

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	THREE MONTHS ENDED 30 JUNE			THREE MONTHS ENDED 30 JUNE		
	2018 RM'000 Unaudited	2017 RM'000 Unaudited	Changes %	2018 RM'000 Unaudited	2017 RM'000 Unaudited	Changes %
Revenue	53,207	89,191	(40.3)	53,207	89,191	(40.3)
Cost of sales	<u>(40,764)</u>	<u>(56,565)</u>	(27.9)	<u>(40,764)</u>	<u>(56,565)</u>	(27.9)
Gross profit	12,443	32,626	(61.9)	12,443	32,626	(61.9)
Other income	863	841	2.6	863	841	2.6
Other operating expenses	(17,982)	(29,999)	(40.1)	(17,982)	(29,999)	(40.1)
Finance costs	(2,021)	(2,513)	(19.6)	(2,021)	(2,513)	(19.6)
Share of results of associates, net of tax	974	1,469	(33.7)	974	1,469	(33.7)
(Loss) / Profit before tax	<u>(5,723)</u>	<u>2,424</u>	NA	<u>(5,723)</u>	<u>2,424</u>	NA
Tax expense	(82)	(1,417)	(94.2)	(82)	(1,417)	(94.2)
Loss / (Profit) for the financial period	<u><u>(5,805)</u></u>	<u><u>1,007</u></u>	NA	<u><u>(5,805)</u></u>	<u><u>1,007</u></u>	NA
Other comprehensive (loss) / income, net of tax						
Items that may be reclassified subsequently to profit or loss:						
- Foreign currency translation differences for foreign operations	(28)	6	NA	(28)	6	NA
- Share of foreign currency translation of associates	(27)	-	NA	(27)	-	NA
Other comprehensive (loss) / income for the financial period, net of tax	<u><u>(55)</u></u>	<u><u>6</u></u>	NA	<u><u>(55)</u></u>	<u><u>6</u></u>	NA
Total comprehensive (loss) / income for the financial period	<u><u>(5,860)</u></u>	<u><u>1,013</u></u>	NA	<u><u>(5,860)</u></u>	<u><u>1,013</u></u>	NA
(Loss) / profit attributable to:-						
Owners of the Parent	(5,567)	(460)	NA	(5,567)	(460)	NA
Non-controlling interests	<u>(238)</u>	<u>1,467</u>	NA	<u>(238)</u>	<u>1,467</u>	NA
Loss / (Profit) for the financial period	<u><u>(5,805)</u></u>	<u><u>1,007</u></u>	NA	<u><u>(5,805)</u></u>	<u><u>1,007</u></u>	NA
Total comprehensive (loss) / income attributable to:-						
Owners of the Parent	(5,596)	(419)	NA	(5,596)	(419)	NA
Non-controlling interests	<u>(264)</u>	<u>1,432</u>	NA	<u>(264)</u>	<u>1,432</u>	NA
Total comprehensive (loss) / income for the financial period	<u><u>(5,860)</u></u>	<u><u>1,013</u></u>	NA	<u><u>(5,860)</u></u>	<u><u>1,013</u></u>	NA
Loss per ordinary share (sen)						
- Basic and diluted	<u><u>(1.29)</u></u>	<u><u>(0.11)</u></u>		<u><u>(1.29)</u></u>	<u><u>(0.11)</u></u>	

(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 2018.)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	As at 30 JUNE 2018 RM'000 Unaudited	As at 31 MARCH 2018 RM'000 Audited
ASSETS		
Non-Current Assets		
Property, plant and equipment	11,752	11,836
Investment in associates	102,989	103,125
Other intangible assets	7,999	8,680
Other investments	2,033	1,930
Other receivables	7,425	9,279
Goodwill	36,714	36,714
Deferred tax assets	4,571	4,553
	173,483	176,117
Current Assets		
Other investments	103	103
Inventories	41,657	39,003
Trade receivables	37,334	60,689
Other receivables, deposits and prepayments	56,598	50,728
Amount due from associates	-	9
Current tax assets	7,002	5,696
Cash and cash equivalents	37,956	40,377
	180,650	196,605
TOTAL ASSETS	354,133	372,722
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	231,902	230,698
Other reserves	27,942	39,032
Accumulated losses	(111,955)	(115,411)
	147,889	154,319
Non-controlling interests	15,042	13,088
TOTAL EQUITY	162,931	167,407
Non-Current Liabilities		
Borrowings	14,915	15,329
Provision for post employment benefits	3,686	3,686
Deferred tax liabilities	145	145
	18,746	19,160
Current Liabilities		
Trade payables	33,323	29,650
Other payables, deposits and accruals	67,838	80,459
Amount due to associates	1,454	510
Borrowings	69,839	75,534
Current tax payables	2	2
	172,456	186,155
TOTAL LIABILITIES	191,202	205,315
TOTAL EQUITY AND LIABILITIES	354,133	372,722
Net assets per share (RM)	0.3424	0.3582

