

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2014 RM'000 Unaudited	2013 RM'000 Unaudited	2014 RM'000 Unaudited	2013 RM'000 Unaudited
Revenue	119,644	105,425	334,619	263,069
Cost of sales	(91,596)	(75,174)	(253,490)	(192,826)
Gross profits	28,048	30,251	81,129	70,243
Other income	1,325	10,190	7,836	20,261
Other operating expenses	(33,163)	(27,276)	(90,967)	(68,963)
Finance costs	(2,213)	(1,390)	(6,068)	(4,471)
Share of results of associates, net of tax	3,357	3,148	8,607	6,085
(Loss) / Profit before tax	(2,646)	14,923	537	23,155
Tax expense	(1,878)	(1,371)	(4,575)	(2,956)
(Loss) / Profit for the financial quarter / period	(4,524)	13,552	(4,038)	20,199
<b>Other comprehensive income / (loss), net of tax</b>				
Items that may be reclassified subsequently to profit or loss:				
- Foreign currency translation differences for foreign operations	(641)	167	194	600
- Share of foreign currency translation of associates	2	7	6	(66)
<b>Other comprehensive income for the financial quarter / period, net of tax</b>	(639)	174	200	534
<b>Total comprehensive (loss) / income for the financial quarter / period</b>	(5,163)	13,726	(3,838)	20,733
<b>(Loss) / Profit attributable to:-</b>				
Owners of the Parent	(4,358)	13,588	(4,820)	19,834
Non-controlling interests	(166)	(36)	782	365
<b>(Loss) / Profit for the financial quarter / period</b>	(4,524)	13,552	(4,038)	20,199
<b>Total comprehensive (loss) / income attributable to:-</b>				
Owners of the Parent	(4,812)	13,769	(4,643)	20,474
Non-controlling interests	(351)	(43)	805	259
<b>Total comprehensive (loss) / income for the financial quarter / period</b>	(5,163)	13,726	(3,838)	20,733
(Loss) / Earnings per ordinary share (sen)				
-Basic	(1.12)	4.18	(1.24)	6.10
-Diluted	(1.07)	3.99	(1.18)	5.83

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying explanatory notes to the interim financial report and the audited financial statements for the financial year ended 31 March 2014.)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 AS AT 31 DECEMBER 2014**

	<b>As at 31.12.2014 RM'000 Unaudited</b>	<b>As at 31.03.2014 RM'000 Audited (Restated)</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	22,934	18,745
Investment in associates	86,550	67,694
Other intangible assets	24,233	26,282
Other investments	13,104	18,805
Other receivables	15,879	14,709
Goodwill	80,464	79,278
Deferred tax assets	932	781
	<u>244,096</u>	<u>226,294</u>
<b>Current Assets</b>		
Other investments	3,933	16,618
Inventories	25,596	26,754
Trade receivables	93,288	79,302
Other receivables, deposits and prepayments	56,637	63,425
Amount due from associates	580	-
Current tax assets	3,206	4,297
Cash and cash equivalents	91,767	67,347
	<u>275,007</u>	<u>257,743</u>
<b>TOTAL ASSETS</b>	<u>519,103</u>	<u>484,037</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	193,743	193,693
Share premium	15,508	15,574
Other reserves	38,828	38,651
Retained earnings	6,910	12,156
	<u>254,989</u>	<u>260,074</u>
<b>Non-controlling interests</b>	25,174	23,766
<b>TOTAL EQUITY</b>	<u>280,163</u>	<u>283,840</u>
<b>Non-Current Liabilities</b>		
Borrowings	19,462	14,588
Provision for post employment benefits	2,766	1,210
Deferred tax liabilities	1,307	1,024
	<u>23,535</u>	<u>16,822</u>
<b>Current Liabilities</b>		
Trade payables	43,126	33,656
Other payables, deposits and accruals	69,536	71,881
Borrowings	102,236	77,805
Current tax payables	507	33
	<u>215,405</u>	<u>183,375</u>
<b>Liabilities of disposal groups classified as held for sale</b>	-	-
<b>TOTAL LIABILITIES</b>	<u>238,940</u>	<u>200,197</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>519,103</u>	<u>484,037</u>
<b>Net assets per share (RM)</b>	<u>0.66</u>	<u>0.67</u>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes to the interim financial report and the audited financial statements for the financial year ended 31 March 2014.)*

