expenses	(6)	(190)	(6)	(190)
Other expenses	(4)	-	(4)	-
Operating Profit/(Loss)	(272)	396	(272)	396
Finance cost	-	-	-	-
Profit/(Loss) Before Taxation	(272)	396	(272)	396
Taxation	-	-	-	-
Net Profit/(Loss) After Taxation	(272)	396	(272)	396
Other comprehensive loss, net of tax - Foreign currency translation on foreign entity	^	(497)	^	(497)
Total comprehensive income/(loss)	(272)	(101)	(272)	(101)
Net Loss attributable to :				
- Owners of the Company	(272)	514	(272)	514
- Non-controlling interests	-	(118)	-	(118)
Net Profit/(Loss)	(272)	396	(272)	396
Total comprehensive income/(loss) attributable to :				
- Owners of the Company	(272)	38	(272)	38
- Non-controlling interests	-	(139)	-	(139)
Total comprehensive income/(loss)	(272)	(101)	(272)	(101)

*Note: the Group changed its financial year end from 31 March to 31 July in financial period 2016; this quarter is the nearest practical corresponding quarter for comparison purposes.

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

	----- Individual Quarter ----		----- Cumulative Quarter -----	
	Current Quarter Ended	Preceding Period Corresponding Quarter Ended	(Unaudited) 3 months to date ended	Preceding corresponding 3 months Period Ended
	31 October 2016	30 September 2015	31 October 2016	30 September 2015
Weighted average no. of ordinary shares in issue ('000)	34,676	283,262	34,676	283,262
Weighted average no. of ordinary shares in issue adjusted for the effect of dilutive potential ordinary shares('000)	34,676	283,262	34,676	283,262
Earnings/(loss) per ordinary share (sen):				
Basic earnings/(loss) per share (sen)	(0.78)	0.18	(0.78)	0.18
Diluted earnings/(loss) per share (sen)	(0.78)	0.18	(0.78)	0.18

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 July 2016 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	3 months to date ended
	31 October 2016 RM'000	31 October 2016 RM'000
(a) Depreciation and amortisation	534	534
(b) Gain/(loss) on disposal of properties, plant and equipment	(8)	(8)
(c) Allowance for impairment on trade receivables	-	-
(d) Allowance for impairment on other receivables	-	-
(e) Unrealised foreign exchange gain	-	-
(f) Realised foreign exchange loss	-	-

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

	(Unaudited) As at 31 October 2016 RM'000	(Unaudited) As at 30 September 2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	3,215	6,193
Intangible Assets	2,660	1,137
	<u>5,875</u>	<u>7,330</u>
Current assets		
Inventories	1	357
Trade receivables	2,067	490
Other receivables, deposits and prepayment	5,187	275
Amount owing by an associate	-	1,732
Tax recoverable	1	2
Cash and bank balances	1,331	525
	<u>8,587</u>	<u>3,381</u>
Assets classified as held for sale	4,489	6,181
	<u>13,076</u>	<u>9,562</u>
Total Assets	<u>18,951</u>	<u>16,892</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	34,676	28,326
Accumulated losses	(34,758)	(30,276)
Other Reserves	17,485	17,514
Shareholders' funds	17,403	15,564
Non-controlling interests	-	-
Total Equity	<u>17,403</u>	<u>15,564</u>
Current liabilities		
Trade Payables	266	373
Other payables and accruals	1,282	955
Total liabilities	<u>1,548</u>	<u>1,328</u>
Total equity and liabilities	<u>18,951</u>	<u>16,892</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.05	0.05

Notes:

- (i) The net asset per share for the quarter and financial period is calculated based on the net asset as at 31 October 2016 divided by the number of outstanding ordinary shares as at 31 October 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 July 2016 and the accompanying notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 OCTOBER 2016**

	3 months to date 31 October 2016 RM'000	Preceding corresponding 6 months Period Ended 30 September 2015 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss Before Taxation	(272)	(7,420)
Adjustments for Non-cash items	(526)	3,517
Operating loss before working capital changes	<u>(798)</u>	<u>(3,903)</u>
Changes in working capital		
Net change in inventories	(1)	105
Net change in trade and other receivables	(474)	(723)
Net change in trade and other payables	(127)	2,666
Net cash flows from operations	<u>(1,400)</u>	<u>(1,855)</u>
Tax paid	-	1
Net cash flows from operating activities	<u>(1,400)</u>	<u>(1,856)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	^	^
Product development costs incurred	-	(7)
Purchase of intangible assets	(1,959)	-
Proceeds from disposal of plant and equipment	-	2
Proceeds from disposal of property, plant and equipment	820	(119)
Net cash flows from investing activities	<u>(1,139)</u>	<u>(124)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from issuance of shares	-	1,175
Minority interest	-	-
Net cash flows from financing activities	<u>-</u>	<u>1,175</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	(2,539)	(805)
Effects of Foreign Exchange Translation	-	(56)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	3,870	1,386
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>1,331</u>	<u>525</u>
Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	1,331	525
Fixed deposits placed with licensed banks	-	-
	<u>1,331</u>	<u>525</u>

