

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	THREE MONTHS ENDED 30 SEPTEMBER 2015 RM'000 Unaudited	2014 RM'000 Unaudited	SIX MONTHS ENDED 30 SEPTEMBER 2015 RM'000 Unaudited	2014 RM'000 Unaudited
Revenue	112,775	120,938	186,989	214,975
Cost of sales	(85,544)	(91,681)	(139,879)	(161,894)
Gross profit	27,231	29,257	47,110	53,081
Other income	1,743	55	3,255	6,511
Other operating expenses	(32,972)	(29,548)	(62,015)	(57,804)
Finance costs	(2,818)	(2,032)	(5,255)	(3,855)
Share of results of associates, net of tax	2,474	3,841	4,523	5,250
(Loss) / Profit before tax	(4,342)	1,573	(12,382)	3,183
Tax expense	(1,656)	(1,764)	(2,624)	(2,697)
(Loss) / Profit for the financial period	(5,998)	(191)	(15,006)	486
Other comprehensive (loss) / income, net of tax				
Items that may be reclassified subsequently to profit or loss:				
- Foreign currency translation differences for foreign operations	(872)	76	(1,823)	835
- Share of foreign currency translation of associates	-	5	-	4
Other comprehensive (loss) / income for the financial period, net of tax	(872)	81	(1,823)	839
Total comprehensive (loss) / income for the financial period	(6,870)	(110)	(16,829)	1,325
(Loss) / Profit attributable to:-				
Owners of the Parent	(5,373)	(1,548)	(12,406)	(462)
Non-controlling interests	(625)	1,357	(2,600)	948
(Loss) / Profit for the financial period	(5,998)	(191)	(15,006)	486
Total comprehensive (loss) / income attributable to:-				
Owners of the Parent	(5,469)	(1,499)	(13,453)	169
Non-controlling interests	(1,401)	1,389	(3,376)	1,156
Total comprehensive (loss) / income for the financial period	(6,870)	(110)	(16,829)	1,325
Loss per ordinary share (sen)				
-Basic	(1.39)	(0.40)	(3.20)	(0.12)
-Diluted	(1.38)	(0.40)	(3.19)	(0.12)

(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 2015.)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015**

	As at 30.09.2015 RM'000 Unaudited	As at 31.03.2015 RM'000 Audited
ASSETS		
Non-Current Assets		
Property, plant and equipment	23,237	22,076
Investment in associates	93,862	87,011
Other intangible assets	21,852	23,516
Other investments	10,099	14,029
Other receivables	23,164	19,964
Goodwill	80,298	80,298
Deferred tax assets	1,072	1,033
	<u>253,584</u>	<u>247,927</u>
Current Assets		
Other investments	367	1,250
Inventories	35,511	34,980
Trade receivables	122,405	92,952
Other receivables, deposits and prepayments	67,345	78,006
Amount due from associates	577	1,399
Current tax assets	4,447	3,890
Cash and cash equivalents	63,794	75,119
	<u>294,446</u>	<u>287,596</u>
TOTAL ASSETS	<u><u>548,030</u></u>	<u><u>535,523</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	193,978	193,743
Share premium	15,618	15,574
Other reserves	38,616	38,533
Retained earnings	11,150	21,253
	<u>259,362</u>	<u>269,103</u>
Non-controlling interests	28,854	26,746
TOTAL EQUITY	<u>288,216</u>	<u>295,849</u>
Non-Current Liabilities		
Borrowings	25,357	18,810
Provision for post employment benefits	5,317	5,303
Deferred tax liabilities	1,092	1,117
	<u>31,766</u>	<u>25,230</u>
Current Liabilities		
Trade payables	60,556	34,795
Other payables, deposits and accruals	77,691	82,981
Amount due to associates	5	25
Borrowings	87,612	94,883
Current tax payables	2,184	1,760
	<u>228,048</u>	<u>214,444</u>
TOTAL LIABILITIES	<u>259,814</u>	<u>239,674</u>
TOTAL EQUITY AND LIABILITIES	<u><u>548,030</u></u>	<u><u>535,523</u></u>
Net assets per share (RM)	<u>0.67</u>	<u>0.69</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 2015.)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

