

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2015 RM'000 Unaudited	2014 RM'000 Unaudited	2015 RM'000 Unaudited	2014 RM'000 Unaudited
Revenue	112,692	119,644	299,681	334,619
Cost of sales	(88,352)	(91,596)	(228,231)	(253,490)
Gross profit	24,340	28,048	71,450	81,129
Other income	264	1,325	3,519	7,836
Other operating expenses	(25,316)	(33,163)	(87,331)	(90,967)
Finance costs	(2,139)	(2,213)	(7,394)	(6,068)
Share of results of associates, net of tax	2,899	3,357	7,422	8,607
Profit / (Loss) before tax	48	(2,646)	(12,334)	537
Tax expense	(810)	(1,878)	(3,434)	(4,575)
Loss for the financial period	(762)	(4,524)	(15,768)	(4,038)
Other comprehensive income / (loss), net of tax				
Items that may be reclassified subsequently to profit or loss:				
- Foreign currency translation differences for foreign operations	1,670	(641)	(153)	194
- Share of foreign currency translation of associates	-	2	-	6
Other comprehensive income / (loss) for the financial period, net of tax	1,670	(639)	(153)	200
Total comprehensive income / (loss) for the financial period	908	(5,163)	(15,921)	(3,838)
(Loss) / Profit attributable to:-				
Owners of the Parent	330	(4,358)	(12,076)	(4,820)
Non-controlling interests	(1,092)	(166)	(3,692)	782
Loss for the financial period	(762)	(4,524)	(15,768)	(4,038)
Total comprehensive income / (loss) attributable to:-				
Owners of the Parent	1,190	(4,812)	(12,263)	(4,643)
Non-controlling interests	(282)	(351)	(3,658)	805
Total comprehensive income / (loss) for the financial period	908	(5,163)	(15,921)	(3,838)
Earnings / (Loss) per ordinary share (sen)				
-Basic	0.09	(1.12)	(3.11)	(1.24)
-Diluted	0.08	(1.07)	(3.09)	(1.18)

(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 31 DECEMBER 2015**

	As at 31.12.2015 RM'000 Unaudited	As at 31.03.2015 RM'000 Audited
ASSETS		
Non-Current Assets		
Property, plant and equipment	23,580	22,076
Investment in associates	97,054	87,011
Other intangible assets	21,074	23,516
Other investments	12,757	14,029
Other receivables	22,513	19,964
Goodwill	80,298	80,298
Deferred tax assets	1,150	1,033
	<u>258,426</u>	<u>247,927</u>
Current Assets		
Other investments	339	1,250
Inventories	25,893	34,980
Trade receivables	119,637	92,952
Other receivables, deposits and prepayments	64,615	78,006
Amount due from associates	541	1,399
Current tax assets	5,877	3,890
Cash and cash equivalents	90,879	75,119
	<u>307,781</u>	<u>287,596</u>
TOTAL ASSETS	<u><u>566,207</u></u>	<u><u>535,523</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	194,079	193,743
Share premium	15,621	15,574
Other reserves	39,476	38,533
Retained earnings	19,625	21,253
	<u>268,801</u>	<u>269,103</u>
Non-controlling interests	31,885	26,746
TOTAL EQUITY	<u>300,686</u>	<u>295,849</u>
Non-Current Liabilities		
Borrowings	26,301	18,810
Provision for post employment benefits	5,193	5,303
Deferred tax liabilities	746	1,117
	<u>32,240</u>	<u>25,230</u>
Current Liabilities		
Trade payables	34,942	34,795
Other payables, deposits and accruals	83,405	82,981
Amount due to associates	82	25
Borrowings	113,413	94,883
Current tax payables	1,439	1,760
	<u>233,281</u>	<u>214,444</u>
TOTAL LIABILITIES	<u>265,521</u>	<u>239,674</u>
TOTAL EQUITY AND LIABILITIES	<u><u>566,207</u></u>	<u><u>535,523</u></u>
Net assets per share (RM)	<u>0.69</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 31 DECEMBER 2015

	←----- Attributable to owners of the Parent ----->								Non- controlling interests RM'000	Total equity RM'000
	←----- Non-distributable ----->			Distributable			Total			
	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		
Unaudited Nine Months Financial Period Ended 31 December 2015										
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	-	-	-	-	-	-	(12,076)	(12,076)	(3,692)	(15,768)
Foreign currency translation for foreign operations	-	-	-	-	-	(187)	-	(187)	34	(153)
Total comprehensive loss for the financial period	-	-	-	-	-	(187)	(12,076)	(12,263)	(3,658)	(15,921)
Transactions with owners										
Shares issued pursuant to Long Term Incentive Plan ("LTIP")	234	25	-	-	-	-	-	259	-	259
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	-	-	-	-	-	-	14,443	14,443	7,265	21,708
Share-based payment transactions	-	-	-	-	1,131	-	-	1,131	-	1,131
Dividends declared	-	-	-	-	-	-	(2,008)	(2,008)	-	(2,008)
Total transactions with owners	336	47	-	-	1,131	-	10,448	11,962	8,797	20,759
Balance as at 31 December 2015	194,079	15,621	24,663	11,307	3,944	(438)	19,625	268,801	31,885	300,686