(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 2018.)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

	←----- Attributable to owners of the Parent ----->							Non- controlling interests RM'000	Total equity RM'000
	----- Non-distributable -----				Distributable				
	Ordinary shares 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 Three Months Financial Period Ended 30 June 2018									
Balance as at 1 April 2018	230,698	24,663	11,307	3,313	(251)	(115,411)	154,319	13,088	167,407
Loss after tax for the financial period	-	-	-	-	-	(5,567)	(5,567)	(238)	(5,805)
Foreign currency translation for foreign operations	-	-	-	-	(2)	-	(2)	(26)	(28)
Share of other comprehensive income of associates, net of tax	-	-	-	-	(27)	-	(27)	-	(27)
Total comprehensive loss for the financial period	-	-	-	-	(29)	(5,567)	(5,596)	(264)	(5,860)
Transactions with owners									
Shares issued pursuant to Long Term Incentive Plan ("LTIP")	105	-	-	-	-	-	105	-	105
Effects arising from acquisition of a subsidiary	-	-	-	-	-	-	-	-	-
Effects arising from disposal of a subsidiary	-	-	-	-	-	-	-	-	-
Arising from accretion of equity interests in subsidiaries	-	-	-	-	-	(2,049)	(2,049)	2,049	-
Arising from dilution of equity interests in subsidiaries	-	-	-	-	-	-	-	-	-
Share-based payment transactions in a subsidiary	-	-	-	246	-	-	246	169	415
Conversion of Warrant B	1,099	-	(235)	-	-	-	864	-	864
Warrant lapsed	-	-	(11,072)	-	-	11,072	-	-	-
Total transactions with owners	1,204	-	(11,307)	246	-	9,023	(834)	2,218	1,384
Balance as at 30 June 2018	<u>231,902</u>	<u>24,663</u>	<u>-</u>	<u>3,559</u>	<u>(280)</u>	<u>(111,955)</u>	<u>147,889</u>	<u>15,042</u>	<u>162,931</u>

OMESTI BERHAD (530701-T)
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018 (continued)**

	←----- Attributable to owners of the Parent ----->						Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	----- Non-distributable -----			Distributable					
	Ordinary shares RM'000	Capital reserve RM'000	Warrant reserve RM'000	Equity compensation reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000			
Unaudited Three Months Financial Period Ended 30 June 2017									
Balance as at 1 April 2017	230,281	24,663	11,307	2,493	(950)	8,700	276,494	53,415	329,909
(Loss) / Profit 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	<u>230,385</u>	<u>24,663</u>	<u>11,307</u>	<u>2,758</u>	<u>(909)</u>	<u>8,336</u>	<u>276,540</u>	<u>55,826</u>	<u>332,366</u>

(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 2018.)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

	THREE MONTHS ENDED 30 JUNE	
	2018 RM'000 Unaudited	2017 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before tax	(5,723)	2,424
Adjustment for non-cash items:		
Bad debts written off	-	23
Depreciation and amortisation	1,194	2,238
Equity settled share-based payment transactions	415	456
Net gain on disposal of property, plant and equipment	-	(10)
Loss on dilution of equity interest in associates	276	-
Impairment loss on property, plant and equipment	4	-
Interest expense	1,973	2,351
Interest income	(374)	(305)
Net gain on fair value adjustments on other investments	(102)	(137)
Net loss on disposal of other investments	-	52
Net unrealised loss on foreign currency exchange	-	27
Provision for post-employment benefits	-	158
Reversal of impairment loss on trade receivables	-	(775)
Share of results of associates	(974)	(1,469)
Write off of deposits	1	-
Operating (loss) / profit before working capital changes	<u>(3,310)</u>	<u>5,033</u>
Net changes in assets	17,638	13,035
Net changes in liabilities	(8,852)	(27,726)
Net cash generated from / (used in) operations	<u>5,476</u>	<u>(9,658)</u>
Tax paid	(1,406)	(1,645)
Tax refund	-	110
Net cash generated from / (used in) operating activities	<u>4,070</u>	<u>(11,193)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of software development	(159)	(206)
Disposal of interest in subsidiaries	-	883
Interest received	373	301
Net placement of fixed deposits pledged	(1,861)	(2,264)
Proceeds from disposal of interest in an associate	799	-
Proceeds from disposal of other investments	-	688
Proceeds from disposal of property, plant and equipment	-	11
Purchase of property, plant and equipment	48	(628)
Net cash used in investing activities	<u>(800)</u>	<u>(1,215)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of borrowings	(9,402)	(3,827)
Proceeds from exercise of warrants	864	-
Interest paid	(1,972)	(2,351)
Net cash used in financing activities	<u>(10,510)</u>	<u>(6,178)</u>
Net decrease in cash and cash equivalents	(7,240)	(18,586)
Cash and cash equivalents at 1 April 2018/2017*	27,581	46,954
Effect of foreign exchange on opening balance	(13)	29
Cash and cash equivalents at 30 June 2018/2017*	<u>20,328</u>	<u>28,397</u>

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

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes to the interim financial report and the audited financial statements for the financial year ended 31 March 2018.)