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 July 2016 and the accompanying notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 OCTOBER 2016

	← Attributable to owners of the Company →				
	← Non-distributable →			Distributable	
	Share Capital RM'000	Share Premium RM'000	Foreign Exchange Fluctuation Reserve RM'000	Employee Share Option Reserve RM'000	Accumulated Losses RM'000
Balance as at 1 August 2016	34,676	17,485	-	-	(34,486)
Total comprehensive loss	-	-	-	-	(272)
	-	-	-	-	(272)
Balance as at 31 October 2016	34,676	17,485	-	-	(34,758)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 OCTOBER 2016 (CONT'D)

As at preceding period ended 31 July 2016

	Attributable to owners of the Company							Total equity RM'000
	Non-distributable			Distributable				
	Share Capital RM'000	Share Premium RM'000	Foreign Exchange Fluctuation Reserve RM'000	Employee Share Option Reserve RM'000	Accumulated Losses RM'000	Shareholders' Fund RM'000	Non-controlling Interest RM'000	
At 1 April 2015	27,237	1,082	(223)	-	(23,011)	15,085	(119)	14,966
Net loss for the financial period	-	-	-	-	(11,475)	(11,475)	(143)	(11,618)
Foreign currency translation	-	-	(495)	-	-	(495)	-	(495)
Total comprehensive loss	-	-	(495)	-	(11,475)	(11,970)	(143)	(12,113)
	27,237	11,082	(718)	-	(34,486)	3,115	(262)	2,853
Transactions with owners:								
Grant of employee share options	-	-	-	6,537	-	6,537	-	6,537
Exercise of employee share options	7,439	474	-	-	-	7,913	-	7,913
Transfer to share premium for share options exercised	-	5,952	-	(5,952)	-	-	-	-
Employee share options forfeited	-	-	-	(585)	-	(585)	-	(585)
Share issuance expenses	-	(23)	-	-	-	(23)	-	(23)
Disposal of subsidiary companies	-	-	718	-	-	718	262	980
	7,439	6,403	718	-	-	14,560	262	14,822
At 31 July 2016	34,676	17,485	-	-	(34,486)	17,675	-	17,675

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 July 2016 and the accompanying notes attached to this interim financial report.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 OCTOBER 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 July 2016 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 August 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 period financial statements

The preceding period’s financial statements for the period ended 31 July 2016 of the Group were qualified for the following matters:

1. The Predecessor Auditors’ report dated 14 July 2015

The Predecessor Auditors’ report had expressed qualified opinion on the financial statements of the Group and of the Company for the financial period ended 31 March 2015 as they were unable to obtain satisfactory appropriate audit evidence concerning:

- (i) the recoverable amount of the IT equipment and IT equipment under installation amounting to RM2,871,071 and RM3,255,305 respectively that relate to a project which was terminated during the financial period;
- (ii) the carrying amount of the intangible assets of RM1,391,543 as at 31 March 2015 consists of product development costs that relates to the same project which was terminated during the financial period; and
- (iii) thus, they were unable to ascertain the directors’ assessment of the recoverable amount from the said assets as mentioned above and they also 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 financial period then ended.

*2. Carrying Values of These Assets**(i) IT equipment, IT equipment under installation*

As at 31 July 2016, the carrying value for IT equipment and IT equipment under installation as mentioned in the above paragraphs recorded in the current period’s financial statements at RM 1,908,765 (2015: RM2,871,071) and RM2,009,365 (2015: RM3,255,305) respectively.

As mentioned in Note 34(ii) to the financial statements, subsequent to the financial period the Company on 7 October 2016 has managed to rent out the IT equipment and IT equipment under installation for 1 year commencing from October 2016 in order to generate economic benefits for the Group and the Company.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 OCTOBER 2016****A: EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS ("FRS") 134***(ii) Intangible Asset*

As for the Intangible Asset with a carrying value of RM701,306 (2015: RM1,391,543) as at 31 July 2016, the matter remains unresolved during the financial period.

Although annual depreciation has been provided by the Management, we were unable to ascertain the directors' assessment of the recoverable amount of the asset and we could not determine the effect of adjustments, if any, that might have been found to be necessary on the financial position of the Group and the Company as at 31 July 2016, or on its financial performance and cash flows for the financial period then ended.