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 Nine Months Financial Period 31 December 2014	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				
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	-	-	-	-	-	-	(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 profit / (loss) for the financial period	-	-	-	-	-	177	(4,820)	(4,643)	805	(3,838)
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	-	-	-	-	-	-	(495)	(495)	495	-
Arising from dilution of equity interests in subsidiaries	-	-	-	-	-	-	-	-	108	108
Share of other changes in equity of associates	-	-	-	-	-	-	69	69	-	69
	50	(66)	-	-	-	-	(426)	(442)	603	161
Balance as at 31 December 2014	193,743	15,508	24,663	11,307	3,008	(151)	6,911	254,989	24,599	279,588

(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 31 DECEMBER 2015**

**NINE MONTHS ENDED 31
DECEMBER**

	2015 RM'000	2014 RM'000
	Unaudited	Unaudited

CASH FLOWS FROM OPERATING ACTIVITIES

(Loss) / Profit before tax	(12,334)	537
Adjustment for non-cash items:		
Bad Debts recovered	(109)	-
Bad debts written off	41	24
Depreciation and amortisation	5,631	5,623
Dividend income	-	(4)
Equity settled share-based payment transactions	1,514	(16)
Loss/(Gain) on dilution of equity interest in associates	16	(3,563)
Loss on disposal of quoted investments	8	-
Impairment losses on trade receivables	677	233
Interest expense	7,239	5,646
Interest income	(874)	(895)
Inventories written down	-	141
Inventories written off	924	949
Net loss on fair value adjustments on other investments	1,272	5,196
Net (gain)/loss on disposal of property, plant and equipment	(1)	5
Net unrealised gain on foreign currency exchange	(818)	(238)
Property, plant and equipment written off	19	40
Provision for post-employment benefits	-	1,490
Reversal of impairment loss on property, plant and equipment	(82)	(82)
Reversal of impairment loss on trade receivables	(870)	(249)
Share of results of associates	(7,422)	(8,607)
Operating (loss)/profit before working capital changes	(5,169)	6,230
Net changes in assets	(6,503)	(9,951)
Net changes in liabilities	214	7,244
Net cash (used in) / generated from operations	(11,458)	3,523
Tax paid	(5,343)	(3,768)
Tax refund	205	958
Net cash (used in) / from operating activities	(16,596)	713

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of associates	(2,624)	(6,611)
Acquisition of subsidiaries, net of cash acquired	-	(1,184)
Acquisition of additional shares in subsidiaries	(455)	-
Addition of software development	(807)	-
Disposal of interest in subsidiaries	12,815	-
Interest received	874	895
Dividend received	-	4
Placement of fixed deposits pledged	(2,407)	(3,517)
Proceeds from disposal of other investments	918	17,962
Proceeds from disposal of property, plant and equipment	8	110
Purchase of other investments	(14)	(4,773)
Purchase of property, plant and equipment	(3,762)	(2,358)
Net cash from investing activities	4,546	528

CASH FLOWS FROM FINANCING ACTIVITIES

Net drawdown of borrowings	23,319	21,261
Ordinary share capital contributed by non-controlling interests of a subsidiary	6,900	107
Interest paid	(7,239)	(5,646)
Net cash from financing activities	22,980	15,722
Net increase in cash and cash equivalents	10,930	16,963
Cash and cash equivalents at 1 April 2015/2014*	39,437	37,397
Effect of foreign exchange on opening balance	(292)	227
Cash and cash equivalents at 31 December 2015/2014*	50,075	54,587

* 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 Third Quarter Ended 31 December 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 Third Quarter Ended 31 December 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 467,800 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>Nine Months Financial Period Ended 31 December 2015</u>						
External sales	131,061	143,661	24,842	117	-	299,681
Inter segment sales	27,828	4,834	17,265	3,170	(53,097)	-
Total Sales	158,889	148,495	42,107	3,287	(53,097)	299,681
Segment results	(2,081)	4,208	(530)	(1,212)	(13,776)	(13,391)
Share of results of associates	-	-	-	7,422	-	7,422
Interest expense	(2,297)	(638)	(607)	(4,616)	919	(7,239)
Interest Income	525	212	104	160	(127)	874
(Loss) / Profit before taxation	(3,853)	3,782	(1,033)	1,754	(12,984)	(12,334)
Segment assets	349,198	124,106	105,957	327,307	(340,361)	566,207
<u>Nine Months Financial Period 31 December 2014</u>						
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

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 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.

