

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2016 RM'000 Unaudited	2015 RM'000 Unaudited	2016 RM'000 Unaudited	2015 RM'000 Unaudited
Revenue	125,806	112,692	325,315	299,681
Cost of sales	(93,989)	(88,352)	(245,030)	(228,231)
Gross profit	31,817	24,340	80,285	71,450
Other income	188	264	2,461	3,519
Other operating expenses	(28,286)	(25,316)	(91,029)	(87,331)
Finance costs	(2,161)	(2,139)	(7,711)	(7,394)
Share of results of associates, net of tax	1,325	2,899	6,840	7,422
Profit/(Loss) before tax	2,883	48	(9,154)	(12,334)
Tax expense	(2,388)	(810)	(3,799)	(3,434)
Profit/(Loss) for the financial period	495	(762)	(12,953)	(15,768)
Other comprehensive income/(loss), net of tax				
Items that may be reclassified subsequently to profit or loss:				
- Foreign currency translation differences for foreign operations	704	1,670	605	(153)
- Share of foreign currency translation of associates	(53)	-	(27)	-
Other comprehensive income/(loss) for the financial period, net of tax	651	1,670	578	(153)
Total comprehensive income/(loss) for the financial period	1,146	908	(12,375)	(15,921)
Profit/(Loss) attributable to:-				
Owners of the Parent	815	330	(8,473)	(12,076)
Non-controlling interests	(320)	(1,092)	(4,480)	(3,692)
Profit/(Loss) for the financial period	495	(762)	(12,953)	(15,768)
Total comprehensive income/(loss) attributable to:-				
Owners of the Parent	1,471	1,190	(7,437)	(12,263)
Non-controlling interests	(325)	(282)	(4,938)	(3,658)
Total comprehensive income/(loss) for the financial period	1,146	908	(12,375)	(15,921)
Profit/(Loss) per ordinary share (sen)				
-Basic	0.20	0.09	(2.06)	(3.11)
-Diluted	0.20	0.08	(2.06)	(3.09)

(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 2016.)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	As at 31.12.2016 RM'000 Unaudited	As at 31.03.2016 RM'000 Audited
ASSETS		
Non-Current Assets		
Property, plant and equipment	23,029	23,967
Investment in associates	85,143	78,474
Other intangible assets	49,667	17,601
Other investments	32,074	33,459
Trade receivables	9,384	6,077
Other receivables	18,815	20,938
Goodwill	78,240	78,240
Deferred tax assets	4,826	4,760
	301,178	263,516
Current Assets		
Other investments	121	3,182
Inventories	14,169	19,128
Trade receivables	89,849	129,204
Other receivables, deposits and prepayments	74,599	74,223
Amount due from associates	6	18
Current tax assets	8,626	6,339
Cash and cash equivalents	78,129	76,262
	265,499	308,356
TOTAL ASSETS	566,677	571,872
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	215,127	194,631
Share premium	15,648	15,638
Other reserves	43,676	38,463
Retained earnings	14,210	16,579
	288,661	265,311
Non-controlling interests	43,816	39,703
TOTAL EQUITY	332,477	305,014
Non-Current Liabilities		
Borrowings	21,831	26,869
Provision for post employment benefits	4,626	4,119
Deferred tax liabilities	1,382	1,090
	27,839	32,078
Current Liabilities		
Trade payables	35,968	39,755
Other payables, deposits and accruals	79,472	102,375
Amount due to associates	1,400	1,619
Borrowings	88,819	90,820
Current tax payables	702	211
	206,361	234,780
TOTAL LIABILITIES	234,200	266,858
TOTAL EQUITY AND LIABILITIES	566,677	571,872
Net assets per share (RM)	0.67	0.68

(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 2016.)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016

