

ASIAMET EDUCATION GROUP BERHAD
(Formerly known as Masterskill Education Group Berhad)
(Company No. 746920-M)
(Incorporated in Malaysia)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2016 - UNAUDITED**

| | Current Period Quarter ended | | Cumulative Quarter 3 months ended | |
|---|---------------------------------|----------------------|--------------------------------------|----------------------|
| | 31.03.16 (RM'000) | 31.03.15 (RM'000) | 31.03.16 (RM'000) | 31.03.15 (RM'000) |
| Continuing operations | | | | |
| Revenue | 6,492 | 7,564 | 6,492 | 7,564 |
| Cost of sale | (4,880) | (5,633) | (4,880) | (5,633) |
| Gross profit | 1,612 | 1,931 | 1,612 | 1,931 |
| Operating expenses | (5,126) | (5,455) | (5,126) | (5,455) |
| Other operating income | 562 | 538 | 562 | 538 |
| Interest expense | (137) | (585) | (137) | (585) |
| Interest income | 51 | 82 | 51 | 82 |
| Loss before taxation | (3,038) | (3,489) | (3,038) | (3,489) |
| Income tax expense | (11) | (11) | (11) | (11) |
| Loss from continuing operations | (3,049) | (3,500) | (3,049) | (3,500) |
| Discontinued operation | | | | |
| Loss from discontinued operations, net of tax | - | - | - | - |
| Loss for the period | (3,049) | (3,500) | (3,049) | (3,500) |
| Other comprehensive expense, net of tax | | | | |
| Fair value of available-for-sale financial assets | - | - | - | - |
| Total comprehensive expense for the period | (3,049) | (3,500) | (3,049) | (3,500) |
| <u>Loss attributable to:-</u> | | | | |
| Owners of the Company | (3,048) | (3,428) | (3,048) | (3,428) |
| Non-controlling interests | (1) | (72) | (1) | (72) |
| Loss for the period | (3,049) | (3,500) | (3,049) | (3,500) |
| <u>Comprehensive (expense) attributable to:-</u> | | | | |
| Owners of the Company | (3,048) | (3,428) | (3,048) | (3,428) |
| Non-controlling interests | (1) | (72) | (1) | (72) |
| Total comprehensive (expense) for the period | (3,049) | (3,500) | (3,049) | (3,500) |
| Basic loss per ordinary share (Sen) : | | | | |
| from continuing operations | (0.81) | (0.91) | (0.81) | (0.91) |
| from discontinued operation | - | - | - | - |
| | (0.81) | (0.91) | (0.81) | (0.91) |

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the annual financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

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(Company No. 746920-M)
(Incorporated in Malaysia)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

| | As at 31-Mar-16 Unaudited (RM'000) | As at 31-Dec-15 Audited (RM'000) |
|---|---|---|
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 22,555 | 22,964 |
| Investment Property | 22,294 | 22,734 |
| Total Non-Current Assets | 44,849 | 45,698 |
| CURRENT ASSETS | | |
| Available-for-sale land & buildings | 85,258 | 85,258 |
| Receivables, deposits and prepayments | 14,115 | 23,445 |
| Current tax asset | 45 | 45 |
| Cash and cash equivalents | 17,534 | 11,911 |
| Total Current Assets | 116,952 | 120,659 |
| TOTAL ASSETS | 161,801 | 166,357 |
| EQUITY | | |
| Share capital | 81,981 | 81,981 |
| Share premium | 144,225 | 144,225 |
| Treasury shares | (12,294) | (12,294) |
| Retained Earnings/ (Loss) | (72,142) | (69,094) |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | 141,770 | 144,818 |
| Non-controlling interests | (700) | (699) |
| TOTAL EQUITY | 141,070 | 144,119 |
| LIABILITIES | | |
| Borrowings (secured) | 8,511 | 9,004 |
| Total Non-Current Liabilities | 8,511 | 9,004 |
| Payables and accruals | 10,266 | 11,304 |
| Borrowings (secured) | 1,935 | 1,911 |
| Income tax payable | 19 | 19 |
| Total Current Liabilities | 12,220 | 13,234 |
| TOTAL LIABILITIES | 20,731 | 22,238 |
| TOTAL EQUITY AND LIABILITIES | 161,801 | 166,357 |
| Net assets per share attributable to owners of the parent (1) (RM) | 0.38 | 0.38 |