3. Opening Balances

We were appointed as auditors in October 2016. As we were unable to access the audit working papers of the predecessor auditors and unable to verify by alternative means the opening balances that have been making up the financial position as the predecessor auditors have expressed a qualified opinion on the financial statement for the financial period ended 31 March 2015.

Since the opening balances substantially enter into determination of the financial performance and cash flows of the current financial period, we therefore could not determine the effect of adjustments, if any, that might have been found to be necessary in respect of the current period's loss on the financial performance and cash flows of the Group and the Company for the financial period ended 31 July 2016.

4. Gain on Disposal of Subsidiary Company

As disclosed in Note 6 to the financial statements, the financial statements of one of the disposed subsidiary companies, namely LEYS International Ltd. ("LEY"), of which we have not acted as auditors, for the financial period ended 31 July 2016 have not been audited. We were unable to perform any verification work on its unaudited management financial statements as the said subsidiary company had been disposed of on 11 November 2015.

The financial statements of the Group have been consolidated using the unaudited management financial statements of the said subsidiary company prior to the date of disposal. We were unable to obtain sufficient appropriate audit evidence on the completeness of the results of the said subsidiary company for the financial period ended 31 July 2016 that was included in the statement of profit or loss of the Group.

In addition, the gain on disposal of the subsidiary company amounting to RM565,222 was also accounted for using the unaudited management financial statements of the said subsidiary company as at the date of disposal. As a result, we were also unable to obtain sufficient appropriate audit evidence on the said gain on disposal of the subsidiary company amounting to RM565,222.

A3. Seasonal or cyclical factors

The Group's operations are not materially affected by seasonal and/or 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 quarter under review.

A5. Material changes in estimates

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 OCTOBER 2016**

A: EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS ("FRS") 134 (CONT'D)

A6. Debts and equity securities

There were no issue of debts and equity securities for the quarter under review.

A7. Dividends

There were no dividends paid or declared for the 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. However, the Company may carry out valuation for certain plant and equipment to ascertain their fair value.

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 changes in composition of the Group during the quarter under review.

A13. Contingent assets or liabilities

Save as disclosed in the quarterly reports, the Directors are of the opinion that the Group has no other contingent liabilities which, upon crystallisation would have material impact on the financial position and business performance of the Group as at reporting date.

A14. Material events pending completion

- (i) On 17 February 2016 and pursuant to a quotation from a third party of the same date, the Company has issued an advance deposit of RM945,000 to Fragrant Prosperity PLC, a public company incorporated in Jersey, in payment of 50% of the purchase price for the acquisition of "eWallet backend system" and various progressive payments made by the Company.

On 6 December 2016, the Company's solicitor confirmed that the he has been instructed to prepare an agreement by the parties to formalise the said acquisition to safeguard the intellectual property rights and interests of the Company.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 OCTOBER 2016**

A: EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS ("FRS") 134 (CONT'D)

A14. Material events pending completion (cont'd)

- (ii) On 10 March 2016, the Company announced that it has entered into a joint venture agreement with Cherish Words Sdn. Bhd to participate in a joint venture to undertake sub-contracting works for the design and build of a proposed housing scheme for a statutory body.

On 17 June 2016, the Company announced that it has entered into a strategic partnership agreement with Cherish Words Sdn. Bhd. (CWSB) and Anhui Construction Engineering (M) Sdn. Bhd. to undertake various construction and civil engineering projects and related activities in the region. As at the report date, the Company has provided working capital and advances to CWSB in total of RM3,850,000.

- (iii) On 5 October 2016, the Company's solicitor confirmed that the Company has earlier received a non-refundable earnest deposit of RM1,000,000 from an intended purchaser, Foley Union Group Limited, a public company incorporated in Jersey to purchase the 50% equity interest in My Records Sdn. Bhd., the Company's jointly controlled entity for a total consideration of RM5,000,000. The said disposal is subject to due diligence and a formal agreement by the parties, which is expected to be completed within 12 months.

A15. 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 quarter under review.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 OCTOBER 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

First financial quarter and current year to date:

For the first financial quarter ended (FOE) 31 October 2016 and current year to date, the Group recorded a revenue of RM0.61 million which represents an unfavourable performance compared to RM0.19 million in the preceding year corresponding period. The increase in revenue for the current quarter was mainly due to hiring income from the IT equipment and processing facilities and sales of software solutions and related equipment supplies in the local market.

The Group recorded a loss after taxation of RM0.27 million for FOE 31 October 2016 and current year to date as compared to a profit after taxation of RM0.40 million registered in the preceding year corresponding period. The reversal from profit to a loss situation was mainly due to provision of depreciation on plant and equipment of RM0.53 million and escalating administrative cost incurred during the current period and current year to date.