	Attributable to owners of the Parent						Total RM'000	Non- controlling interests RM'000	Total equity RM'000	
	Non-distributable			Distributable						
Unaudited Nine Months Financial Period Ended 31 December 2016	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			
Balance as at 1 April 2016	194,631	15,638	24,663	11,307	3,944	(1,451)	16,579	265,311	39,703	305,014
Loss after tax for the financial period	-	-	-	-	-	-	(8,473)	(8,473)	(4,480)	(12,953)
Foreign currency translation for foreign operations	-	-	-	-	-	1,063	-	1,063	(458)	605
Share of other comprehensive income of associates, net of tax	-	-	-	-	-	-	(27)	(27)	-	(27)
Total comprehensive income / (loss) for the financial period	-	-	-	-	-	1,063	(8,500)	(7,437)	(4,938)	(12,375)
Transactions with owners										
Shares issued pursuant to Long Term Incentive Plan ("LTIP")	1,006	10	-	-	-	-	-	1,016	-	1,016
Shares issued pursuant to Section 132D of Companies Act, 1965	19,490	-	-	-	-	-	-	19,490	-	19,490
Effects arising from acquisition of a subsidiary	-	-	-	-	-	-	-	-	4	4
Arising from accretion of equity interests in subsidiaries	-	-	-	-	-	-	(7,046)	(7,046)	4,180	(2,866)
Arising from dilution of equity interests in subsidiaries	-	-	-	-	-	-	13,033	13,033	4,867	17,900
Share-based payment transactions in a subsidiary	-	-	-	-	4,294	-	-	4,294	-	4,294
ESOS lapsed	-	-	-	-	(144)	-	144	-	-	-
Total transactions with owners	20,496	10	-	-	4,150	-	6,131	30,787	9,051	39,838
Balance as at 31 December 2016	215,127	15,648	24,663	11,307	8,094	(388)	14,210	288,661	43,816	332,477

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016 (continued)

	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						
Audited Nine Months Financial Period 31 December 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				
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

(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 2016.)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016

	NINE MONTHS ENDED 31 DECEMBER	
	2016 RM'000 Unaudited	2015 RM'000 Audited
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(9,154)	(12,334)
Adjustment for non-cash items:		
Bad Debts recovered	-	(109)
Bad debts written off	-	41
Depreciation and amortisation	6,782	5,631
Equity settled share-based payment transactions	5,140	1,514
Loss on dilution of equity interest in associates	143	16
Loss on disposal of quoted investments	-	8
Impairment losses on receivables	1,062	677
Interest expense	7,497	7,239
Interest income	(1,654)	(874)
Inventories written off	-	924
Net loss on fair value adjustments on other investments	1,792	1,272
Net loss/(gain) on disposal of property, plant and equipment	3	(1)
Net unrealised gain on foreign currency exchange	(200)	(818)
Property, plant and equipment written off	145	19
Provision for post-employment benefits	165	-
Reversal of impairment loss on property, plant and equipment	-	(82)
Reversal of impairment loss on trade receivables	(101)	(870)
Share of results of associates	(6,840)	(7,422)
Operating profit/(loss) before working capital changes	4,780	(5,169)
Net changes in assets	41,585	(6,503)
Net changes in liabilities	(26,652)	214
Net cash generated from/(used in) operations	19,713	(11,458)
Tax paid	(5,369)	(5,343)
Tax refund	414	205
Net cash from/(used in) operating activities	14,758	(16,596)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of associates	-	(2,624)
Acquisition of subsidiaries, net of cash acquired	4	-
Acquisition of additional shares in subsidiaries	(2,865)	(455)
Addition of software development	(35,464)	(807)
Disposal of interest in subsidiaries	144	12,815
Interest received	1,645	874
Placement of fixed deposits pledged	1,571	(2,407)
Proceeds from disposal of associate	-	918
Proceeds from disposal of other investments	3,080	-
Proceeds from disposal of property, plant and equipment	18	8
Purchase of other investments	(416)	(14)
Purchase of property, plant and equipment	(2,444)	(3,762)
Net cash (used in)/from investing activities	(34,727)	4,546
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayment)/drawdown of borrowings	(692)	23,319
Ordinary share capital contributed by non-controlling interests of a subsidiary	17,756	6,900
Net proceeds from shares issued pursuant to Section 132D of Companies Act, 1965	19,490	-
Interest paid	(7,497)	(7,239)
Net cash from financing activities	29,057	22,980
Net increase in cash and cash equivalents	9,088	10,930
Cash and cash equivalents at 1 April 2016/2015*	41,854	39,437
Effect of foreign exchange on opening balance	701	(292)
Cash and cash equivalents at 31 December 2016/2015*	51,643	50,075

* 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 2016.)

