

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017**

	INDIVIDUAL QUARTER THREE MONTHS ENDED 30 JUNE		CUMULATIVE PERIOD THREE MONTHS ENDED 30 JUNE	
	2017 RM'000 Unaudited	2016 RM'000 Unaudited	2017 RM'000 Unaudited	2016 RM'000 Audited
Revenue	89,191	94,963	89,191	94,963
Cost of sales	(56,565)	(72,305)	(56,565)	(72,305)
Gross profit	32,626	22,658	32,626	22,658
Other income	841	795	841	795
Other operating expenses	(29,999)	(27,641)	(29,999)	(27,641)
Finance costs	(2,513)	(2,697)	(2,513)	(2,697)
Share of results of associates, net of tax	1,469	2,982	1,469	2,982
Profit/(Loss) before tax	2,424	(3,903)	2,424	(3,903)
Tax expense	(1,417)	(460)	(1,417)	(460)
Profit/(Loss) for the financial period	1,007	(4,363)	1,007	(4,363)
Other comprehensive income/(loss), net of tax				
Items that may be reclassified subsequently to profit or loss:				
- Foreign currency translation differences for foreign operations	6	(329)	6	(329)
- Share of foreign currency translation of associates	-	(28)	-	(28)
Other comprehensive income/(loss) for the financial period, net of tax	6	(357)	6	(357)
Total comprehensive income/(loss) for the financial period	1,013	(4,720)	1,013	(4,720)
Profit/(Loss) attributable to:-				
Owners of the Parent	(460)	(3,567)	(460)	(3,567)
Non-controlling interests	1,467	(796)	1,467	(796)
Profit/(Loss) for the financial period	1,007	(4,363)	1,007	(4,363)
Total comprehensive income/(loss) attributable to:-				
Owners of the Parent	(419)	(3,375)	(419)	(3,375)
Non-controlling interests	1,432	(1,345)	1,432	(1,345)
Total comprehensive income/(loss) for the financial period	1,013	(4,720)	1,013	(4,720)
Loss per ordinary share (sen)				
-Basic	(0.11)	(0.92)	(0.11)	(0.92)
-Diluted	(0.11)	(0.92)	(0.11)	(0.92)

(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 2017.)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	As at 30.06.2017 RM'000 Unaudited	As at 31.03.2017 RM'000 Audited
ASSETS		
Non-Current Assets		
Property, plant and equipment	31,203	31,718
Investment in associates	87,149	85,681
Other intangible assets	51,225	52,116
Other investments	31,821	32,421
Trade receivables	6,272	6,272
Other receivables	16,295	16,642
Goodwill	78,240	78,240
Deferred tax assets	7,104	6,705
	<u>309,309</u>	<u>309,795</u>
Current Assets		
Other investments	120	120
Inventories	15,968	21,811
Trade receivables	89,788	85,011
Other receivables, deposits and prepayments	66,926	77,916
Amount due from associates	8	8
Current tax assets	9,912	9,415
Cash and cash equivalents	56,497	73,389
	<u>239,219</u>	<u>267,670</u>
TOTAL ASSETS	<u><u>548,528</u></u>	<u><u>577,465</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	230,385	230,281
Other reserves	37,819	37,513
Retained earnings	8,336	8,700
	<u>276,540</u>	<u>276,494</u>
Non-controlling interests	55,826	53,415
TOTAL EQUITY	<u>332,366</u>	<u>329,909</u>
Non-Current Liabilities		
Borrowings	14,884	18,012
Provision for post employment benefits	4,714	4,556
Deferred tax liabilities	833	797
	<u>20,431</u>	<u>23,365</u>
Current Liabilities		
Trade payables	23,223	35,013
Other payables, deposits and accruals	77,372	93,397
Amount due to associates	1,158	1,280
Borrowings	92,799	94,097
Current tax payables	1,179	404
	<u>195,731</u>	<u>224,191</u>
TOTAL LIABILITIES	<u>216,162</u>	<u>247,556</u>
TOTAL EQUITY AND LIABILITIES	<u><u>548,528</u></u>	<u><u>577,465</u></u>
Net assets per share (RM)	<u>0.6424</u>	<u>0.6426</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 2017.)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017