Note:

(1) computed based on the net assets of the Group divided by 376,076,880 outstanding issued Ordinary Shares excluding the Treasury Shares

The condensed consolidated statement of financial position should be read in conjunction with the annual financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 March 2016 - UNAUDITED

← Equity Attributable to Owners of the Company →

| | Non-distributable | | | | Distributable | Non-Controlling Interests | Total |
|---|-------------------------|-------------------------|---------------------------|------------------------------|-----------------------------|---------------------------|---------|
| | Share Capital RM'000 | Share Premium RM'000 | Treasury Shares RM'000 | Fair Value Reserve RM'000 | Retained Earnings RM'000 | RM'000 | |
| Balance as at 1 January 2016 (audited) | 81,981 | 144,225 | (12,294) | - | (69,094) | (699) | 144,119 |
| Loss for the period | - | - | - | - | (3,048) | (1) | (3,049) |
| Changes in ownership interest in a subsidiary | - | - | - | - | - | - | - |
| Share buy back | - | - | (0) | - | - | - | (0) |
| Balance as at 31 March 2016 | 81,981 | 144,225 | (12,294) | - | (72,142) | (700) | 141,070 |

| | Non-distributable | | | | Distributable | Non-Controlling Interests | Total |
|---|-------------------------|-------------------------|---------------------------|------------------------------|-----------------------------|---------------------------|----------|
| | Share Capital RM'000 | Share Premium RM'000 | Treasury Shares RM'000 | Fair Value Reserve RM'000 | Retained Earnings RM'000 | RM'000 | |
| Balance as at 1 January 2014 (audited) | 81,981 | 144,225 | - | 1,812 | 26,209 | (22) | 254,205 |
| Effect of retrospective restatement | - | - | - | - | 6,802 | - | 6,802 |
| Fair value of available-for-sale financial assets | - | - | - | (1,812) | - | - | (1,812) |
| Loss for the year | - | - | - | - | (42,636) | (454) | (43,090) |
| Changes in ownership interests in a subsidiary | - | - | - | - | 18 | - | 18 |
| Own share acquired | - | - | (12,288) | - | - | - | (12,288) |
| Balance as at 31 December 2014/1 January 2015 (audited) | 81,981 | 144,225 | (12,288) | - | (9,607) | (476) | 203,835 |
| Loss for the year | - | - | - | - | (21,879) | (223) | (22,102) |
| Dividends to owners of the Company | - | - | - | - | (37,608) | - | (37,608) |
| Own share acquired | - | - | (6) | - | - | - | (6) |
| Balance as at 31 December 2015 (audited) | 81,981 | 144,225 | (12,294) | - | (69,094) | (699) | 144,119 |

The condensed consolidated statement of changes in equity should be read in conjunction with the annual financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

Note: Retrospective restatement was posted to rectify prior year error in advance payments.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