**Notes to the Interim Financial Report
For the Third Quarter Ended 31 DECEMBER 2016**
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 2016. 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 2016.

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 2016, except for the adoption of the following FRSs and Amendments to FRSs during the current financial period: -

	Effective for financial periods beginning on or after
FRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 116 and FRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 11 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 127 Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRSs Annual Improvements 2012 - 2014 Cycle	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128 Investment Entities: Applying the Consolidation Exception	1 January 2016

The adoption of the above standards that are applicable from the financial period beginning on 1 April 2016 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 2016, 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 2016 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.

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 318 new ordinary shares of RM0.50 each pursuant to the exercise of warrants;
- (ii) Allotment of 2,013,700 new ordinary shares of RM0.50 each pursuant to the exercise of Employee Share Grant Plan ("ESGP"); and
- (iii) Private Placement of Shares pursuant to Section 132D of Companies Act, 1965

On 14 July 2016, the Company announced that the issue price for the Placement Shares is fixed at RM0.500 per Placement Share pursuant to the Private Placement. The first tranche of 37,000,000 Placement Shares were issued on 22 July 2016 and a total cash proceeds of RM18.50 million were raised.

On 11 August 2016, the Company announced that the issue price for the second and final tranche of Placement Shares is fixed at RM0.500 per Placement Share pursuant to the Private Placement. The second and final tranche of 1,979,200 Placement Shares were issued on 22 August 2016 and a total cash proceeds of RM989,600 were raised.

On 24 August 2016, the Company announced that the Private Placement is completed upon the listing of and quotation for the 38,979,200 Placement Shares on the Main Market of Bursa Securities.

8 Dividends paid

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

**Notes to the Interim Financial Report
For the Third Quarter Ended 31 DECEMBER 2016**
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
Nine Months Financial Period Ended 31 December 2016						
External sales	137,729	166,590	20,753	243	-	325,315
Inter segment sales	31,314	2,992	8,864	17,365	(60,535)	-
Total Sales	<u>169,043</u>	<u>169,582</u>	<u>29,617</u>	<u>17,608</u>	<u>(60,535)</u>	<u>325,315</u>
Segment results	(2,468)	5,553	(6,556)	11,898	(18,578)	(10,151)
Share of results of associates	-	-	-	6,840	-	6,840
Interest expense	(1,718)	(931)	(840)	(4,492)	484	(7,497)
Interest Income	705	204	295	934	(484)	1,654
(Loss) / Profit before taxation	<u>(3,481)</u>	<u>4,826</u>	<u>(7,101)</u>	<u>15,180</u>	<u>(18,578)</u>	<u>(9,154)</u>
Segment assets	<u>391,199</u>	<u>111,700</u>	<u>101,925</u>	<u>357,652</u>	<u>(395,799)</u>	<u>566,677</u>
Nine Months Financial Period 31 December 2015						
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	<u>158,889</u>	<u>148,495</u>	<u>42,107</u>	<u>3,287</u>	<u>(53,097)</u>	<u>299,681</u>
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	<u>(3,853)</u>	<u>3,782</u>	<u>(1,033)</u>	<u>1,754</u>	<u>(12,984)</u>	<u>(12,334)</u>
Segment assets	<u>349,198</u>	<u>124,106</u>	<u>105,957</u>	<u>327,307</u>	<u>(340,361)</u>	<u>566,207</u>

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.