During the third quarter, OHB has further disposed 8 million ordinary shares of RM0.10 each in MLSB, representing 5.3% of the total issued and paid-up share capital of MLSB for a total cash consideration of RM9,600,000. Following the disposals, OHB holds 71.3% 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 15.00%.

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 financial institution for facilities granted to subsidiaries	<u>34,953</u>
- to leasing party for leasing facilities to subsidiaries	<u>20,820</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 2015**

1 Detailed analysis of performance

The Group's revenue decreased in the current quarter and period under review by RM6.95 million and RM34.94 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		
	2015	2014	Variance	2015	2014	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Business Performance Services	56,488	75,686	(25.4)	158,889	194,755	(18.4)
Trading & Distribution Services	58,682	65,550	(10.5)	148,495	149,994	(1.0)
Digital & Infrastructure Services	17,850	23,971	(25.5)	42,107	56,635	(25.7)
Others	2,488	16,029	(84.5)	3,287	17,569	(81.3)
	135,508	181,236	(25.2)	352,778	418,953	(15.8)
Less : Inter Segment Revenue	(22,816)	(61,592)		(53,097)	(84,334)	
Total Group Revenue	112,692	119,644	(5.8)	299,681	334,619	(10.4)

All segments recorded lower revenue during the quarter and period under review compared to the corresponding quarter and period of the immediate preceding year due to lower order fulfilments.

The detailed breakdown of profit/(loss) 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		
	2015	2014	Variance	2015	2014	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Business Performance Services	(520)	(1,025)	49.3	(3,853)	1,519	(353.7)
Trading & Distribution Services	742	1,833	(59.5)	3,782	2,659	42.2
Digital & Infrastructure Services	1,020	(228)	547.4	(1,033)	1,527	(167.6)
Others	8,113	11,275	(28.0)	1,754	9,333	(81.2)
	9,355	11,855	(21.1)	650	15,038	(95.7)
Less : Elimination	(9,307)	(14,501)		(12,984)	(14,501)	
Profit ("PBT")/ (Loss) ("LBT") before tax	48	(2,646)	101.8	(12,334)	537	(2,396.8)

During the quarter under review, the Group recorded a nominal PBT compared to a LBT of RM2.65 million in the corresponding quarter of the previous financial year. While there was a fair value gain on other investments (RM2.66 million), new businesses continue to weigh down the Group's financial performance with loss contributions (RM3.66 million).

Profit of the Trading & Distribution Services segment was lower due to lower revenue and margins while the higher profit of the Digital & Infrastructure Services segment was due to more favorable product mix and margins. While the loss from the Business Performance Services segment was attributable to lower revenue, the loss was lower comparatively due to ongoing cost containment initiatives.

For the financial period to date, LBT increased to RM12.33 million compared to the corresponding period of the previous financial year's PBT of RM0.54 million mainly attributable to the lower revenue accompanied by lower margins. Additionally, the corresponding period of the previous financial year included a gain on dilution of equity interest in an associate (RM3.56 million).

2 Variation of results against preceding quarter

	3 months ended 31.12.2015 RM'000	3 months ended 30.09.2015 RM'000	Variance %
Revenue	112,692	112,775	(0.1)
Loss before tax	48	(4,342)	3.0

Although revenue decreased marginally along with lower margins during the quarter under review, the Group recorded a nominal PBT compared against the immediate preceding quarter's LBT of RM4.34 million. Included in the quarter under review was a fair value gain on other investments amounting to RM2.66 million compared to a fair value loss on other investments of RM3.24 million in the immediate preceding quarter.

**Additional information required by Bursa Securities Listing Requirements
For the Third Quarter Ended 31 December 2015**

3 Business prospects

With the trying and challenging conditions in which the Group is operating in, cost optimization initiatives are ongoing. While these initiatives will enable the Group to operate more efficiently, the Board remains cautious of the Group's financial performance for the remaining quarter of the current financial year.

4 Profit forecast

Not applicable.

5 Income tax expense

	THREE MONTHS ENDED 31 DECEMBER		NINE MONTHS ENDED 31 DECEMBER	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current tax expense				
- Malaysian taxation	673	1,689	2,958	4,188
- Foreign taxation	143	191	334	347
	<u>816</u>	<u>1,880</u>	<u>3,292</u>	<u>4,535</u>
Under provision in prior period				
- Malaysian taxation	(38)	(105)	(31)	(105)
- Foreign taxation	3	-	184	-
	<u>(35)</u>	<u>(105)</u>	<u>153</u>	<u>(105)</u>
	781	1,775	3,445	4,430
Deferred taxation				
- origination and reversal of temporary differences				
- Malaysian taxation	29	103	(11)	145
	<u>810</u>	<u>1,878</u>	<u>3,434</u>	<u>4,575</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

On 11 January 2016, the Company announced that the Company proposes to implement a private placement of up to 59,899,800 new ordinary shares of RM0.50 each in Omesti, to independent third party investor(s) to be identified ("Proposed Private Placement").