	<----- Attributable to owners of the Parent ----->						----->		Non- controlling interests RM'000	Total equity RM'000
	<----- Non-distributable ----->			----->			Distributable			
Unaudited Six Months Financial Period Ended 30 September 2015	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	Retained earnings RM'000	Total RM'000		
Balance as at 1 April 2015	193,743	15,574	24,663	11,307	2,813	(251)	21,253	269,102	26,746	295,848
Loss after tax for the financial period	-	-	-	-	-	-	(12,406)	(12,406)	(2,600)	(15,006)
Foreign currency translation for foreign operations	-	-	-	-	-	(1,047)	-	(1,047)	(776)	(1,823)
Total comprehensive loss for the financial period	-	-	-	-	-	(1,047)	(12,406)	(13,453)	(3,376)	(16,829)
Transactions with owners										
Shares issued pursuant to Long Term Incentive Plan ("LTIP")	133	22	-	-	-	-	-	155	-	155
Shares issued pursuant to exercise of Employee Share Option Scheme ("ESOS")	102	22	-	-	-	-	-	124	-	124
Arising from accretion of equity interests in subsidiaries	-	-	-	-	-	-	(1,987)	(1,987)	1,532	(455)
Arising from dilution of equity interests in subsidiaries	-	-	-	-	-	-	6,298	6,298	3,952	10,250
Share-based payment transactions	-	-	-	-	1,131	-	-	1,131	-	1,131
Dividends declared	-	-	-	-	-	-	(2,008)	(2,008)	-	(2,008)
Total transactions with owners	235	44	-	-	1,131	-	2,303	3,713	5,484	9,197
Balance as at 30 September 2015	193,978	15,618	24,663	11,307	3,944	(1,298)	11,150	259,362	28,854	288,216

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015 (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	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	Total RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
Six Months Financial Period 30 September 2014										
Balance as at 1 April 2014										
- as previously stated	193,693	15,574	24,663	11,307	3,008	(328)	9,060	256,977	23,766	280,743
- effects of adoption of FRSs	-	-	-	-	-	-	3,097	3,097	-	3,097
- remeasurement period adjustment	-	-	-	-	-	-	-	-	(575)	(575)
Balance as at 1 April 2014	193,693	15,574	24,663	11,307	3,008	(328)	12,157	260,074	23,191	283,265
(Loss) / Profit after tax for the financial period	-	-	-	-	-	-	(462)	(462)	948	486
Foreign currency translation for foreign operations	-	-	-	-	-	627	-	627	208	835
Share of foreign currency translation of associates	-	-	-	-	-	4	-	4	-	4
Total comprehensive profit / (loss) for the financial period	-	-	-	-	-	631	(462)	169	1,156	1,325
Transactions with owners										
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	-	-	-	-	-	-	(258)	(258)	258	-
Arising from dilution of equity interests in subsidiaries	-	-	-	-	-	-	-	-	108	108
Share of other changes in equity of associates	-	-	-	-	-	-	(45)	(45)	-	(45)
	50	(66)	-	-	-	-	(303)	(319)	366	47
Balance as at 30 September 2014	193,743	15,508	24,663	11,307	3,008	303	11,392	259,924	24,713	284,637

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes to the interim financial)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

	SIX MONTHS ENDED 30 SEPTEMBER	
	2015	2014
	RM'000 Unaudited	RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before tax	(12,382)	3,183
Adjustment for non-cash items:		
Bad Debts recovered	(109)	-
Bad debts written off	41	24
Depreciation and amortisation	3,739	3,550
Dividend income	-	(4)
Equity settled share-based payment transactions	1,344	(16)
Loss/(Gain) on dilution of equity interest in associates	16	(3,541)
Loss on disposal of quoted investments	8	-
Impairment losses on trade receivables	620	342
Interest expense	5,119	3,628
Interest income	(514)	(659)
Inventories written off	613	616
Net loss on fair value adjustments on other investments	3,930	2,307
Net gain on disposal of other investments	-	(5)
Net (gain)/loss on disposal of property, plant and equipment	(1)	13
Net unrealised (gain)/loss on foreign currency exchange	(1,725)	925
Property, plant and equipment written off	19	35
Reversal of impairment loss on property, plant and equipment	(55)	(55)
Reversal of impairment loss on trade receivables	(706)	(294)
Share of results of associates	(4,523)	(5,250)
Operating (loss)/profit before working capital changes	<u>(4,566)</u>	<u>4,799</u>
Net changes in assets	(22,610)	(29,992)
Net changes in liabilities	20,529	1,228
Net cash used in operations	<u>(6,647)</u>	<u>(23,965)</u>
Tax paid	(2,876)	(2,344)
Tax refund	209	827
Net cash used in operating activities	<u>(9,314)</u>	<u>(25,482)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of associates	(2,324)	(4,654)
Acquisition of subsidiaries, net of cash acquired	-	(1,184)
Acquisition of additional shares in subsidiaries	(455)	-
Addition of software development	(512)	-
Disposal of interest in subsidiaries	3,350	-
Interest received	514	504
Dividend received	-	4
Placement of fixed deposits pledged	(857)	(4,163)
Proceeds from disposal of other investments	887	10,549
Proceeds from disposal of property, plant and equipment	8	8
Purchase of other investments	(11)	(5,796)
Purchase of property, plant and equipment	(2,664)	(1,646)
Net cash used in investing activities	<u>(2,064)</u>	<u>(6,378)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of borrowings	596	18,357
Ordinary share capital contributed by non-controlling interests of a subsidiary	6,900	107
Interest paid	(5,119)	(3,628)
Net cash from financing activities	<u>2,377</u>	<u>14,836</u>
Net decrease in cash and cash equivalents	(9,001)	(17,024)
Cash and cash equivalents at 1 April 2015/2014*	39,437	37,397
Effect of foreign exchange on opening balance	(1,848)	661
Cash and cash equivalents at 30 September 2015/2014*	<u>28,588</u>	<u>21,034</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 2015.)