**Notes to the Interim Financial Report
For the First Quarter Ended 30 June 2018**

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 2018. 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 2018.

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 2018, except for the adoption of the following FRSs and Amendments to FRSs during the current financial year: -

	Effective for financial periods beginning on or after
FRS 9 Financial Instruments (IFRS as issued by IASB in July 2014)	1 January 2018
Amendments to FRS 2 Classification and Measurement of Share-based Payment	1 January 2018

The adoption of the above standards that are applicable from the financial year beginning on 1 April 2018 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 2018, 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 2018 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

During the current financial period under review, the Company allotted 230,800 new ordinary shares pursuant to the exercise of Employee Share Grant Plan ("ESGP"). There is also an exercise of warrant which gives rise to allotment of 1,728,334 new ordinary shares.

Saved as disclosed above, there were no other 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.

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 2018**
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 2018						
External sales	34,279	17,549	1,211	168	-	53,207
Inter segment sales	5,115	5,470	37	546	(11,168)	-
Total Sales	<u>39,394</u>	<u>23,019</u>	<u>1,248</u>	<u>714</u>	<u>(11,168)</u>	<u>53,207</u>
Segment results	227	(1,385)	(1,231)	(1,503)	(1,206)	(5,098)
Share of results of associates	-	-	-	974	-	974
Interest expense	(467)	(343)	(113)	(1,154)	104	(1,973)
Interest Income	303	67	2	106	(104)	374
Profit / (Loss) before taxation	<u>63</u>	<u>(1,661)</u>	<u>(1,342)</u>	<u>(1,577)</u>	<u>(1,206)</u>	<u>(5,723)</u>
Segment assets	<u>349,930</u>	<u>99,046</u>	<u>6,403</u>	<u>284,386</u>	<u>(385,632)</u>	<u>354,133</u>
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>

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, Continuous Network Advisers Sdn Bhd ("CNA"), a wholly-owned subsidiary of the Company converted 7,500,000 RCPS-C and 10,000,000 RCPS-D into ordinary shares in Fiber At Home City Networks Sdn Bhd ("FIBER"). Following the conversions, CNA held 23,800,000 ordinary shares in Fiber, representing 96.36% equity interest in FIBER.

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 2018**

12 Subsequent events

Change in composition of the group

Omesti Holdings Berhad ("OHB"), a wholly-owned subsidiary of the Group has on 3 July 2018 acquired 100,000 ordinary shares in Red Ape Solutions Sdn Bhd ("RAS"), a company incorporated in Malaysia that is engaged in the business of providing solutions, training and consultation, consultation services in information technology, web development and applications, representing 100% of the equity interest for a total cash consideration of RM1,000,000. Following the acquisition, RAS became a wholly-owned subsidiary of OHB.

Continuous Network Advisers Sdn Bhd ("CNA"), a wholly-owned subsidiary of the Group has on 2 August 2018 disposed off 23,800,000 ordinary shares in Fiber At Home City Networks Sdn Bhd ("FIBER"), a company incorporated in Malaysia that is engaged in the business of spearheading the information communication technology development in the areas of infrastructure, content and application and trading of computer equipment, representing 96.36% of the equity interest for a total cash consideration of RM1. Following the disposal, Fiber ceased to be a subsidiary of CNA.

OHB has on 20 August 2018 disposed off 110,000,000 ordinary shares in Diversified Gateway Solutions Berhad ("DGSB"), a company incorporated in Malaysia that is listed on the ACE Market of the Bursa Securities, representing 7.38% of the equity interest for a total cash consideration of RM6.93 million. Following the disposal, OHB holds 5.65% of DGSB and DGSB ceased to be an associate of OHB.