	Attributable to owners of the Parent							Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Non-distributable				Distributable					
Unaudited Three Months Financial Period Ended 30 June 2017	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 2017	230,281	-	24,663	11,307	2,493	(950)	8,700	276,494	53,415	329,909
Loss after tax for the financial period	-	-	-	-	-	-	(460)	(460)	1,467	1,007
Foreign currency translation for foreign operations	-	-	-	-	-	41	-	41	(35)	6
Total comprehensive income / (loss) for the financial period	-	-	-	-	-	41	(460)	(419)	1,432	1,013
Transactions with owners										
Shares issued pursuant to Long Term Incentive Plan ("LTIP")	104	-	-	-	-	-	-	104	-	104
Arising from dilution of equity interests in subsidiaries	-	-	-	-	-	-	96	96	787	883
Share-based payment transactions in a subsidiary	-	-	-	-	265	-	-	265	192	457
Total transactions with owners	104	-	-	-	265	-	96	465	979	1,444
Balance as at 30 June 2017	230,385	-	24,663	11,307	2,758	(909)	8,336	276,540	55,826	332,366

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017 (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 Three Months Financial Period Ended 30 June 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				
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	-	-	-	-	-	-	(3,567)	(3,567)	(796)	(4,363)
Foreign currency translation for foreign operations	-	-	-	-	-	220	-	220	(549)	(329)
Share of other comprehensive income of associates, net of tax	-	-	-	-	-	-	(28)	(28)	-	(28)
Total comprehensive loss for the financial period	-	-	-	-	-	220	(3,595)	(3,375)	(1,345)	(4,720)
Transactions with owners										
Arising from accretion of equity interests in subsidiaries	-	-	-	-	-	-	(2,654)	(2,654)	2,133	(521)
ESOS lapsed	-	-	-	-	(144)	-	12	(132)	-	(132)
Total transactions with owners	-	-	-	-	(144)	-	(2,642)	(2,786)	2,133	(653)
Balance as at 30 June 2016	194,631	15,638	24,663	11,307	3,800	(1,231)	10,342	259,150	40,491	299,641

(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 2017.)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017**

	THREE MONTHS ENDED 30 JUNE	
	2017	2016
	RM'000	RM'000
	Unaudited	Audited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	2,424	(3,903)
Adjustment for non-cash items:		
Bad debts written off	23	-
Depreciation and amortisation	2,238	2,245
Equity settled share-based payment transactions	456	(132)
Loss on dilution of equity interest in associates	-	23
Impairment losses on receivables	-	14
Interest expense	2,351	2,656
Interest income	(305)	(487)
Net (gain)/loss on fair value adjustments on other investments	(137)	1,445
Net loss on disposal of other investments	52	-
Net gain on disposal of property, plant and equipment	(10)	-
Net unrealised loss/(gain) on foreign currency exchange	27	(138)
Property, plant and equipment written off	-	5
Provision for post-employment benefits	158	165
Reversal of impairment loss on trade receivables	(775)	-
Share of results of associates	(1,469)	(2,982)
	<hr/>	<hr/>
Operating profit/(loss) before working capital changes	5,033	(1,089)
Net changes in assets	13,035	31,377
Net changes in liabilities	(27,726)	(7,151)
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Net cash (used in)/generated from operations	(9,658)	23,137
Tax paid	(1,645)	(1,458)
Tax refund	110	414
	<hr/>	<hr/>
Net cash (used in)/from operating activities	(11,193)	22,093
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of additional shares in subsidiaries	-	(521)
Addition of software development	(206)	(19,223)
Disposal of interest in subsidiaries	883	-
Interest received	301	480
Withdrawal of fixed deposits pledged	(2,264)	(1,712)
Proceeds from disposal of other investments	688	3,067
Proceeds from disposal of property, plant and equipment	11	-
Purchase of property, plant and equipment	(628)	(915)
	<hr/>	<hr/>
Net cash used in investing activities	(1,215)	(18,824)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of borrowings	(3,827)	(5,600)
Interest paid	(2,351)	(2,656)
	<hr/>	<hr/>
Net cash from financing activities	(6,178)	(8,256)
Net decrease in cash and cash equivalents	(18,586)	(4,987)
Cash and cash equivalents at 1 April 2017/2016*	46,954	41,854
Effect of foreign exchange on opening balance	29	(234)
	<hr/>	<hr/>
Cash and cash equivalents at 30 June 2017/2016*	28,397	36,633

* 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 2017.)

**Notes to the Interim Financial Report
For the First Quarter Ended 30 June 2017**
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 2017. 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 2017.

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 2017, 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 12 Annual Improvements to FRS Standards 2014 - 2016 Cycle	1 January 2017
Amendments to FRS 107 Disclosure Initiative	1 January 2017
Amendments to FRS 112 Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

The adoption of the above standards that are applicable from the financial year beginning on 1 April 2017 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 2017, 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 2019.