| | As at 31-Mar-16 (Unaudited) (RM'000) | As at 31-Dec-15 (Audited) (RM'000) |
|--|---|---|
| Cash flows from operating activities | | |
| (Loss)/Profit before tax | | |
| - continuing operations | (3,038) | (20,792) |
| - discontinued operations | - | - |
| | (3,038) | (20,792) |
| Adjustments for: | | |
| Depreciation of: | | |
| - property, plant and equipment | 555 | 2,567 |
| - Investment property | 440 | 4,565 |
| Impairment loss on : | | |
| - property, plant and equipment | - | (41) |
| - Investment property | - | (3,863) |
| - trade receivables | 184 | 556 |
| Interest expense | 137 | 2,148 |
| Interest income | (51) | (436) |
| Loss/(Gain) on disposal of property, plant and equipment | - | (304) |
| Loss/(Gain) on disposal of available-for-sale land and buildings | - | (3,031) |
| Loss on disposal of subsidiary | - | (224) |
| Property, plant and equipment written off | - | 88 |
| Operating profit/(loss) before changes in working capital | (1,773) | (18,767) |
| Change in available-for-sale land & buildings, receivables, deposits and prepayments | 9,144 | (3,889) |
| Change in payables and accruals | (1,038) | (5,928) |
| Cash (used in)/generated from operating activities | 6,333 | (28,584) |
| Income tax paid | (10) | (1,894) |
| Income tax refund | - | 60 |
| Interest paid | (137) | (2,148) |
| Interest received | 51 | 436 |
| Net cash (used in)/generated operating activities | 6,237 | (32,130) |
| Cash flows from investing activities | | |
| Acquisition of available-for-sale land and buildings | - | (714) |
| Acquisition of property, plant and equipment | (145) | (717) |
| Proceeds from disposal of available-for-sale land and buildings | - | 88,200 |
| Proceeds from disposal of property, plant and equipment | - | 802 |
| Net cash generated from investing activities | (145) | 87,571 |
| Cash flows from financing activities | | |
| Repurchase of treasury shares | (0) | (6) |
| Placement of deposits pledged with licensed banks | (4) | (253) |
| Repayment of borrowings | (470) | (28,391) |
| Repayment of finance lease liabilities | - | (36) |
| Dividend paid to owners of the Company | - | (37,608) |
| Net cash used in financing activities | (474) | (66,294) |
| Net decrease in cash and cash equivalents | 5,618 | (10,853) |
| Cash and cash equivalents at 1 January | 11,228 | 22,081 |
| Cash and cash equivalents at end of reporting period | 16,846 | 11,228 |

The condensed consolidated statement of cash flows should be read in conjunction with the annual financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

i) Cash and cash equivalents

Cash and cash equivalents included in the cash flow statements comprise of:

| | As at 31-Mar-16 (Unaudited) (RM'000) | As at 31-Dec-15 (Audited) (RM'000) |
|--|---|---|
| Deposits placed with licensed banks | 11,087 | 5,683 |
| Cash and bank balances | 6,447 | 6,228 |
| | <hr/> | <hr/> |
| Cash and cash equivalents | 17,534 | 11,911 |
| Less: Deposits pledged with licensed banks | (688) | (683) |
| | <hr/> | <hr/> |
| Cash and cash equivalents | <u>16,846</u> | <u>11,228</u> |

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Basis of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with applicable disclosure provisions of Main Market Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, *Interim Financial Reporting* in Malaysia and with IAS 34, *Interim Financial Reporting*.

These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2015.

These are the Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements and MFRS1, First-time Adoption of Malaysian Financial Reporting Standards has been applied. The adoption of MFRS1 has no impact in the reported financial position and financial performance of the Group.

2. Accounting Policies

The accounting policies adopted by the Group in these condensed consolidated interim financial statements are consistent with those adopted by the Group's in its consolidated audited financial statements for the financial year ended 31 December 2015.

3. Seasonal or Cyclical Factors

The Group does not experience significant fluctuations in operations due to seasonal factors.

4. Unusual Significant Items

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

5. Changes in Estimates

There were no changes in estimates of amounts reported in prior financial year that had a material effect in the current quarter and year-to-date results.

6. Changes in Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities for the current quarter under review, except for the 1,000 treasury shares that was purchased on 2 March 2016.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