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

	Attributable to owners of the Parent						Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Non-distributable				Distributable					
	Ordinary shares RM'000	Share premium RM'000	Capital reserve RM'000	Warrant reserve RM'000	Equity compensation reserve RM'000	Exchange translation reserve RM'000				
<b>Unaudited</b>										
<b>Nine Months Financial Period Ended 31 December 2014</b>										
<b>Balance as at 1 April 2014</b>										
- as previously stated	193,693	15,574	24,663	11,307	3,008	(327)	9,059	256,977	23,766	280,743
- effects of reversion from adoption of MFRSs to FRSs	-	-	-	-	-	-	3,097	3,097	-	3,097
<b>Balance as at 1 April 2014, as restated</b>	193,693	15,574	24,663	11,307	3,008	(327)	12,156	260,074	23,766	283,840
(Loss) / Profit after tax for the financial period	-	-	-	-	-	-	(4,820)	(4,820)	782	(4,038)
Foreign currency translation for foreign operations	-	-	-	-	-	171	-	171	23	194
Share of foreign currency translation of associates	-	-	-	-	-	6	-	6	-	6
Total comprehensive income / (loss) for the financial period	-	-	-	-	-	177	(4,820)	(4,643)	805	(3,838)
<b>Transactions with owners</b>										
Shares issued pursuant to Long Term Incentive Plan ("LTIP")	50	30	-	-	-	-	-	80	-	80
Share-based payment transactions	-	(96)	-	-	-	-	-	(96)	-	(96)
Arising from accretion of equity interests in subsidiaries	-	-	-	-	-	-	(495)	(495)	495	-
Arising from dilution of equity interests in subsidiaries	-	-	-	-	-	-	-	-	108	108
Share of other changes in equity of associates	-	-	-	-	-	-	69	69	-	69
Total transactions with owners	50	(66)	-	-	-	-	(426)	(442)	603	161
<b>Balance as at 31 December 2014</b>	<b>193,743</b>	<b>15,508</b>	<b>24,663</b>	<b>11,307</b>	<b>3,008</b>	<b>(150)</b>	<b>6,910</b>	<b>254,989</b>	<b>25,174</b>	<b>280,163</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014 (continued)**

	-----> Attributable to owners of the Parent <----->						Distributable Retained earnings / (Accumulated losses) RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	<-----> Non-distributable <----->									
Unaudited <u>Nine Months Financial Period 31 December 2013</u>	Ordinary shares RM'000	Share premium RM'000	Capital reserve RM'000	Warrant reserve RM'000	Equity compensation reserve RM'000	Exchange translation reserve RM'000				
<b>Balance as at 1 April 2013</b>										
- as previously stated	92,950	9,744	24,663	-	-	609	11,350	139,316	17,737	157,053
- effects of reversion from adoption of MFRSs to FRSS	-	-	-	-	-	-	620	620	-	620
<b>Balance as at 1 April 2013</b>	92,950	9,744	24,663	-	-	609	11,970	139,936	17,737	157,673
Profit after tax for the financial period	-	-	-	-	-	-	19,834	19,834	365	20,199
Foreign currency translation for foreign operations	-	-	-	-	-	706	-	706	(106)	600
Share of foreign currency translation of associates	-	-	-	-	-	(151)	85	(66)	-	(66)
Total comprehensive profit for the financial period	-	-	-	-	-	555	19,919	20,474	259	20,733
<b>Transactions with owners</b>										
Shares issued pursuant to the Rights Issue with Warrants	83,143	-	-	11,307	-	-	(11,307)	83,143	-	83,143
Shares issued pursuant to Section 132D of Companies Act, 1965	17,600	5,892	-	-	-	-	-	23,492	-	23,492
Effects arising from acquisition of subsidiaries	-	-	-	-	-	-	-	-	20,016	20,016
Arising from accretion of equity interests in subsidiaries	-	-	-	-	-	-	(18,127)	(18,127)	(18,270)	(36,397)
Arising from decretion of equity interests in subsidiaries	-	-	-	-	-	-	107	107	(21)	86
Share-based payment transactions	-	-	-	-	70	-	-	70	-	70
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	(472)	(472)	-	(472)
	100,743	5,892	-	11,307	70	-	(29,799)	88,213	1,725	89,938
<b>Balance as at 31 December 2013</b>	193,693	15,636	24,663	11,307	70	1,164	2,090	248,623	19,721	268,344

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes to the interim financial report and the audited financial statements for the financial year ended 31 March 2014.)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

	<b>NINE MONTHS ENDED 31 DECEMBER</b>	
	<b>2014 RM'000 Unaudited</b>	<b>2013 RM'000 Unaudited</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	537	23,155
Adjustment for non-cash items:		
Bad debts written off	24	105
Depreciation and amortisation	5,623	2,739
Dividend income	(4)	(11)
Equity settled share-based payment transactions	(16)	70
Gain on dilution of equity interest in associates	(3,563)	-
Net gain on remeasurement arising on business combinations achieved in stages	-	(4,701)
Impairment losses on trade receivables	233	320
Interest expense	5,646	4,215
Interest income	(895)	(1,180)
Inventories written down	141	773
Inventories written off	949	-
Net loss/(gain) on fair value adjustments on other investments	5,196	(9,403)
Net loss/(gain) on disposal of property, plant and equipment	5	(9)
Net unrealised (gain)/loss on foreign currency exchange	(238)	954
Property, plant and equipment written off	40	510
Provision for post-employment benefits	1,490	-
Reversal of impairment loss on property, plant and equipment	(82)	-
Reversal of impairment loss on trade receivables	(249)	(745)
Share of results of associates	(8,607)	(6,085)
Other non-cash items	-	(82)
Operating profit before working capital changes	<u>6,230</u>	<u>10,625</u>
Net changes in assets	(9,951)	(10,893)
Net changes in liabilities	7,244	6,541
Net cash generated from operations	<u>3,523</u>	<u>6,273</u>
Tax paid	(3,768)	(4,652)
Tax refund	958	97
Net cash from operating activities	<u>713</u>	<u>1,718</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of associates	(6,611)	(16,692)
Acquisition of non-controlling interests	-	(36,396)
Acquisition of subsidiaries, net of cash acquired	(1,184)	7,311
Interest received	894	1,180
Dividend received	4	1,182
(Placement) / Withdrawal of fixed deposits pledged	(3,516)	10,294
Proceeds from disposal of other investments	17,962	-
Proceeds from disposal of property, plant and equipment	110	20
Purchase of other investments	(4,773)	(18,721)
Purchase of property, plant and equipment	(2,358)	(2,811)
Net cash from/(used in) investing activities	<u>528</u>	<u>(54,633)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net drawdown of borrowings	21,261	7,450
Ordinary share capital contributed by non-controlling interests of a subsidiary	107	85
Proceeds from shares issued pursuant to the Rights Issue with Warrants	-	83,143
Net proceeds from shares issued pursuant to Section 132D of Companies Act, 1965	-	23,492
Interest paid	(5,646)	(4,215)
Dividends paid to non-controlling interests of a subsidiary	-	(472)
Net cash from financing activities	<u>15,722</u>	<u>109,483</u>
Net increase in cash and cash equivalents	16,963	56,568
Cash and cash equivalents at 1 April 2014/2013*	37,397	(3,476)
Effect of foreign exchange on opening balance	227	(40)
Cash and cash equivalents at 31 December 2014/2013*	<u>54,587</u>	<u>53,052</u>