**Notes to the Interim Financial Report
For the Second Quarter Ended 30 September 2015**

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 2015. 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 2015.

2 Significant Accounting Policies

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 31 March 2015, except for the adoption of the following FRSs and Amendments to FRSs during the current financial period: -

	Effective for financial periods beginning <u>on or after</u>
Amendments to FRS 119 (2011) Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to FRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011 - 2013 Cycle	1 July 2014

The adoption of the above standards that are applicable from the financial period beginning on 1 April 2015 is not expected to result in any material impact on the financial position and results of the Group.

As stated in our audited financial statements for the financial year ended 31 March 2015, the Group has yet to adopt the Malaysian Financial Reporting Standards ("MFRS") framework, and has elected to be a transitioning entity which will only adopt the MFRS framework for the financial year ending 31 March 2018.

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 2015 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 Second Quarter Ended 30 September 2015**

7 Debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial period under review except for the following:-

- (i) Allotment of 265,000 new ordinary shares of RM0.50 each pursuant to the exercise of Employee Share Grant Plan ("ESGP"); and
- (ii) Issuance of 205,000 new ordinary shares of RM0.50 each pursuant to the exercise of Employee Share Option Scheme ("ESOS") at RM0.50 per share. The total cash proceeds arising from the exercise of ESOS during the current financial period amounted to RM102,500.

8 Dividends paid

During the financial period, the Company has announced to distribute 3,878,089 ordinary shares of RM0.10 each ("Share") in Microlink Solutions Berhad ("MLSB") held by Omesti Berhad ("Omesti" or "the Company") amounting to RM2.01 million for the financial year ended 31 March 2016 to the entitled shareholders of the Company by way of dividend-in-specie on the basis of one (1) MLSB Share for every 100 existing ordinary shares of RM0.50 each held in Omesti as at 5.00 p.m. on 9 September 2015 ("Dividend-in-Specie"). The Dividend-in-Specie was completed on 6 October 2015.

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.

Business Segments	Business Performance Services RM'000	Trading & Distribution Services RM'000	Digital & Infrastructure Services RM'000	Others RM'000	Eliminations RM'000	Total RM'000
<u>Six Months Financial Period Ended 30 September 2015</u>						
External sales	84,731	88,874	15,105	151	-	188,861
Inter segment sales	17,670	939	9,152	648	(30,281)	(1,872)
Total Sales	102,401	89,813	24,257	799	(30,281)	186,989
Segment results	(2,009)	3,206	(1,895)	(7,925)	(3,677)	(12,300)
Share of results of associates	-	-	-	4,523	-	4,523
Interest expense	(1,606)	(291)	(220)	(3,002)	-	(5,119)
Interest Income	282	125	62	45	-	514
(Loss) / Profit before taxation	(3,333)	3,040	(2,053)	(6,359)	(3,677)	(12,382)
Segment assets	359,176	115,780	93,446	311,189	(331,561)	548,030
<u>Six Months Financial Period 30 September 2014</u>						
External sales	113,628	70,076	31,121	150	-	214,975
Inter segment sales	5,441	14,368	1,543	1,390	(22,742)	-
Total Sales	119,069	84,444	32,664	1,540	(22,742)	214,975
Segment results	2,699	976	1,894	(4,671)	4	902
Share of results of associates	-	-	-	5,250	-	5,250
Interest expense	(655)	(312)	(196)	(2,545)	80	(3,628)
Interest Income	500	162	57	24	(84)	659
Profit / (Loss) before taxation	2,544	826	1,755	(1,942)	-	3,183
Segment assets	261,448	89,669	100,214	272,350	(212,404)	511,277