11 Changes in the composition of the group
Subsidiary

- Pursuant to the Call Option Agreement dated 17 January 2013 entered into between Fiber At Home City Networks Sdn. Bhd. ("FIBER") and Continuous Network Advisers Sdn. Bhd. ("CNA"), a wholly-owned subsidiary of the Company, CNA has on 28 April 2016 exercised the Call Option B of 800,000 Call Option Shares at the Call Option B Price of RM5.00 each granted to CNA for a total cash consideration of RM4,000,000 only as mutually agreed upon by FIBER and CNA.
Following the exercise of the Call Option B, CNA now holds a total of 1,800,000 ordinary shares of RM1.00 in FIBER, representing 66.67% equity interest in FIBER.
- During the first quarter of the current financial period under review, Omesti Holdings Berhad ("OHB"), a wholly-owned subsidiary of the Company, acquired 523,600 ordinary shares of RM0.10 each in Microlink Solutions Berhad ("MLSB"), a 62.7% owned subsidiary of OHB, representing 0.3% of the total issued and paid-up share capital of MLSB for a total cash consideration of RM520,615.
As at July 2016, OHB's equity interest in MLSB has been diluted from 63.08% to 57.35% resulting from the private placement of 15,215,200 ordinary shares of MLSB.
Subsequently, OHB acquired 1,070,300 ordinary shares of RM0.10 each in MLSB, representing 0.6% of the total issued and paid-up share capital of MLSB for a total cash consideration of RM1,296,921. Following the acquisition, OHB holds 57.99% equity interest in MLSB.
- As at 25 August 2016, CNA has subscribed for its entitlement of 7,200,000 rights shares of RM1.00 each in relation to the Renounceable Rights Issue in MYATM for a total cash consideration of RM7,200,000. Following the acceptance of the Renounceable Rights Issue, CNA now holds a total of 8,700,000 ordinary shares of RM1.00 in MYATM, representing 89.69% equity interest in MYATM.
- During the second quarter of the current financial period under review, Omesti Holdings Berhad ("OHB"), a wholly-owned subsidiary of the Company, acquired 28,412,100 ordinary shares of RM0.10 each in Diversified Gateway Solutions Berhad ("DGSB"), a 52.65% owned subsidiary of OHB, for a total cash consideration of RM1,047,794. At the same time, OHB has disposed off a total of 3,845,500 million ordinary shares in DGSB, in the open market for a total cash consideration of RM144,206, at RM0.0736 per DGSB share. Following the acquisition and disposals, OHB now holds 54.47% equity interest in DGSB.
- CNA had on 31 October 2016 incorporated a wholly-owned subsidiary company known as Omesti Pay Sdn Bhd ("OPSB") with issued and fully paid-up share capital of RM2.00 comprising 2 ordinary shares of RM1.00 each. OPSB is currently dormant and the intended principal activities are to carry on the business of e-payment and remittance of funds and other related services.
- On 22 December 2016, Formis Network Services Sdn Bhd ("FNS"), a 51% owned subsidiary of Omesti has entered into a Share Sale Agreement with Dato' Seri Mohd Khairi Bin Mat Jahya ("Dato' Seri Mohd Khairi") for the acquisition of Six Thousand (6,000) ordinary shares of RM1.00 each in Prima Arenaniaga Sdn Bhd ("PASB"), representing 60% of the total issued and paid-up share capital of PASB for a total cash consideration of Ringgit Malaysia Six Thousand (RM6,000.00) only ("Acquisition"). Following the Acquisition, PASB will become a 60% owned subsidiary of FNS. PASB has yet to commence business.

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

**Notes to the Interim Financial Report
For the Third Quarter Ended 31 DECEMBER 2016**

12 Subsequent events

There were no 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 Guarantee granted by the following Companies during the current financial period under review are as follows:-

Omesti

- to leasing party for leasing facilities to subsidiaries

RM'000

14,539

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

Omesti

- to financial institution for facilities granted to a subsidiary

2,550

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 2016**
1 Detailed analysis of performance

The Group's revenue increased in the current quarter and period under review by RM13.11 million and RM25.63 million respectively compared to the corresponding period of the immediate preceding year due to higher order fulfillments across the Business Performance Services segment and the Trading & Distribution Services segment.

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		
	2016	2015	Variance	2016	2015	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Business Performance Services	58,584	56,488	3.7	169,043	158,889	6.4
Trading & Distribution Services	70,325	58,682	19.8	169,582	148,495	14.2
Digital & Infrastructure Services	10,297	17,850	(42.3)	29,617	42,107	(29.7)
Others	16,736	2,488	572.7	17,608	3,287	435.7
	155,942	135,508	15.1	385,850	352,778	9.4
Less : Inter Segment Revenue	(30,136)	(22,816)		(60,535)	(53,097)	
Total Group Revenue	125,806	112,692	11.6	325,315	299,681	8.6

The Business Performance Services segment recorded an increase in revenue for the current quarter under review by RM2.10 million. For the financial period, the revenue for the segment increased by RM10.15 million. The increase was mainly due to the higher progress billings from on-going projects in the government sector and Thailand segment during the quarter under review and financial year to date.