\* Cash and cash equivalents at the beginning and end of the financial period are net of deposits pledged to banks.

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes to the interim financial report and the audited financial statements for the financial year ended 31 March 2014.)

**Notes to the Interim Financial Report  
For the Third Quarter Ended 31 December 2014**

**1 Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard ("FRS") 134, *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 March 2014. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the previous financial year ended 31 March 2014.

**2 Significant Accounting Policies**

**Reversion from Malaysian Financial Reporting Standards ("MFRS Framework") to Financial Reporting Standards ("FRS Framework")**

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 *Agriculture* ("MFRS 141") and IFRIC Interpretation 15 *Agreements for the Construction of Real Estate* ("IFRIC 15"), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

The Group is a transitioning entity as defined by MASB and is required to mandatorily adopt MFRS Framework during the financial year ending 31 March 2016. However, during the previous financial year, the Group decided to early adopt the MFRS Framework. Accordingly, the financial statements of the previous financial year ended 31 Mar 2014 of the Group were prepared in accordance with MFRSs, International Financial Reporting Standards ("IFRSs") and the provisions of the Companies Act, 1965 in Malaysia.

At the beginning of the current financial period under review, the Group has decided to revert from the adoption of MFRS Framework to FRS Framework. This is in view of the significant increase in level of the property development activities of its associate during the financial period under review and it is in the view of the Group that the FRS Framework will present a fairer view of the financial position of the Group.

With the reversion from MFRS to FRS Framework, the Group no longer applied IFRIC 15 and will revert to FRS 201<sub>2004</sub> Property Development Activities. The Group will recognised the revenue and expenses in the statement of profit or loss and other comprehensive income of its associates under property development industry using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Following the reversion from MFRS Framework to FRS Framework, the Group has consistently applied the same accounting policies in its opening FRSs statements of financial position as at the date of reversion from MFRS to FRS Framework, i.e. 1 April 2013, and throughout all financial years presented, as if these policies had always been in effect. Comparative figures for the financial year ended 31 March 2014 in these financial statements have been restated to give effect to these changes.

A summary of the financial impact of the change in accounting policy on the financial statements of the Group is as follows:

	As at 31.03.2014 RM'000	As at 01.04.2013 RM'000
<b>Statement of Financial Position</b>		
<u>Investment in associates</u>		
As previously stated	64,597	34,074
Effects of change in accounting policy	3,097	620
As restated	<u>67,694</u>	<u>34,694</u>
<u>Retained earnings</u>		
As previously stated	9,059	11,350
Effects of change in accounting policy	3,097	620
As restated	<u>12,156</u>	<u>11,970</u>
<b>Statement of Comprehensive Income</b>		
<u>Profit / (Loss) attributable to owners of the Parent</u>		
As previously stated	30,130	(40,155)
Effects of change in accounting policy	3,097	620
As restated	<u>33,227</u>	<u>(39,535)</u>
<u>Total comprehensive income / (loss) attributable to owners of the Parent</u>		
As previously stated	29,193	(39,832)
Effects of change in accounting policy	3,097	620
As restated	<u>32,290</u>	<u>(39,212)</u>

**3 Qualification of independent auditors' report on preceding annual audited financial statements**

The independent auditors' report on the annual audited financial statements for the financial year ended 31 March 2014 was not qualified.

**4 Seasonal and cyclical factors**

The business of the Group was not affected by any significant seasonal and cyclical factors during the current financial period under review.

**5 Unusual items due to their nature, size or incidence**

Saved as disclosed in note 2 and note 6 of this report, there were no unusual items affecting the assets, liabilities, equity, net income, or cash flows due to their nature, size, or incidence during the current financial period under review.

**6 Material changes in estimates**

There were no material changes in estimates of amounts reported in prior financial years. Thus, there is no material effect in the financial statements of the current financial period under review.