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 Second Quarter Ended 30 September 2015**

11 Changes in the composition of the group

Subsidiary

- (i) During the current period under review, Omesti Holdings Berhad ("OHB"), a wholly-owned subsidiary of the Company, disposed 5 million ordinary shares of RM0.10 each in Diversified Gateway Solutions Berhad ("DGSB"), a 53% owned subsidiary of OHB, representing 0.4% of the total issued and paid-up share capital of DGSB in the open market for a total cash consideration of RM575,000. Following the disposals, OHB now holds 52.6% equity interest in DGSB.
- (ii) During the current period review, OHB disposed 2 million ordinary shares of RM0.10 each in Microlink Solutions Berhad ("MLSB"), a 80.3% owned subsidiary of OHB, representing 1.3% of the total issued and paid-up share capital of MLSB for a total cash consideration of RM2,640,000. Following the disposals, OHB holds 79.0% equity interest in MLSB.

During the second quarter of the financial period, OHB acquired a total of 104,000 ordinary shares of RM0.10 each in MLSB a total cash consideration of RM100,277.

Subsequently, the Company has announced to distribute 3,878,089 ordinary shares of RM0.10 each ("Share") in Microlink Solutions Berhad ("MLSB") held by Omesti Berhad ("Omesti" or "the Company") amounting to RM2.01 million for the financial year ended 31 March 2016 to the entitled shareholders of the Company by way of dividend-in-specie on the basis of one (1) MLSB Share for every 100 existing ordinary shares of RM0.50 each held in Omesti as at 5.00 p.m. on 9 September 2015 ("Dividend-in-Specie"). The Dividend-in-Specie was completed on 6 October 2015.

Upon completion of the distribution of the dividend-in-specie, OHB holds 76.5% equity interest in MLSB.

- (iii) MLSB had on 20 May 2015, entered into a Share Sale Agreement with Iteration Partners Pty Ltd ("IPPL") for the acquisition from IPPL of the remaining 40,000 ordinary shares of RM1.00 each, representing 40% of the issued and paid up share capital of Microlink Innovation Sdn Bhd ("MISB"), a 60% owned subsidiary of MLSB, for a total cash consideration of RM300,451 only. Following its completion, MISB became a wholly owned subsidiary of MLSB. The acquisition would enable MLSB to have full control over the equity and strategic directions of MISB.

Associates

- (i) During the financial quarter, OHB acquired a total of 601,300 ordinary shares of RM1.00 each in Ho Hup Construction Company Berhad ("Ho Hup") for a total consideration of RM509,834. Following this acquisition and the conversion by the other ICPS and RCPS's holders of Ho Hup during the current financial period, OHB's equity interest in Ho Hup has been increased from 14.95% to 15.01%.

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

There were no material events announced subsequent to the end of the current financial year under review up to the date of this announcement.

13 Changes in contingent liabilities or contingent assets

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

	RM'000
Omesti	
- to leasing party for leasing facilities to subsidiaries	16,240

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 Second Quarter Ended 30 September 2015**

1 Detailed analysis of performance

The Group's revenue decreased in the current quarter and period under review by RM8.16 million and RM27.99 million respectively.

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

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	THREE MONTHS ENDED 30 SEPTEMBER			SIX MONTHS ENDED 30 SEPTEMBER		
	2015	2014	Variance	2015	2014	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Business Performance Services	52,683	64,789	(18.7)	102,401	119,069	(14.0)
Trading & Distribution Services	62,226	42,604	46.1	89,813	84,444	6.4
Digital & Infrastructure Services	17,752	22,527	(21.2)	24,257	32,664	(25.7)
Others	397	575	(31.0)	799	1,540	(48.1)
	133,058	130,495	2.0	217,270	237,717	(8.6)
Less : Inter Segment Revenue	(20,283)	(9,557)		(30,281)	(22,742)	
Total Group Revenue	112,775	120,938	(6.7)	186,989	214,975	(13.0)

All segments except Trading and Distribution segment recorded lower revenue during the quarter under review compared to the corresponding quarter of the immediate preceding year due to lower order fulfillments.