The revenue of Trading and Distribution Services Segment increased in the current quarter and period under review by RM11.64 million and RM21.09 million respectively compared to the corresponding period of the immediate preceding year. This was mainly due to the fulfillment of sizeable orders secured during the quarter under review and financial year to date.

The Digital & Infrastructure Services segment recorded a lower revenue in the current quarter and period under review by RM7.55 million and RM12.49 million respectively compared to the corresponding period of the immediate preceding year. The revenue decrease was mainly attributable to lower new orders and projects fulfillment during the financial period under review.

The Other segment recorded a higher revenue in the current quarter and period under review by RM14.25 million and RM14.32 million respectively compared to the corresponding period of the immediate preceding year. This is mainly attributable to the distribution of dividend from subsidiaries amounting to RM16.20 million.

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		
	2016	2015	Variance	2016	2015	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Business Performance Services	1,264	(520)	NA	(3,481)	(3,853)	9.7
Trading & Distribution Services	2,597	742	250.0	4,826	3,782	27.6
Digital & Infrastructure Services	(1,194)	1,020	NA	(7,101)	(1,033)	(587.4)
Others	15,397	8,113	89.8	15,180	1,754	765.5
	18,064	9,355	93.1	9,424	650	1,349.8
Less : Elimination	(15,181)	(9,307)		(18,578)	(12,984)	
Profit ("PBT") / (Loss) before tax ("LBT")	2,883	48	5,906.3	(9,154)	(12,334)	25.8

The Group recorded a higher PBT of RM2.88 million in the current quarter under review against a nominal PBT of RM0.05 million in the corresponding quarter of the previous financial year, mainly due to the higher revenue and gross profit margin across the Business Performance Services and Trading & Distribution Services segments. For the financial period, the Group recorded a LBT of RM9.15 million, an improvement as compared to the corresponding period of the preceding financial year's LBT of RM12.33 million, after accounting for the ESOS charge of RM4.34 million as well as costs associated with the Group's human capital restructuring amounting to RM1.61 million.

The Business Performance Services segment recorded a PBT of RM1.26 million in the current quarter under review compared to a LBT of RM0.52 million in the corresponding quarter of the previous financial year. The improvement was mainly attributable to higher revenue recorded during the current quarter under review. For the financial period, the segment recorded a slight improvement as compared to the corresponding period of the preceding financial year's LBT of RM3.48 million, after accounting the share-based payment expenses amounting to RM4.10 million.

The Trading and Distribution Services segment recorded an increase in PBT in the current quarter and period under review by RM1.85 million and RM1.04 million respectively compared to the corresponding period of the immediate preceding year, driven by higher revenue and higher gross profit margin.

During the quarter under review, the Digital and Infrastructure Services segment recorded losses due to lower revenue as well as loss contribution attributable to the new startup businesses under this segment (RM1.46 million and RM9.01 million respectively for quarter under review and period to-date). Consequently, these factors weighed down on this segment performance for the financial period under review.

The Other's segment recorded a PBT of RM15.40 million in the current quarter under review and a PBT of RM15.18 million in the period under review, mainly attributable from the distribution of dividend from subsidiaries amounting RM16.20 million.

2 Variation of results against preceding quarter

	3 months ended 31.12.2016 RM'000	3 months ended 30.09.2016 RM'000	Variance %
Revenue	125,806	104,546	20.3
Profit/(Loss) before tax	2,883	(8,134)	(135.4)

The Group recorded a profit before tax of RM2.88 million for the current quarter under review compared to a loss before tax of RM8.13 million in the immediate preceding quarter. The higher profit before tax in the current quarter was mainly attributable to the higher revenue during the quarter under review. Besides, a share-based payment expenses amounting RM4.38 million arising from Employee Share Options ("ESOS") offered to eligible employees of a subsidiary group has been accounted in the immediate preceding quarter.

**Additional information required by Bursa Securities Listing Requirements
For the Third Quarter Ended 31 DECEMBER 2016**
3 Business prospects

The Board is cautiously optimistic of the Group's financial performance for the current financial year in spite of the uncertain economic conditions while new businesses continue to be nurtured.

4 Profit forecast

Not applicable.