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 2017 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 Allotment of 191,600 new ordinary shares pursuant to the exercise of Employee Share Grant Plan ("ESGP").

8 Dividends paid

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

**Notes to the Interim Financial Report
For the First Quarter Ended 30 June 2017**
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
Three Months Financial Period Ended 30 June 2017						
External sales	46,807	38,982	3,343	59	-	89,191
Inter segment sales	11,217	635	1,029	378	(13,259)	-
Total Sales	<u>58,024</u>	<u>39,617</u>	<u>4,372</u>	<u>437</u>	<u>(13,259)</u>	<u>89,191</u>
Segment results	6,361	281	(2,325)	(2,325)	1,009	3,001
Share of results of associates	-	-	-	1,469	-	1,469
Interest expense	(520)	(333)	(44)	(1,468)	14	(2,351)
Interest Income	195	60	47	17	(14)	305
Profit / (Loss) before taxation	<u>6,036</u>	<u>8</u>	<u>(2,322)</u>	<u>(2,307)</u>	<u>1,009</u>	<u>2,424</u>
Segment assets	<u>415,458</u>	<u>117,945</u>	<u>98,517</u>	<u>467,337</u>	<u>(550,729)</u>	<u>548,528</u>
Three Months Financial Period Ended 30 June 2016						
External sales	47,122	42,886	4,901	54	-	94,963
Inter segment sales	12,587	726	2,888	368	(16,569)	-
Total Sales	<u>59,709</u>	<u>43,612</u>	<u>7,789</u>	<u>422</u>	<u>(16,569)</u>	<u>94,963</u>
Segment results	196	1,016	(2,283)	(2,917)	(728)	(4,716)
Share of results of associates	-	-	-	2,982	-	2,982
Interest expense	(801)	(199)	(100)	(1,556)	-	(2,656)
Interest Income	215	68	182	22	-	487
(Loss) / Profit before taxation	<u>(390)</u>	<u>885</u>	<u>(2,201)</u>	<u>(1,469)</u>	<u>(728)</u>	<u>(3,903)</u>
Segment assets	<u>373,601</u>	<u>113,613</u>	<u>97,653</u>	<u>314,756</u>	<u>(351,253)</u>	<u>548,370</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

During the current financial period under review, Omesti Holdings Berhad ("OHB"), a wholly-owned subsidiary of the Company, disposed off a total of 24,124,700 ordinary shares in Diversified Gateway Solutions Berhad ("DGSB"), a 54.47% owned subsidiary of OHB, in the open market for a total cash consideration of RM883,540, at RM0.0366 per DGSB share. Following the disposals, OHB now holds 52.69% equity interest in DGSB.

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 First Quarter Ended 30 June 2017****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:-

	RM'000
Omesti	
- to financial institution for facilities granted to subsidiaries	<u>1,490</u>
- to leasing party for leasing facilities to subsidiaries	<u>10,933</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 First Quarter Ended 30 June 2017**

1 Detailed analysis of performance

The Group's revenue decreased in the current quarter under review by RM5.77 million as compared to the revenue in the corresponding quarter of the preceding financial year due to lower order fulfillments during the quarter under review.

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

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	THREE MONTHS ENDED 30 JUNE			THREE MONTHS ENDED 30 JUNE		
	2017	2016	Variance	2017	2016	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Business Performance Services	58,024	59,709	(2.8)	58,024	59,709	(2.8)
Trading & Distribution Services	39,617	43,612	(9.2)	39,617	43,612	(9.2)
Digital & Infrastructure Services	4,372	7,789	(43.9)	4,372	7,789	(43.9)
Others	437	422	3.6	437	422	3.6
	<u>102,450</u>	<u>111,532</u>	<u>(8.1)</u>	<u>102,450</u>	<u>111,532</u>	<u>(8.1)</u>
Less : Inter Segment Revenue	<u>(13,259)</u>	<u>(16,569)</u>		<u>(13,259)</u>	<u>(16,569)</u>	
Total Group Revenue	<u>89,191</u>	<u>94,963</u>	<u>(6.1)</u>	<u>89,191</u>	<u>94,963</u>	<u>(6.1)</u>

The Business Performance Services segment recorded a decrease in revenue for the current quarter under review by RM1.69 million, which was mainly due to the lower progress billings from on-going projects in the government sector during the quarter under review.

The Trading and Distribution Services Segment recorded a lower revenue in the current quarter under review by RM4.00 million which is due to the lower order fulfillment.