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

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	THREE MONTHS ENDED 30 SEPTEMBER			SIX MONTHS ENDED 30 SEPTEMBER		
	2015	2014	Variance	2015	2014	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Business Performance Services	(842)	1,589	(153.0)	(3,333)	2,544	(231.0)
Trading & Distribution Services	3,429	429	699.3	3,040	826	268.0
Digital & Infrastructure Services	(620)	2,464	(125.2)	(2,053)	1,755	(217.0)
Others	(3,330)	(1,699)	(96.0)	(6,359)	(1,942)	(227.4)
	(1,363)	2,783	(149.0)	(8,705)	3,183	(373.5)
Less : Elimination	(2,979)	(1,210)		(3,677)	-	
(Loss) ("LBT")/Profit before tax ("PBT")	(4,342)	1,573	(376.0)	(12,382)	3,183	(489.0)

The Group recorded a LBT of RM4.34 million in the current quarter under review against a PBT of RM1.57 million in the corresponding quarter of the previous financial year due to lower revenue achieved. Compounding to this were the fair value loss on other investments (RM3.24 million) and loss contributions from the new businesses (RM2.72 million).

2 Variation of results against preceding quarter

	3 months ended 30.09.2015	3 months ended 30.06.2015	Variance %
	RM'000	RM'000	
Revenue	112,775	74,214	52.0
Loss before tax	(4,342)	(8,040)	3.0

Notwithstanding the higher fair value loss on other investments during the quarter under review of RM3.24 million compared to RM0.69 million recorded in the immediate preceding quarter, the Group's loss before tax improved to RM4.34 million compared to RM8.04 million respectively, boosted by higher revenue.

**Additional information required by Bursa Securities Listing Requirements
For the Second Quarter Ended 30 September 2015**

3 Business prospects

In view of the current economic conditions the Group is operating in, the Board is cautious of the financial performance of the Group as it enters the second half of the current financial year. The Management has been directed to review and initiate cost optimization initiatives so as to enable the Group to better weather through the current conditions.

4 Profit forecast

Not applicable.

5 Income tax expense

	THREE MONTHS ENDED 30 SEPTEMBER		SIX MONTHS ENDED 30 SEPTEMBER	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current tax expense				
- Malaysian taxation	1,492	1,642	2,285	2,499
- Foreign taxation	191	156	191	156
	<u>1,683</u>	<u>1,798</u>	<u>2,476</u>	<u>2,655</u>
Under provision in prior period				
- Malaysian taxation	7	-	7	-
- Foreign taxation	(43)	-	181	-
	<u>(36)</u>	<u>-</u>	<u>188</u>	<u>-</u>
	<u>1,647</u>	<u>1,798</u>	<u>2,664</u>	<u>2,655</u>
Deferred taxation				
- origination and reversal of temporary differences				
- Malaysian taxation	9	(34)	(40)	42
	<u>9</u>	<u>(34)</u>	<u>(40)</u>	<u>42</u>
	<u>1,656</u>	<u>1,764</u>	<u>2,624</u>	<u>2,697</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

There were no corporate proposals announced or outstanding as at the date of this report.

7 Borrowings and debts securities

The Group's bank borrowings as at 30 September 2015 are as follows:

	RM'000
Short term bank borrowings - secured	
- Denominated in RM	84,661
- Denominated in Thai Baht	2,951
Long term bank borrowings - secured	
- Denominated in RM	25,320
- Denominated in Thai Baht	37
Total borrowings	<u>112,969</u>

All borrowings are denominated in Ringgit Malaysia.

**Additional information required by Bursa Securities Listing Requirements
For the Second Quarter Ended 30 September 2015**

8 Realised and Unrealised Profits or Losses

The breakdown of retained earnings 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:

	30.09.2015 RM'000	30.06.2015 RM'000
Total retained earnings of the Group: -		
- Realised	49,422	54,719
- Unrealised	4,524	8,176
	53,946	62,895
Less: Consolidation adjustments	(42,796)	(45,275)
Total Group retained earnings as per consolidated financial statements	11,150	17,620

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

During the financial period, the Company has announced to distribute 3,878,089 ordinary shares of RM0.10 each ("Share") in Microlink Solutions Berhad ("MLSB") held by Omesti Berhad ("Omesti" or "the Company") amounting to RM2.01 million for the financial year ended 31 March 2016 to the entitled shareholders of the Company by way of dividend-in-specie on the basis of one (1) MLSB Share for every 100 existing ordinary shares of RM0.50 each held in Omesti as at 5.00 p.m. on 9 September 2015 ("Dividend-in-Specie"). The Dividend-in-Specie was completed on 6 October 2015.