**Notes to the Interim Financial Report  
For the Third Quarter Ended 31 December 2014**

**7 Debt and equity securities**

Long Term Incentive Plan ("LTIP")

On 1 April 2014, the Board of Directors of the Company made the first award of 100,000 new ordinary shares of RM0.50 each ("OMESTI Shares") under the Employee Share Grant Plan ("ESGP") pursuant to the LTIP ("First Award") to an eligible employee. The award was vested immediately on 1 April 2014.

Exercise price of the First Award is not applicable as the OMESTI Shares will be issued upon vesting at no consideration. The closing market price of the OMESTI Shares on the date of Award was RM0.80.

There were no other issuance, cancellation, repurchase, resale and repayment of debt securities of the Group and equity securities of the Company during the current financial period under review.

**8 Dividends paid**

No dividends have been paid during the current financial period under review.

**9 Segmental reporting**

The Group's reportable segments were identified as follows: -

- Business Performance Services - Provision of business performance improvement related services
- Trading & Distribution Services - Distribution and reselling of hardware and software and related services
- Digital & Infrastructure Services - Provision of a comprehensive range of tele/data communication, networking solutions and related services

Other operating segments that do not constitute reportable segments comprise operations related to property development and investment holding.

<b>Business Segments</b>	<b>Business Performance Services RM'000</b>	<b>Trading &amp; Distribution Services RM'000</b>	<b>Digital &amp; Infrastructure Services RM'000</b>	<b>Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Total RM'000</b>
<b><u>Nine Months Financial Period Ended 31 December 2014</u></b>						
External sales	178,254	122,348	33,799	218	-	334,619
Inter segment sales	16,501	27,646	22,836	17,351	(84,334)	-
Total Sales	194,755	149,994	56,635	17,569	(84,334)	334,619
Segment results	1,883	2,866	1,811	4,619	(14,498)	(3,319)
Share of results of associates	-	-	-	8,607	-	8,607
Interest expense	(970)	(475)	(371)	(3,921)	91	(5,646)
Interest Income	606	268	87	28	(94)	895
Profit / (Loss) before taxation	1,519	2,659	1,527	9,333	(14,501)	537
Segment assets	324,239	91,621	100,537	269,893	(267,187)	519,103
<b><u>Nine Months Financial Period 31 December 2013</u></b>						
External sales	122,868	126,001	13,728	472	-	263,069
Inter segment sales	15,885	5,118	12,145	7,955	(41,103)	-
Total Sales	138,753	131,119	25,873	8,427	(41,103)	263,069
Segment results	14,431	4,291	3,261	2,872	(4,750)	20,105
Share of results of associates	-	-	-	6,085	-	6,085
Interest expense	(808)	(511)	(82)	(2,857)	43	(4,215)
Interest Income	452	338	106	327	(43)	1,180
Profit / (Loss) before taxation	14,075	4,118	3,285	6,427	(4,750)	23,155
Segment assets	264,685	96,734	75,475	257,631	(238,353)	456,172

**10 Carrying amount of revalued assets**

There were no changes to the valuation of property, plant and equipment during the current financial period under review.

**Notes to the Interim Financial Report  
For the Third Quarter Ended 31 December 2014**

**11 Changes in the composition of the group**

Subsidiary

- (i) On 11 June 2014, Microlink Solutions Berhad ("Microlink"), a 88.5% owned subsidiary of Formis Holdings Berhad ("FHB"), which in turn is a wholly-owned subsidiary of the Company, entered into a share sale agreement for the acquisition of the entire issued and paid-up share capital of CSA Servis (M) Sdn Bhd ("CSAS") comprising 500,000 ordinary shares of RM1.00 each for the purchase consideration of Ringgit Malaysia One Million Eight Hundred Twenty Nine Thousand Five Hundred Twenty One (RM1,829,521.00) only ("Proposed Acquisition").

With the completion of the Proposed Acquisition, CSAS has become a wholly owned subsidiary of Microlink on 1 August 2014.

- (ii) On 24 July 2014, Bancore Asia Pte Ltd, a 66.67% owned subsidiary of Continuous Network Advisers Sdn Bhd ("CNA"), which is a wholly-owned subsidiary of OMESTI had incorporated a wholly-owned subsidiary company known as Bancore Vietnam Company Limited ("BVCL") in the Socialist Republic of Vietnam.

The charter capital of BVCL is VND 2,103,600,000, equivalent to US\$ 100,000, which will be fully contributed by the investor in cash within thirty six months from the date of issuance of the Investment Certificate.

The intended principal activities of BVCL are to provide computer and related services, including consultancy services related to the installation of computer hardware, software implementation services, data processing services, database services, maintenance and repair services of office machinery and equipment including computers, other services such as data preparation.

- (iii) On 28 October 2014, Formis Computer Services Sdn Bhd ("FCS"), a wholly-owned subsidiary of FHB transferred to FHB 1,020,000 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Formis Network Services Sdn Bhd ("FNS"), a 51% owned subsidiary of FCS, and 1,000,000 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Formis Automation Sdn Bhd ("FASB") a wholly-owned subsidiary of FCS for a total cash consideration of RM4,920,000.00 and RM1,000,000.00 respectively ("Re-Organisation"). The Re-Organisation is to fulfil one of the conditions precedent of the conditional Share Sale Agreement dated 12 June 2014 ("SSA") in respect of the Proposed Disposal which announced on 3 April 2014, whereby FCS is required to implement a restructuring exercise to give effect, amongst others, to the transfer by FCS of its entire equity interests in FASB and FNS to one or more other companies within the Omesti Group (other than the Target Companies).