The Digital & Infrastructure Services segment recorded a lower revenue in the current quarter under review by RM3.42 million compared to the corresponding quarter of the immediate preceding financial year. This is mainly due to the lower new orders and projects fulfillment during the financial period under review.

The Other segment recorded a marginal increase in revenue in the current quarter under review by RM0.01 million compared to the corresponding quarter of the immediate preceding financial year.

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

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	THREE MONTHS ENDED 30 JUNE			THREE MONTHS ENDED 30 JUNE		
	2017	2016	Variance	2017	2016	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Business Performance Services	6,036	(390)	NA	6,036	(390)	NA
Trading & Distribution Services	8	885	(99.1)	8	885	(99.1)
Digital & Infrastructure Services	(2,322)	(2,201)	(5.5)	(2,322)	(2,201)	(5.5)
Others	(2,307)	(1,469)	(57.0)	(2,307)	(1,469)	(57.0)
	<u>1,415</u>	<u>(3,175)</u>	<u>NA</u>	<u>1,415</u>	<u>(3,175)</u>	<u>NA</u>
Less : Elimination	<u>1,009</u>	<u>(728)</u>		<u>1,009</u>	<u>(728)</u>	
Profit before tax ("PBT") / Loss before tax ("LBT")	<u>2,424</u>	<u>(3,903)</u>	<u>NA</u>	<u>2,424</u>	<u>(3,903)</u>	<u>NA</u>

Despite a lower revenue recorded in the current quarter under review, the Group has turnaround from a LBT of RM3.90 million in the corresponding quarter of the preceding year to PBT of RM2.42 million in the current quarter under review. This is mainly due to the higher gross profit margin recorded by the Business Performance Services segment.

The Business Performance Services segment recorded a PBT of RM6.04 million in the current quarter under review compared to a LBT of RM0.39 million in the corresponding quarter of the previous financial year. The improvement was mainly attributable to improved gross profit margin recorded during the current quarter under review.

The Trading and Distribution Services segment recorded a decrease in PBT in the current quarter under review by RM0.88 million compared to the corresponding period of the immediate preceding year, mainly due to lower revenue.

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 (RM2.40 million for quarter under review compared to RM3.03 million during the corresponding quarter of the immediate preceding year).

The Other's segment recorded a higher LBT by RM0.84 million in the current quarter under review compared to the corresponding period of the immediate preceding year, mainly due to lower share of profits from associates in the current quarter under review.

2 Variation of results against preceding quarter

	3 months ended 30.06.2017 RM'000	3 months ended 31.03.2017 RM'000	Variance %
Revenue	<u>89,191</u>	<u>94,892</u>	(6.0)
Profit before tax ("PBT") / Loss before tax ("LBT")	<u>2,424</u>	<u>(1,977)</u>	NA

The Group recorded a PBT of RM2.42 million for the current quarter under review against a LBT of RM1.98 million in the immediate preceding quarter (which included a loss on dilution of equity interest in an associate and impairment loss on receivables of RM1.00 million and RM2.90 million respectively).

**Additional information required by Bursa Securities Listing Requirements
For the First Quarter Ended 30 June 2017**
3 Business prospects

Although the Group's sales pipeline remains robust and encouraging, the Board is nevertheless mindful of the challenging business environment and is cautiously optimistic of the Group's financial performance for the current financial year.

4 Profit forecast

Not applicable.

5 Income tax expense

	THREE MONTHS ENDED 30 JUNE		THREE MONTHS ENDED 30 JUNE	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current tax expense				
- Malaysian taxation	1,712	376	1,712	376
- Foreign taxation	-	98	-	98
	<u>1,712</u>	<u>474</u>	<u>1,712</u>	<u>474</u>
Under/(Over) provision in prior period				
- Malaysian taxation	106	-	106	-
- Foreign taxation	(35)	-	(35)	-
	<u>71</u>	<u>-</u>	<u>71</u>	<u>-</u>
	<u>1,783</u>	<u>474</u>	<u>1,783</u>	<u>474</u>
Deferred taxation				
- origination and reversal of temporary differences				
- Malaysian taxation	(366)	(14)	(366)	(14)
	<u>1,417</u>	<u>460</u>	<u>1,417</u>	<u>460</u>

The Group's effective tax rate for the current quarter 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 24 August 2017, 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	8,826	2,229	20.16%
c) Capital expenditure for Fibre@Home City Networks	Within twelve (12) months	4,888	2,092	2,796	57.20%
d) Estimated expenses for the Proposed Private Placement	Within one (1) month	547	547	-	-
Total		<u>19,490</u>	<u>14,465</u>	<u>5,025</u>	