7. Operating Segments

| | Cheras RM'000 | Kota Kinabalu RM'000 | Kuching RM'000 | Pasir Gudang RM'000 | Total RM'000 |
|---|------------------|----------------------------|-------------------|---------------------------|-----------------|
| 31.03.2016 | | | | | |
| Segment (loss)/profit before tax | (2,914) | (436) | (543) | 933 | (2,960) |
| Included in the measure of segment (loss)/profit are: | | | | | |
| Revenue from external customers | 2,016 | 845 | 627 | 2,397 | 5,885 |
| Impairment of property, plant and equipment | - | - | - | - | - |
| Interest expense | (137) | - | - | - | (137) |
| Interest income | 48 | - | - | - | 48 |
| Depreciation of property, plant and equipment | (959) | (2) | (2) | (18) | (981) |
| <hr/> | | | | | |
| | Cheras RM'000 | Kota Kinabalu RM'000 | Kuching RM'000 | Pasir Gudang RM'000 | Total RM'000 |
| 31.03.2015 | | | | | |
| Segment (loss)/profit before tax | (2,016) | (648) | (19) | - | (2,683) |
| Included in the measure of segment (loss)/profit are: | | | | | |
| Revenue from external customers | 5,346 | 819 | 1,018 | - | 7,183 |
| Impairment of property, plant and equipment | 1 | - | - | - | 1 |
| Interest expense | (585) | - | - | - | (585) |
| Interest income | 2 | - | - | - | 2 |
| Depreciation of property, plant and equipment | (622) | (5) | (4) | - | (631) |

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

7. Operating Segment (continued)

Reconciliations of reportable segment profit or loss, revenue, and other material items

| | 31.03.2016 | 31.03.2015 |
|--|-------------------|-------------------|
| | RM'000 | RM'000 |
| Profit or loss | | |
| Total (loss)/profit for reportable segments | (2,960) | (2,683) |
| Other non-reportable segments | (78) | (806) |
| Elimination of inter-segment transactions or balance | - | - |
| Consolidated (loss)/profit before tax | (3,038) | (3,489) |
| Revenue | | |
| Total revenue for reportable segments | 5,885 | 7,183 |
| Other non-reportable segments | 607 | 381 |
| Consolidated revenue | 6,492 | 7,564 |
| Interest Income | | |
| Total interest income for reportable segments | 48 | 2 |
| Other non-reportable segments | 3 | 80 |
| Consolidated total interest income | 51 | 82 |
| Depreciation of property, plant and equipment | | |
| Total depreciation for reportable segments | (981) | (631) |
| Other non-reportable segments | (14) | (67) |
| Consolidated total depreciation | (995) | (698) |

8. Material Subsequent Events

There were no material subsequent events as of the date of this report.

9. Changes in the Composition of the Group

There were no changes of composition of the Group as of the date of this report.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

10. Changes in Contingent Liabilities and Contingent Assets

There were no material contingent liabilities or contingent assets as of the date of this report.

11. Commitments on Capital Expenditure

The capital commitments of the Group as at 31 March 2016 are as follow:

| | As at 31.03.2016 (unaudited) RM'000 | As at 31.12.2015 (audited) RM'000 |
|---------------------------------|--|--|
| Capital commitments | | |
| Property, plant and equipment | | |
| Contracted but not provided for | 649 | 761 |

12. Related Party Transactions

Related parties are those defined under MFRS 124: Related Party Disclosures. The Directors are of the opinion that there is no new significant related party transaction and balances as of the reporting date.

13. Review of Performance

For the first quarter ended 31 March 2016, Asiamet Education Group Berhad (AEGB) recorded Revenue of approximately RM6.5 million and a Loss before Tax of RM3 million. The lower revenue compared to first quarter ended 31 March 2015 was mainly due to lower student enrollment. The drop in cost is attributed to a drop in cost of sale that includes lecturer cost, accommodation and transportation cost of sales in line with lower student numbers.

14. Comparison with Preceding Quarter's Results

The Group's loss in the current quarter amounted to RM3 million, a significant reduction of losses in comparison to the loss of RM9.2 million in the immediate preceding quarter. This was due to:

- Higher revenues recognised from a full quarter in the first quarter 2016 compared to 2 months in the preceding quarter as the semester ended in November 2015. Further, revenues improved from higher billing of current students.
- Lower cost of sales and operating costs due to cost optimisation endeavours.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

15. Commentary on Prospects

The team is still aggressively executing its plans for the major intake in April and May 2016 to drive an increase in student enrolment. Furthermore, the management is still committed to pursuing the asset light strategy via asset disposals to enhance the Group's cash position.