- (iv) On 3 December 2014, FHB has disposed its entire holding of 1,000,000 ordinary shares of RM1.00 each, representing 100% of the issued and paid-up share capital of Omesti Innovation Lab (Malaysia) Sdn Bhd (formerly known as Formis Software Dynamics Sdn Bhd) ("OIL") to Microlink Solutions Berhad ("MSB"), a 88.35% owned subsidiary of FHB, for a total cash consideration of RM1.00 only.

Associate

- (i) On 30 April 2014, the Company exercised its fourth tranche right on 125,401 Subscription Warrants which carry a right to subscribe for 125,401 ICPS in Bancore A/S for a total exercise price of approximately EUR500,000 only (equivalent to approximately RM2,258,356).

On 30 May 2014, the Company exercised its fifth and the final tranche right on 125,401 Subscription Warrants which carry a right to subscribe for 125,401 ICPS in Bancore A/S for a total exercise price of approximately EUR500,000 (equivalent to approximately RM2,219,000).

Upon completion of the exercise of the final tranche right of the Subscription Warrants on 30 May 2014, the Company's shareholdings in Bancore A/S is as follows:-

Type of Securities	Number of Securities	Percentage (%) of Securities
Shares	863,804	18.62
ICPS	877,632	100.00

- (ii) On 30 July 2014, CNA has entered into the following agreements:-

- (1) an Investment and Option Agreement with Microimage (Private) Ltd ("Microimage") and MIHCM Asia Sdn Bhd ("MIHCM") for the subscription of a total of 100,001 ordinary shares of RM0.10 each ("Subscription Shares") in MIHCM to be divided into two tranches as follows:

- (a) 1st Tranche Subscription Shares

Allotment of 50,000 ordinary shares in MIHCM representing 33.33% of the enlarged issued and paid-up share capital of MIHCM to CNA for USD One Million (USD1,000,000) or RM3.3 million.

- (b) 2nd Tranche Subscription Shares

Call option granted by MIHCM to CNA to require MIHCM to issue and allot 50,001 ordinary shares or 16.67% stake in MIHCM to CNA for an additional total cash consideration of USD One Million (USD1,000,000) or RM3.3 million exercisable anytime during the call option period commencing from the date of completion of the 1st Tranche Subscription Shares and ending by 31 December 2017.

Upon completion of the subscription of the 1st and 2nd Tranche Subscription Shares, CNA will hold an aggregate of 50% of the issued and paid-up capital in MIHCM.

- (2) a Shareholders' Agreement with Microimage to record their certain commitments and otherwise regulate their rights as shareholders of MIHCM and in respect of the management of MIHCM concerning the business of distribution, marketing, implementing and maintenance of human capital management software in Asia.

MIHCM is principally engaged in business of distribution, marketing, implementing and maintenance and of human capital management software solutions and services in Asia.

The subscription for the 1st Tranche Subscription Shares by CNA has been completed on 13 October 2014. Accordingly, MIHCM is now a 33.33% owned associated company of CNA



**Notes to the Interim Financial Report  
For the Third Quarter Ended 31 December 2014**

**11 Changes in the composition of the group (continue)**

- (iii) On 27 May 2014 and 28 May 2014, FHB acquired a total of 800,000 ordinary shares of RM0.50 each in Ho Hup Construction Company Berhad ("Ho Hup") for a total cash consideration of RM1,088,018.05. On 30 May 2014, FHB has converted the existing 23,115,000 of ICPS to ordinary shares of RM0.50 each in Ho Hup. On 27 June 2014, FHB further acquired a total of 150,000 ordinary shares of RM0.50 each in Ho Hup for a total cash consideration of RM208,500. As at the end of the financial period, FHB hold a total of 51,426,000 Ho Hup's ordinary shares.

Following these acquisitions and conversion by the Company and other ICPS and RCPS's holders of Ho Hup, FHB's equity interest in Ho Hup has been increased from 12.84% to 16.6%.

Saved as disclosed above, there were no other changes in the composition of the Group during the current financial period under review.

**12 Subsequent events**

- (i) On 15 January 2015, Ohana Communications Sdn Bhd (formerly known as Formis Development Sdn Bhd) ("OC"), a wholly-owned subsidiary of FHB transferred to CNA 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Ohana Business Specialist Sdn Bhd ("OBS"), a wholly-owned subsidiary of OC for a total cash consideration of RM2.00 ("Re-Organisation"). The Re-Organisation part of the Group's intention to streamline and realign the businesses to achieve greater operational efficiency.
- (ii) On 10 February 2015, Nostalgic Properties Sdn Bhd ("NPSB"), a wholly-owned subsidiary of Man Yau Holdings Berhad, which in turn is a wholly-owned subsidiary of Omesti, entered into a Shares Sale Agreement ("SSA") with Ikatang Gelombang Sdn Bhd ("IGSB") for the disposal of 90,000 ordinary shares of RM1.00 each, representing 30% of the total issued and paid-up ordinary share capital and 4,425,000 Redeemable Preference Shares of RM0.01 each ("RPS") ("Sale Shares") in Montprimo Sdn Bhd ("Montprimo") for a total cash consideration of RM5,727,900. Upon the completion of the Disposal, Montprimo will cease to be an associated company of NPSB.