11 (Loss) / Earnings per ordinary share

(a) Basic loss per ordinary share

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

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	THREE MONTHS ENDED 30 SEPTEMBER		SIX MONTHS ENDED 30 SEPTEMBER	
	2015	2014	2015	2014
Loss after tax and non-controlling interests (RM'000)	(5,373)	(1,548)	(12,406)	(462)
Number of shares in issue as at beginning of the year ('000)	387,485	387,385	387,485	387,385
Effect of issuance of LTIP ('000)	44	100	158	100
WA number of ordinary shares in issue ('000)	387,529	387,485	387,643	387,485
Basic loss per ordinary share (sen)	(1.39)	(0.40)	(3.20)	(0.12)

**Additional information required by Bursa Securities Listing Requirements
For the Second Quarter Ended 30 September 2015**

11 Loss per ordinary share (continued)

(b) Fully diluted loss per ordinary share

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

	INDIVIDUAL QUARTER THREE MONTHS ENDED 30 SEPTEMBER		CUMULATIVE PERIOD SIX MONTHS ENDED 30 SEPTEMBER	
	2015	2014	2015	2014
Loss after tax and non-controlling interests (RM'000)	(5,373)	(1,548)	(12,406)	(462)
WA number of ordinary shares in issue ('000)	387,529	387,485	387,643	387,485
Effect of dilution : Warrants 2013/2018 ('000)	1,595	-	1,595	-
Effect of dilution : Employee Share Option Scheme ("ESOS")('000)	194	-	194	-
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share ('000)	389,318	387,485	389,432	387,485
Diluted loss per ordinary share (sen)	(1.38)	(0.40)	(3.19)	(0.12)

12 (Loss) / Profit before tax

	INDIVIDUAL QUARTER THREE MONTHS ENDED 30 SEPTEMBER		CUMULATIVE PERIOD SIX MONTHS ENDED 30 SEPTEMBER	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
(Loss) / Profit before tax is arrived at after charging: -				
Bad debts written off	-	24	41	24
Depreciation and amortisation	1,868	1,790	3,739	3,550
Equity settled share-based payment transactions	91	(96)	1,344	(16)
Impairment losses on:				
- trade receivables	125	342	620	342
Interest expenses	2,724	1,884	5,119	3,628
Inventories written off	308	354	613	616
Loss on disposal of:				
- other investments	8	-	8	65
- property, plant and equipment	-	23	-	13
Net loss on fair value adjustment on other investments	3,236	571	3,930	2,307
Property, plant and equipment written off	2	33	19	35
Realised loss on foreign currency transactions	663	42	1,064	66
Unrealised loss on foreign currency translation	-	-	-	1,135
And crediting: -				
Bad debts recovered	109	-	109	-
Dividend income	-	2	-	4
Gain on disposal of :				
- other investments	-	5	-	5
- property, plant and equipment	-	-	9	-
Gain on dilution of equity interest in associates	(14)	(1,176)	(16)	3,541
Interest income	192	360	514	659
Reversal of impairment losses on:				
- property, plant and equipment	28	28	55	55
- trade receivables	494	62	706	294
Realised gain on foreign currency transactions	-	106	36	145
Share of profits of associates	2,474	3,841	4,523	5,250
Unrealised gain on foreign currency translation	1,667	204	1,725	210

SUMMARY OF STATUS OF MATERIAL LITIGATIONS AS AT 26 NOVEMBER 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, " the Defendants ")	Civil Suit No. 22NCVC-439- Court of Appeal Civil Appeal No. W-02(NCVC)(W)-1337-08/2014 Omesti & 8 Others vs. RMSS & 4 Others	Kuala Lumpur High Court Court of Appeal	The appeal hearing date fixed on 13 October 2015 was vacated as senior counsel for the Appellants had to attend to a Federal Court matter which was fixed, as a matter of priority, also for hearing on 13 October 2015. The new hearing date for the appeal has been fixed on 2 February 2016.