8 Borrowings and debt securities

The Group's bank borrowings as at 30 June 2017 are as follows:

	RM'000
Short term bank borrowings - secured	
- Denominated in RM	91,033
- Denominated in Thai Baht	1,766
Long term bank borrowings - secured	
- Denominated in RM	14,884
Total borrowings	<u>107,683</u>

**Additional information required by Bursa Securities Listing Requirements
For the First Quarter Ended 30 June 2017**
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:

	30.06.2017	31.03.2017
	RM'000	RM'000
Total retained earnings of the Group: -		
- Realised	22,388	30,613
- Unrealised	7,105	7,211
	<u>29,493</u>	<u>37,824</u>
Less: Consolidation adjustments	(21,157)	(29,124)
Total Group retained earnings as per consolidated financial statements	<u>8,336</u>	<u>8,700</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 30		THREE MONTHS ENDED 30	
	JUNE		JUNE	
	2017	2016	2017	2016
Loss after tax and non-controlling interests (RM'000)	(460)	(3,567)	(460)	(3,567)
Number of shares in issue as at beginning of the year ('000)	430,254	387,850	430,254	387,850
Effect of issuance of LTIP ('000)	183	-	183	-
WA number of ordinary shares in issue ('000)	<u>430,437</u>	<u>387,850</u>	<u>430,437</u>	<u>387,850</u>
Basic loss per ordinary share (sen)	<u>(0.11)</u>	<u>(0.92)</u>	<u>(0.11)</u>	<u>(0.92)</u>

**Additional information required by Bursa Securities Listing Requirements
For the First Quarter Ended 30 June 2017**
12 Loss per ordinary share (continued)

(b) Fully diluted loss per ordinary share

Diluted loss per share for the quarter and financial period 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 quarter and financial period adjusted for the effects of dilutive potential ordinary shares. The Group's dilutive potential ordinary shares are its Warrants 2013/2018 outstanding, 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 quarter/period.

	INDIVIDUAL QUARTER THREE MONTHS ENDED 30 JUNE		CUMULATIVE PERIOD THREE MONTHS ENDED 30 JUNE	
	2017	2016	2017	2016
	Loss after tax and non-controlling interests (RM'000)	(460)	(3,567)	(460)
WA number of ordinary shares in issue ('000)	430,437	387,850	430,437	387,850
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share ('000)	430,437	387,850	430,437	387,850
Diluted loss per ordinary share (sen)	(0.11)	(0.92)	(0.11)	(0.92)

13 Profit/(Loss) before tax

	INDIVIDUAL QUARTER THREE MONTHS ENDED 30 JUNE		CUMULATIVE PERIOD THREE MONTHS ENDED 30 JUNE	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
	Profit/(Loss) before tax is arrived at after charging: -			
Bad debts written off	23	-	23	-
Depreciation and amortisation	2,238	2,245	2,238	2,245
Equity settled share-based payment transactions	456	(132)	456	(132)
Impairment losses on:				
- trade receivables	-	14	-	14
Interest expenses	2,351	2,656	2,351	2,656
Loss on disposal of:				
- other investments	52	-	52	-
Loss on dilution of equity interest in associates	-	23	-	23
Net loss on fair value adjustment on other investments	-	1,445	-	1,445
Property, plant and equipment written off	-	5	-	5
Provision for post-employment benefits	158	165	158	165
Realised loss on foreign currency transactions	17	95	17	95
Unrealised loss on foreign currency translation	124	32	124	32
And crediting: -				
Gain on disposal of:				
- property, plant and equipment	10	-	10	-
Interest income	305	487	305	487
Net gain on fair value adjustment on other investments	137	-	137	-
Reversal of impairment losses on:				
- trade receivables	775	-	775	-
Realised gain on foreign currency transactions	64	73	64	73
Share of profits of associates	1,469	2,982	1,469	2,982
Unrealised gain on foreign currency translation	97	169	97	169

OMESTI BERHAD (530701-T)

SUMMARY OF STATUS OF MATERIAL LITIGATIONS AS AT 24 AUGUST 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	The Federal Court had on 15 May 2017 allowed RMSS' Notice of Motion dated 25 August 2016 for leave to appeal to the Federal Court against the decision of the Court of Appeal dated 28 August 2016. Following the Federal Court's decision on 15 May 2017, RMSS has filed a Notice of Appeal to the Federal Court on 17 May 2017. The Federal Court will fix a hearing date for the appeal in due course.