Saved as disclosed above, there were no other material events announced subsequent to the end of the current financial period under review up to the date of this announcement.

**13 Changes in contingent liabilities or contingent assets**

Corporate Guarantees granted by the following Company during the current financial period under review are as follows:-

	<b>RM'000</b>
FRB	
- to financial institution for facilities granted to subsidiaries	<u>81,449</u>
- to leasing party for leasing facilities to subsidiaries	<u>37,927</u>

Corporate Guarantee cancelled by the following Companies for the current financial period under review are as follows:-

FRB	
- to leasing party for leasing facilities to subsidiaries	<u>26,814</u>
FHB	
- to leasing party for leasing facilities to subsidiaries	<u>28,254</u>

**14 Capital commitments**

There were no capital commitments during the current financial period under review.

**Additional information required by Bursa Securities Listing Requirements  
For the Third Quarter Ended 31 December 2014**

**1 Detailed analysis of performance**

The Group's revenue increased in the current quarter and period under review by RM14.22 million and RM71.55 million respectively.

The detailed breakdown of revenue by business segments of the Group is as follows: -

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	THREE MONTHS ENDED 31 DECEMBER			NINE MONTHS ENDED 31 DECEMBER		
	2014	2013	Variance	2014	2013	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Business Performance Services	75,686	62,872	20.4	194,755	138,753	40.4
Trading & Distribution Services	65,550	49,409	32.7	149,994	131,119	14.4
Digital & Infrastructure Services	23,971	7,019	241.5	56,635	25,873	118.9
Others	16,029	6,774	136.6	17,569	8,427	108.5
	181,236	126,074	43.8	418,953	304,172	37.7
Less : Inter Segment Revenue	(61,592)	(20,649)		(84,334)	(41,103)	
Total Group Revenue	119,644	105,425	13.5	334,619	263,069	27.2

The Business Performance Services segment's revenue increased due to fulfilment of orders from the government sector and telco industry during the quarter under review.

The Trading & Distribution Services Segment's revenue has increased due to sizeable orders recorded in the current quarter under review.

The Digital & Infrastructure Services segment also had a significant improvement in the revenue recorded during the current quarter under review. The increase in revenue was mainly due to the fulfilment of sizeable orders secured from a new customer.

The detailed breakdown of (loss)/profit before tax by business segments of the Group is as follows: -

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	THREE MONTHS ENDED 31 DECEMBER			NINE MONTHS ENDED 31 DECEMBER		
	2014	2013	Variance	2014	2013	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Business Performance Services	(1,025)	10,859	(109.4)	1,519	14,075	(89.2)
Trading & Distribution Services	1,833	2,810	(34.8)	2,659	4,118	(35.4)
Digital & Infrastructure Services	(228)	49	(565.3)	1,527	3,285	(53.5)
Others	(4,517)	3,546	(227.4)	(6,459)	6,427	(200.5)
	(3,937)	17,264		(754)	27,905	
Less : Elimination	1,291	(2,341)		1,291	(4,750)	
(Loss) ("LBT") / Profit before tax ("PBT")	(2,646)	14,923	(117.7)	537	23,155	(97.7)

The Group recorded a LBT of RM2.65 million in the current quarter under review against a PBT of RM14.92 million in the corresponding quarter of the previous financial year mainly attributable to lower gross profit margins across all business segments as well as an impairment loss on other investment amounting to RM2.89 million accounted under the Others segment during the quarter under review while there was a fair value adjustment on other investments of RM9.24 million in the corresponding quarter of the previous financial period.

During the quarter under review, the Business Performance and Digital & Infrastructure Services segments recorded losses despite increases in revenue due to lower gross profit margins as well as operating costs attributable to the new startup businesses under these segments. In addition, there was a one-time provision of RM0.82 million for staff related costs recorded under the Business Performance Segment. Consequently, these factors weighed down on these segments performances for the financial period to date.

The Trading and Distribution Services segment's lower profits during the quarter under review compared to the immediate year's corresponding quarter was also attributable to lower gross profit margins as well as a one-time provision of RM0.67 million for staff related costs.

**2 Variation of results against preceding quarter**

	3 months ended 31.12.2014 RM'000	3 months ended 30.09.2014 RM'000	Variance %
Revenue	119,644	120,938	(1.1)
(Loss) / Profit before tax	(2,646)	1,573	(268.2)

The Group recorded a loss before tax of RM2.65 million for the current quarter under review compared to a profit before tax of RM1.57 million in the immediate preceding quarter. This is mainly due to the recognition impairment loss on other investment amounting RM2.89 million and provision of RM1.49 million for staff related costs in the current quarter.

**Additional information required by Bursa Securities Listing Requirements  
For the Third Quarter Ended 31 December 2014**

**3 Business prospects**

Although the new startup businesses continue to weigh down on the Group's financial performance, the Board cautiously optimistic of the financial performance for the final quarter of the current financial year.

**4 Profit forecast**

Not applicable.