5 Income tax expense

	THREE MONTHS ENDED 31 DECEMBER		NINE MONTHS ENDED 31 DECEMBER	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current tax expense				
- Malaysian taxation	1,072	673	2,233	2,958
- Foreign taxation	37	143	274	334
	<u>1,109</u>	<u>816</u>	<u>2,507</u>	<u>3,292</u>
Under/(Over) provision in prior period				
- Malaysian taxation	871	(38)	881	(31)
- Foreign taxation	-	3	-	184
	<u>871</u>	<u>(35)</u>	<u>881</u>	<u>153</u>
	<u>1,980</u>	<u>781</u>	<u>3,388</u>	<u>3,445</u>
Deferred taxation				
- origination and reversal of temporary differences				
- Malaysian taxation	408	29	411	(11)
	<u>2,388</u>	<u>810</u>	<u>3,799</u>	<u>3,434</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 other corporate proposals announced or outstanding as at the date of this report.

7 Status of utilisation of proceeds from Private Placement

On 24 August 2016, the Private Placement has been completed with the listing of and quotation for the 38,979,200 Placement Shares on the Main Market of Bursa Securities. As at 25 November 2016, the status of utilisation of the proceeds raised is as follows: -

	Intended timeframe	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Utilisation RM'000	%
a) Repayment of Bank Borrowings	Within six (6) months	3,000	3,000	-	-
b) Working capital for general business purposes	Within twelve (12) months	11,055	5,234	5,821	52.65%
c) Capital expenditure for Fibre@Home City Networks	Within twelve (12) months	4,888	762	4,126	84.40%
d) Estimated expenses for the Proposed Private Placement	Within one (1) month	547	547	-	-
Total		<u>19,490</u>	<u>9,543</u>	<u>9,947</u>	

8 Borrowings and debt securities

The Group's bank borrowings as at 31 December 2016 are as follows:

	RM'000
Short term bank borrowings - secured	
- Denominated in RM	87,708
- Denominated in Thai Baht	1,111
Long term bank borrowings - secured	
- Denominated in RM	21,831
Total borrowings	<u>110,650</u>

**Additional information required by Bursa Securities Listing Requirements
For the Third Quarter Ended 31 DECEMBER 2016**
9 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:

	31.12.2016	30.09.2016
	RM'000	RM'000
Total retained earnings of the Group: -		
- Realised	39,354	38,200
- Unrealised	5,328	6,181
	<u>44,682</u>	<u>44,381</u>
Less: Consolidation adjustments	(30,472)	(30,933)
Total Group retained earnings as per consolidated financial statements	<u>14,210</u>	<u>13,448</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.

10 Changes in material litigation

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

11 Dividends

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

12 Loss 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 financial period.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	THREE MONTHS ENDED 31		NINE MONTHS ENDED 31	
	DECEMBER		DECEMBER	
	2016	2015	2016	2015
Loss after tax and non-controlling interests (RM'000)	815	330	(8,473)	(12,076)
Number of shares in issue as at beginning of the year ('000)	389,262	387,485	389,262	387,485
Effect of Private Placement of Shares ('000)	22,268	-	22,268	-
Effect of issuance of LTIP ('000)	636	(1,752)	636	263
WA number of ordinary shares in issue ('000)	<u>412,166</u>	<u>385,733</u>	<u>412,166</u>	<u>387,748</u>
Basic loss per ordinary share (sen)	<u>0.20</u>	<u>0.09</u>	<u>(2.06)</u>	<u>(3.11)</u>

OMESTI BERHAD (530701-T)

SUMMARY OF STATUS OF MATERIAL LITIGATIONS AS AT 22 FEBRUARY 2017
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-439-04/2012 Court of Appeal Civil Appeal No. W-02(NCVC)(W)-1337-08/2014 Omesti & 8 Others vs. RMSS & 4 Others Federal Court Application No: 08-418-08/2016	Kuala Lumpur High Court Court of Appeal Federal Court	For the Notice of Motion dated 25 August 2016 filed by RMSS for leave to appeal to the Federal Court against the decision of the Court of Appeal dated 28 July 2016 ("Leave Application"), the hearing date for the Leave Application which was fixed by the Federal Court on 24 January 2017 had been taken out from the hearing list. A case management was instead fixed on 2 February 2017. The new hearing date has now been fixed by the Federal Court on 15 May 2017.