The listing application for the Placement Shares to be issued pursuant to the Proposed Private Placement has been approved by Bursa Malaysia Securities Berhad on 23 February 2016.

As at the date of this report, the Proposed Private Placement has yet to be completed.

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

7 Borrowings and debts securities

The Group's bank borrowings as at 31 December 2015 are as follows:

	RM'000
Short term bank borrowings - secured	
- Denominated in RM	110,947
- Denominated in Thai Baht	2,466
Long term bank borrowings - secured	
- Denominated in RM	26,290
- Denominated in Thai Baht	11
Total borrowings	<u>139,714</u>

All borrowings are denominated in Ringgit Malaysia.

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

	31.12.2015 RM'000	30.09.2015 RM'000
Total retained earnings of the Group: -		
- Realised	51,365	49,422
- Unrealised	8,164	4,524
	<u>59,529</u>	<u>53,946</u>
Less: Consolidation adjustments	(39,904)	(42,796)
Total Group retained earnings as per consolidated financial statements	<u><u>19,625</u></u>	<u><u>11,150</u></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

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 Earnings / (Loss) per ordinary share

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

Basic earnings / (loss) 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 period.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	THREE MONTHS ENDED 31 DECEMBER 2015	2014	NINE MONTHS ENDED 31 DECEMBER 2015	2014
Profit / (Loss) after tax and non-controlling interests (RM'000)	330	(4,358)	(12,076)	(4,820)
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)	(1,752)	100	263	100
WA number of ordinary shares in issue ('000)	<u>385,733</u>	<u>387,485</u>	<u>387,748</u>	<u>387,485</u>
Basic earnings / (loss) per ordinary share (sen)	<u>0.09</u>	<u>(1.12)</u>	<u>(3.11)</u>	<u>(1.24)</u>

**Additional information required by Bursa Securities Listing Requirements
For the Third Quarter Ended 31 December 2015**
11 Earnings / (Loss) per ordinary share (continued)

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

Diluted earnings / (loss) per share for the quarter and financial year under review was calculated based on the Group's profit / (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 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2015	2014	2015	2014
	Profit / (Loss) after tax and non-controlling interests (RM'000)	330	(4,358)	(12,076)
WA number of ordinary shares in issue ('000)	385,733	387,485	387,748	387,485
Effect of dilution : Warrants 2013/2018 ('000)	2,422	20,900	2,422	20,900
Effect of dilution : Employee Share Option Scheme ("ESOS")('000)	298	-	298	-
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share ('000)	388,453	408,385	390,468	408,385
Diluted earnings / (loss) per ordinary share (sen)	0.08	(1.07)	(3.09)	(1.18)

12 Profit / (Loss) before tax

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
	Profit / (Loss) before tax is arrived at after charging: -			
Bad debts written off	-	-	41	24
Depreciation and amortisation	1,892	2,073	5,631	5,623
Equity settled share-based payment transactions	170	-	1,514	(16)
Impairment losses on:				
- trade receivables	57	(109)	677	233
Interest expenses	2,120	2,018	7,239	5,646
Inventories written down	-	141	-	141
Inventories written off	311	333	924	949
Loss on disposal of:				
- other investments	-	-	8	65
- property, plant and equipment	-	-	-	13
Loss on dilution of equity interest in associates	-	-	16	-
Net loss on fair value adjustment on other investments	(2,658)	2,889	1,272	5,196
Property, plant and equipment written off	-	5	19	40
Provision for post-employment benefits	-	1,490	-	1,490
Realised loss on foreign currency transactions	1,008	235	2,072	301
Unrealised loss on foreign currency translation	906	-	89	343
And crediting: -				
Bad debts recovered	-	-	109	-
Dividend income	-	-	-	4
Gain on disposal of:				
- other investments	-	-	-	5
- property, plant and equipment	(8)	-	1	-
Gain on dilution of equity interest in associates	-	22	-	3,563
Interest income	360	236	874	895
Reversal of impairment losses on:				
- property, plant and equipment	27	27	82	82
- trade receivables	164	(45)	870	249
Realised gain on foreign currency transactions	21	-	57	145
Share of profits of associates	2,899	3,357	7,422	8,607
Unrealised gain on foreign currency translation	-	1,163	908	581

OMESTI BERHAD (formerly known as Formis Resources Berhad) (530701-T)

SUMMARY OF STATUS OF MATERIAL LITIGATIONS AS AT 26 FEBRUARY 2016

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 hearing of the appeal in the Court of Appeal proceeded on 2nd February 2016. The Judges heard oral submissions from all parties and finally decided to reserve their decision. The Court of Appeal will inform parties of the decision date in due course.