**5 Income tax expense**

	1	THREE MONTHS ENDED 31 DECEMBER		NINE MONTHS ENDED 31 DECEMBER	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current tax expense					
- Malaysian taxation		1,689	634	4,188	1,810
- Foreign taxation		191	5	347	68
		<u>1,880</u>	<u>639</u>	<u>4,535</u>	<u>1,878</u>
Over provision in prior period					
- Malaysian taxation		(105)	(239)	(105)	(239)
- Foreign taxation		-	116	-	115
		<u>1,775</u>	<u>516</u>	<u>4,430</u>	<u>1,754</u>
Deferred taxation					
- origination and reversal of temporary differences					
- Malaysian taxation		103	855	145	1,202
		<u>1,878</u>	<u>1,371</u>	<u>4,575</u>	<u>2,956</u>

The Group's effective tax rate for the current quarter and period under review is higher than the statutory tax rate as profits of certain subsidiaries cannot be set-off against losses of other subsidiaries for tax purposes as these subsidiaries are not able to satisfy the conditions for group relief and certain expenses were disallowed for tax deductions.

**6 Status of corporate proposals**

(a) On 3 April 2014, the Company announced that the Company has together with Formis Holdings Berhad ("FHB") and Man Yau Holdings Berhad ("MYHB"), both wholly-owned subsidiaries of the Company (collectively known as "the Vendors"), entered into a Heads of Agreement ("HOA") with Microlink for the proposed disposal of all of their shareholdings in the following subsidiaries for an indicative disposal consideration of RM50.0 million ("Pre-Adjusted Disposal Consideration") to be satisfied partly by cash and partly via issuance of up to 45 million redeemable preference shares ("RPS") in Microlink ("Proposed Disposal"):-

- (i) 100% equity interest in Applied Business Systems Sdn Bhd ("ABSSB") held by OMESTI;
- (ii) 100% equity interest in Formis Systems & Technology Sdn Bhd ("FSTSB") held by OMESTI;
- (iii) 100% equity interest in Formis Computer Services Sdn Bhd ("FCSSB") held by FHB;
- (iv) 100% equity interest in First Solution Sdn Bhd ("FSSB") held by FHB
- (v) 60% equity interest in Formis Advanced Systems Sdn Bhd ("FASSB") held by MYHB.

The Pre-Adjusted Disposal Consideration is subject to adjustment pursuant to terms and conditions to be set out in the definitive agreements to be entered into between the Vendors and Microlink at a later date.

The Proposed Disposal forms part of an intended plan to restructure OMESTI and streamline its existing business segments with similar activities into its subsidiary company, Microlink.

On 12 June 2014, the Company, FHB and MYHB have entered into a conditional Share Sale Agreement ("SSA") with Microlink pursuant to the HOA. On 18 September 2014, shareholders have approved for the Proposed Disposal. The Proposed Disposal has been completed on 28 November 2014.

On 24 December 2014, the Company announced that pursuant to the terms of the SSA, the Final Disposal Consideration was accordingly adjusted from RM50,000,000 to RM43,193,044 which was settled by cash of RM8,000,000 (out of which RM1,500,000 was paid as earnest deposit upon signing of the HOA and RM3,500,000 was paid on the date of signing of the SSA) and the balance of RM35,193,044 via issuance of 35,193,044 RPS. The RPS was issued by MSB wholly to the Company, as nominated and agreed by FHB and MYHB pursuant to the SSA.

Saved as disclosed above, there were no other corporate proposals announced or outstanding as at the date of this report.

**Additional information required by Bursa Securities Listing Requirements  
For the Third Quarter Ended 31 December 2014**

**7 Borrowings and debts securities**

The Group's bank borrowings as at 31 December 2014 are as follows:

	RM'000
Short term bank borrowings - secured	
- Denominated in RM	100,754
- Denominated in Thai Baht	1,482
Long term bank borrowings - secured	
- Denominated in RM	19,379
- Denominated in Thai Baht	83
Total borrowings	<u>121,698</u>

All borrowings are denominated in Ringgit Malaysia.

**8 Realised and Unrealised Profits or Losses**

The breakdown of retained earnings/(accumulated losses) of the Group as at the reporting date, into realised and unrealised profits or losses, pursuant to the directive issued by Bursa Securities on 25 March 2010 and 20 December 2010, is as follows:

	31.12.2014 RM'000	30.09.2014 RM'000
Total retained earnings of the Group: -		
- Realised	51,108	57,288
- Unrealised	7,860	9,715
	<u>58,968</u>	<u>67,003</u>
Less: Consolidation adjustments	(52,058)	(55,612)
Total Group retained earnings as per consolidated financial statements	<u>6,910</u>	<u>11,391</u>

The determination of realised and unrealised profits or losses is based on the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits or losses above, is solely compliance with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

**9 Changes in material litigation**

Please refer to the Summary of Material Litigation attached for further details.

**10 Dividends**

No dividends have been recommended during the current quarter under review.