16. Variance on Profit Forecast /Profit Guarantee

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

17. Taxation

| | Quarter ended | | Cumulative to date | |
|--------------------------------|---------------|------------|--------------------|------------|
| | 31.03.2016 | 31.03.2015 | 31.03.2016 | 31.03.2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Income and deferred tax | 11 | 11 | 11 | 11 |

Deferred tax asset is not recognized for unabsorbed tax losses and Investment Tax Allowance because it is not probable that sufficient taxable profit from the qualifying segments will be available against which the benefit can be utilized.

18. Status of Corporate Proposals

There is no further corporate proposal as to the release date of this quarterly result.

19. Group Borrowings and Debt Securities

Save as disclosed below, there were no other borrowings or debt securities in the Group as at 31 March 2016.

| Borrowings (secured) | As at 31.03.2016 (unaudited) RM'000 | As at 31.12.2015 (audited) RM'000 |
|-----------------------------|--|--|
| Non-current | | |
| Secured term loan (Islamic) | 8,511 | 9,004 |
| | 8,511 | 9,004 |
| Current | | |
| Finance lease liabilities | - | - |
| Secured term loan (Islamic) | 1,935 | 1,911 |
| | 1,935 | 1,911 |
| | 10,446 | 10,915 |

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

20. Material Litigation

As of the date of this announcement, the following are the developments to the material litigations against the Group or taken by the Group.

A. Kuala Lumpur High Court Suit No. S6-22-96-2007

Masterskill (M) Sdn. Bhd. -v- Kemacahaya Development Sdn. Bhd. (First Defendant), K. Pasupathy (Second Defendant), Chin Yam Meng (Third Defendant), Leong Kok Onn (Fourth Defendant) and Syarikat Kemacahaya Sdn. Bhd. (Fifth Defendant)

- The Court of Appeal had instructed for this case to be consolidated and heard together with case no. S-22-589-2008, as it involved same subject matter and same parties.
- The High Court has fixed the case for Hearing of the Application for Stay of Execution of Judgment filed by K. Pasupathy on the 26 November 2015. The court decided on 15 December 2015, that the removal of Pasupathy's caveat on the properties be stayed pending disposal of Pasupathy's appeal at the Court of Appeal.
- Following from the decision of the High Court, there were 2 appeals filed by Pasupathy at the Court of Appeal. The first appeal was dated 21 September 2015, which was an appeal by Pasupathy against the decision by the High Court dated 4 September 2015 (COA Appeal no. W-02(W)-1683-10/2015). The next appeal was dated 16 November 2015 by Pasupathy against the award of costs made by the High Court on 16 October 2015 (COA Appeal no. W-02(W)-1946-11/2015). For both appeals, solicitors for Pasupathy had filed Notice of Motion for the court to allow for the insertion of missing pages of Notes of Evidence to the appeal records and for the insertion of documents related to costs. Both Notices of Motion filed in vide Appeal No. W-02(W)-1683-10/2015 and W-02(W)-1946-11/2015 is now fixed for Hearing and Case Management on 21 April 2016.
- The Court of Appeal has allowed and Ordered K. Pasupathy to file in the missing pages of Notes of Evidence to the appeal record as Supplementary Record of Appeal and the filing of the Supplementary Record of Appeal must be done within 30 days from the date of this Order. Furthermore for this appeal, court has awarded the First Respondent (Asiamet (M) Sdn. Bhd.) with cost amounting to RM 2,500.00. The Court of Appeal allowing part of K. Pasupathy's appeal gave leave to K. Pasupathy to appeal against the decision delivered in the High Court of Seremban. The Notice of Appeal dated 16 November 2015 filed by K. Pasupathy in Appeal number W-02(W)-1946-11/2015, and served to Respondents is deemed to be proper and accepted by Court. The Record Of Appeal dated 6 November 2015 which was filed in appeal W-02(W)-1683-10/2015 is accepted, used and read as the Record of Appeal in this Appeal No. W-02(W)-1946-11/2015. The submission of Record of Appeal in the Appeal No. W-02(W)-1683-11/2015 be deemed to be perfected and accepted as the submission of Record of Appeal in this Appeal No. W-02(W)-1946-11/2015; and court has awarded RM5,000.00 as cost to be paid to the First Respondent (Asiamet (M) Sdn. Bhd.).
- The Court of Appeal has set 26 May 2016 as the next case management date.