B2. Comparison to the Results of the Preceding Quarter

	Current Quarter Ended	Preceding Quarter Ended
	31 October 2016	31 July 2016
	RM'000	RM'000
Revenue	611	37
Profit/(Loss) before tax	(272)	(409)

B3. Prospects

The Group will be focusing on its new potential track and traceability software solution systems. In this respect, the Group strives to team-up with other overseas companies to explore the market opportunities for Logistics Information Platforms both locally and overseas, which will augur well for the Group and the Company in the near future. In the same time, the Group is exploring vibrant opportunities presented in the civil engineering and construction projects as well as food chain business.

In view of the uncertain domestic economic conditions, the Group is anticipating a challenging year ahead and will continue its efforts to diversify in various lucrative and sustainable businesses in order to boost the Group's revenue base and income streams.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 OCTOBER 2016**

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

B4. Profit forecast and profit guarantee

The Group did not issue any profit forecast or profit guarantee for the current quarter under review or in any public documents.

B5. Taxation

	Current Quarter Ended	Cumulative 3 Months
	31 October 2016	Period Ended
	RM'000	31 October 2016
		RM'000
Current tax expense	-	-

Non-pioneer business

There is no tax expense for the current quarter and current year to date as the Group and the Company incurred business losses and have no chargeable income.

Pioneer business

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

There was no corporate proposal for the Group during the quarter under review.

B7. Group borrowings and debt securities

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

B8. Off balance sheet financial instruments

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 OCTOBER 2016**

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

B9. Material Litigations

(i) *Lor Ching Peng ("LCP") vs. SMTrack Berhad ("SMT")*

On 17 June 2016, LCP filed a claim against the Company at the Kuala Lumpur Industrial Court alleging that he was constructively dismissed by the Company and claim for losses and damages suffered by him in respect of the said constructive dismissal.

LCP has also applied for reinstatement of his previous position in the Company without losses of salaries, allowances, service and seniority and /or a fair and reasonable compensation in lieu.

On 1 September 2016, the Company's solicitors filed its statement of defence stating that the claimant had earlier voluntarily tendered his resignation by giving a 6 month notice to the Company, but during certain part of the notice period, he failed to report to work.

On 16 December 2016, the case management was postponed to 24 January 2016 while giving room for mediation of the case by the parties and let it to be resolved at the Session Court level.

(ii) *SMTrack Berhad ("SMT") vs. Observision Sdn. Bhd. ("OSB")*

On 29 August 2016, the Company claimed against the defendants at the Kuala Lumpur Session Court, an outstanding amount of RM152,733 for the supply and delivery of goods.

On 7 October 2016, OSB filed a counter claim for the breach of the Outsource Service Agreement dated 3 September 2014 in respect of a project related to "supply, install and commissioning of extra low voltage equipment and infrastructure for certain housing projects".

The lump sum price of the said project awarded is RM1,537,951, but OSB counter-claimed that the Company has breached the contract and claimed for Special damages and liquidated damages of RM493,540 and RM9,950,000 respectively.

On 2 November 2016, OSB filed an application to transfer the case to the Kuala Lumpur High Court, with the submission to be filed on 23 December 2016 and the hearing being fixed on 5 January 2017.

On 14 November 2016, the Company applied for a Summary Judgement for the default in payment of the outstanding sum and the Company has also filed an application to strike out the above counter-claim.

The case management of both cases fell on 14 December 2016.

On 14 December 2016, the application to transfer the case to the High Court by OSB was rejected by the Court and the written submissions have to be filed by the parties on 18 January 2017.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 OCTOBER 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 October 2016	Preceding Corresponding Quarter Ended 30 September 2015	3 Months to date ended 31 October 2016	Preceding 3 Months Corresponding Period To date ended 30 September 2015
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	(272)	396	(272)	396
Weighted average number of ordinary shares in issue ('000)	34,676	283,262	34,676	283,262
Basic earnings/(loss) per share (sen)	(0.78)	0.18	(0.78)	0.18

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 30 October 2016 RM'000	As at 30 September 2015 RM'000
Total accumulated losses of the Company and its subsidiaries		
- Realised	(34,864)	(31,717)
- Unrealised	-	372
	(34,864)	(31,345)
Total share of accumulated losses of a jointly controlled entity		
- Realised	(11)	(26)
- Unrealised	-	-
	(34,875)	(31,371)
Add: Consolidation adjustments	117	1,095
Total Accumulated losses	(34,758)	(30,276)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 OCTOBER 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 December 2016.

SMTRACK BERHAD
30 December 2016
BY ORDER OF THE BOARD