**11 (Loss) / Earnings per ordinary share**

(a) Basic (loss) / earnings per ordinary share

Basic (loss) / earnings per ordinary share for the quarter and financial period under review is calculated based on the Group's profit / (loss) after tax and non-controlling interests divided by the weighted average ("WA") number of ordinary shares in issue during the quarter and period.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	THREE MONTHS ENDED 31 DECEMBER		NINE MONTHS ENDED 31 DECEMBER	
	2014	2013	2014	2013
(Loss) / Profit after tax and non-controlling interests (RM'000)	(4,358)	13,588	(4,820)	19,834
Number of shares in issue as at beginning of the year ('000)	387,385	185,900	387,385	185,900
Effect of issuance of Rights Shares ('000)	-	131,693	-	131,693
Effect of Private Placement of Shares ('000)	-	7,294	-	7,294
Effect of issuance of LTIP ('000)	100	-	100	-
WA number of ordinary shares in issue ('000)	<u>387,485</u>	<u>324,887</u>	<u>387,485</u>	<u>324,887</u>
Basic (loss) / earnings per ordinary share (sen)	<u>(1.12)</u>	<u>4.18</u>	<u>(1.24)</u>	<u>6.10</u>

**Additional information required by Bursa Securities Listing Requirements  
For the Third Quarter Ended 31 December 2014**

**11 (Loss) / Earnings per ordinary share (continued)**

(b) Fully diluted (loss) / earnings per ordinary share

Diluted (loss) / earnings per share for the quarter and period of the previous financial year was calculated based on the Group's (loss) / profit after tax and non-controlling interests divided by the weighted average number of ordinary shares outstanding during the quarter and period adjusted for the effects of dilutive potential ordinary shares. The Group's dilutive potential ordinary shares are its Warrants 2013/2018 outstanding and Employee Share Option Scheme ("ESOS") granted to its employee. Warrants 2011/2016 were not included in the calculation of the diluted EPS because they are anti-dilutive for the previous financial year. The adjusted weighted average number of ordinary shares in issue and issuable had been arrived at based on the assumption that Warrants 2013/2018 and ESOS are exercised at the beginning of the financial period/quarter of the previous financial year.

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2014	2013	2014	2013
	(Loss) / Profit after tax and non-controlling interests (RM'000)	(4,358)	13,588	(4,820)
WA number of ordinary shares in issue ('000)	387,485	324,887	387,485	324,887
Effect of dilution : Warrants 2013/2018 ('000)	20,900	15,258	20,900	15,258
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share ('000)	408,385	340,145	408,385	340,145
Diluted (loss) / earnings per ordinary share (sen)	(1.07)	3.99	(1.18)	5.83

During the current financial period, diluted loss per ordinary share equals basic loss per ordinary share as there is an anti-dilutive effect arising from the exercise of Warrants and ESOS outstanding as at the end of the financial period.

**12 (Loss) / Profit before tax**

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
	(Loss) / Profit before tax is arrived at after charging: -			
Bad debts written off	24	105	24	105
Depreciation and amortisation	2,073	1,300	5,623	2,739
Equity settled share-based payment transactions	-	60	(16)	70
Impairment losses on:				
- trade receivables	(109)	280	233	320
Interest expenses	2,018	1,322	5,646	4,215
Inventories written down	141	199	141	773
Inventories written off	333	-	949	-
Loss on disposal of:				
- other investments	-	-	11	-
- property, plant and equipment	24	-	14	-
Loss on remeasurement arising on a business combination achieved in :	-	1,581	-	-
Net loss on fair value adjustment on other investments	2,889	-	5,196	-
Property, plant and equipment written off	5	16	40	510
Realised loss on foreign currency transactions	235	86	301	212
Unrealised loss on foreign currency translation	-	-	343	103
And crediting: -				
Bad debts recovered	-	153	-	153
Dividend income	-	2	4	11
Gain on disposal of :				
- property, plant and equipment	19	4	9	9
- other investments	65	-	11	-
Gain on decreation of equity interest in associates	22	-	3,563	4,701
Interest income	236	498	895	1,180
Net gain on fair value adjustment on other investments	-	9,244	-	9,403
Reversal of impairment losses on:				
- property, plant and equipment	27	-	82	-
- trade receivables	(45)	339	249	745
Realised gain on foreign currency transactions	-	-	145	159
Share of profits of associates	3,357	3,354	8,607	6,085
Unrealised gain on foreign currency translation	1,163	1,592	581	1,057

SUMMARY OF STATUS OF MATERIAL LITIGATIONS AS AT 27 FEBRUARY 2015

A. MATERIAL LITIGATION AGAINST THE GROUP

No.	Parties to the Suit	Case / Summons No.	Court	Latest Status
1	Risk Management and Safety Systems Pty Ltd ("RMSS") vs. 1. Omesti Berhad (formerly known as Formis Resources Berhad) ("Omesti"); 2. Chan Ngow; 3. Tan Sri Megat Najmuddin bin Datuk Seri Dr Haji Megat Khas; 4. Dato' Mah Siew Kwok; 5. Datuk Rahim bin Baba; 6. Dato' Hairuddin bin Mohamed; 7. Ahmad bin Khalid; 8. Dato' Thong Kok Khee; 9. Dato' Gan Nyap Liou @ Gan Nyap Liow; 10. Au Yong Kam Weng; 11. Mah Xian-Zhen; 12. Formis Bass Software Sdn Bhd; and 13. Bioserasi Sdn Bhd ("the Defendants"). (collectively, " <b>the Defendants</b> ")	Civil Suit No. 22NCVC-439-04/2012  Court of Appeal Civil Appeal No. W-02(NCVC)(W)-1337-08/2014 Omesti & 8 Others vs. RMSS & 4 Others	Kuala Lumpur High Court	At the case management in the Court of Appeal before the Deputy Registrar on 25 November 2014, the Deputy Registrar proceeded to fix the appeal for hearing on 20 April 2015.