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20. Material Litigation (Cont'd)

**B. Shah Alam Sessions Court Summons No. B52NCvC-132-06/2015
Khidmat Jujur Sekuriti (M) Sdn. Bhd. -v- Masterskill (M) Sdn. Bhd.
(Defendant)**

- The plaintiff has filed their claims on 6 July 2015 claiming RM317,169.60 as alleged outstanding payments for their security service in year 2014.
- The Court has fixed the matter for trial on 8th and 9th March 2016.
- Following from the trial on 8th and 9th March 2016, Court has fixed 28 April 2016 as date for decision.
- The Court has postponed the decision to be delivered on 16 May 2016.

**C. Kuala Lumpur Sessions Court Summons No: B52NCVC-48-02-2015
Masterskill (M) Sdn. Bhd. -V-Syarikat Bekalan Air Selangor Sdn. Bhd
(Defendant)**

- Writ of summon and statement of claim was filed in court on 11 February 2015 in order to recover the sum of RM800,000.00 paid to Syabas.
- The plaintiff had on 30 July 2015 obtained summary judgment against the Defendant. The Defendant had appealed against the said judgment and the said appeal is fixed for decision on 7 March 2016.
- The Defendant's appeal against summary judgment was allowed by court and the next date for Case management is yet to be set and informed by court.

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21. Dividends

No dividend was paid or declared during the current year quarter.

22. Loss/ (Earnings) per Share

Basic loss/ (earnings) per ordinary share

The basic loss/ (earnings) per ordinary share as at 31 December 2015 is calculated based on the loss attributable to ordinary shareholders and the outstanding number of ordinary shares.

| | Current Period | | Cumulative Quarter | |
|---|-----------------------|-------------------|---------------------------|-------------------|
| | Quarter ended | | 3 months ended | |
| | 31.03.2016 | 31.03.2015 | 31.03.2016 | 31.03.2015 |
| Loss/ (Profit) for the period attributable to ordinary equity shareholders (RM'000) | <u>(3,048)</u> | <u>(3,428)</u> | <u>(3,048)</u> | <u>(3,428)</u> |
| Loss/ (Profit) per ordinary share (Sen) | <u>(0.81)</u> | <u>(0.91)</u> | <u>(0.81)</u> | <u>(0.91)</u> |

23. Auditors Report on Preceding Annual Financial Statements

There was no qualification to the preceding audited financial statements for the financial year ended 31 December 2015.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

24. Additional notes to the Statement of Comprehensive Income

| | Current Period | | Cumulative Quarter | |
|---|-----------------------|-------------------|---------------------------|-------------------|
| | Quarter ended | | 3 months ended | |
| | 31.03.2016 | 31.03.2015 | 31.03.2016 | 31.03.2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Results from operating activities is arrived at after charging: | | | | |
| • Depreciation of property, plant and equipment | 555 | 698 | 555 | 698 |
| • Depreciation of Investment property | 440 | - | 440 | - |
| • Impairment losses for goodwill and PPE | - | (1) | - | (1) |
| • Interest expense | 137 | 585 | 137 | 585 |
| • Loss/(Gain) on disposal of property, plant and equipment | - | (53) | - | (53) |
| • Property, plant and equipment written off | - | 1 | - | 1 |
| and crediting: | | | | |
| • Interest income | (51) | (82) | (51) | (82) |

25. Disclosure of Realised and Unrealised Profits

| | 3 months ended | 12 months ended |
|---|-----------------------|-----------------------------|
| | 31.03.2016 | 31.12.2015 |
| | RM'000 | (audited) RM'000 |
| Total retained earnings of Asiamet Education Group Berhad and its subsidiaries | | |
| -Realised | (53,702) | (21,894) |
| -Unrealised | - | - |
| Less: Consolidation adjustment | (18,440) | (47,200) |
| Total | (72,142) | (69,094) |

BY ORDER OF THE BOARD