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>33,000</u>
- to leasing party for leasing facilities to subsidiaries	<u>1,099</u>

14 Capital commitments

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

15 Cash and bank balances

The Group's bank borrowings as at the end of the reporting date can be analysed as follows:

	As at 30 JUNE 2018 RM'000
Cash and bank balances	13,896
Fixed deposits with licensed financial institutions	<u>24,060</u>
	37,956
Less: Fixed deposits pledged with licensed banks	(14,472)
Less: Bank overdraft	<u>(3,156)</u>
	<u>20,328</u>

**Additional information required by Bursa Securities Listing Requirements
For the First Quarter Ended 30 June 2018**
1 Detailed analysis of performance

The Group's revenue for the current quarter under review has decreased to RM53.21 million or a decrease of 40.3% as compared to the corresponding quarter of the preceding financial year due to the deconsolidation of financial results of DGSB Group following the cessation of DGSB Group as a subsidiary of the Group. The lower order fulfilments in the Trading and Distribution business segment has also contributed to the lower revenue recorded in the current 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		
	2018	2017	Variance	2018	2017	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Business Performance Services	39,394	58,024	(32.1)	39,394	58,024	(32.1)
Trading & Distribution Services	23,019	39,617	(41.9)	23,019	39,617	(41.9)
Digital & Infrastructure Services	1,248	4,372	(71.5)	1,248	4,372	(71.5)
Others	714	437	63.4	714	437	63.4
	<u>64,375</u>	<u>102,450</u>	<u>(37.2)</u>	<u>64,375</u>	<u>102,450</u>	<u>(37.2)</u>
Less : Inter Segment Revenue	<u>(11,168)</u>	<u>(13,259)</u>		<u>(11,168)</u>	<u>(13,259)</u>	
Total Group Revenue	<u>53,207</u>	<u>89,191</u>	<u>(40.3)</u>	<u>53,207</u>	<u>89,191</u>	<u>(40.3)</u>

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

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	THREE MONTHS ENDED 30 JUNE			THREE MONTHS ENDED 30 JUNE		
	2018	2017	Variance	2018	2017	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Business Performance Services	63	6,036	(99.0)	63	6,036	(99.0)
Trading & Distribution Services	(1,661)	8	NA	(1,661)	8	NA
Digital & Infrastructure Services	(1,342)	(2,322)	(42.2)	(1,342)	(2,322)	(42.2)
Others	(1,577)	(2,307)	(31.6)	(1,577)	(2,307)	(31.6)
	<u>(4,517)</u>	<u>1,415</u>	<u>NA</u>	<u>(4,517)</u>	<u>1,415</u>	<u>NA</u>
Less : Elimination	<u>(1,206)</u>	<u>1,009</u>		<u>(1,206)</u>	<u>1,009</u>	
(Loss) / profit before tax	<u>(5,723)</u>	<u>2,424</u>	<u>NA</u>	<u>(5,723)</u>	<u>2,424</u>	<u>NA</u>

The Group posted a loss before tax of RM5.72 million for the current financial period as compared to a profit before tax of RM2.42 million as recorded in the previous corresponding period.

2 Variation of results against preceding quarter

	3 months ended 30 JUNE 2018 RM'000	3 months ended 31 MARCH 2018 RM'000	Variance %
Revenue	<u>53,207</u>	<u>84,378</u>	(36.9)
Loss before tax ("LBT")	<u>(5,723)</u>	<u>(136,343)</u>	(95.8)

The Group recorded a loss before tax of RM5.72 million for the current quarter under review compared to a loss before tax of RM136.34 million in the immediate preceding quarter. The higher loss before tax in the preceding quarter was mainly attributable to non-recurring impairments, as follows;

	RM'000
a) Loss on demerger of DGSB, fair value adjustment and impairment of amount owing	27,903
b) Impairment loss on other investments and investment in an associate	28,320
c) Impairment loss on goodwill, stocks and work in progress	23,766
d) Impairment loss on receivables	11,269
e) Impairment loss on software development costs	39,685
	<u>130,943</u>

**Additional information required by Bursa Securities Listing Requirements
For the First Quarter Ended 30 June 2018**
3 Business prospects

Despite the economic uncertainty and challenging business environment, the Board remains cautiously optimistic of the Group's prospects for the current financial year.

4 Profit forecast

Not applicable.

5 Income tax expense

	INDIVIDUAL QUARTER THREE MONTHS ENDED 30 JUNE		CUMULATIVE PERIOD THREE MONTHS ENDED 30 JUNE	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Current tax expense				
- Malaysian taxation	100	1,712	100	1,712
- Foreign taxation	-	-	-	-
	<u>100</u>	<u>1,712</u>	<u>100</u>	<u>1,712</u>
Under/(Over) provision in prior period				
- Malaysian taxation	-	106	-	106
- Foreign taxation	-	(35)	-	(35)
	<u>-</u>	<u>71</u>	<u>-</u>	<u>71</u>
	<u>100</u>	<u>1,783</u>	<u>100</u>	<u>1,783</u>
Deferred taxation				
- origination and reversal of temporary differences				
- Malaysian taxation	(18)	(366)	(18)	(366)
	<u>82</u>	<u>1,417</u>	<u>82</u>	<u>1,417</u>

The Group incurred an income tax expense despite recording a loss before tax for the current quarter under review 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 15 November 2017, the Company announced that the Company proposes to implement a private placement of up to 51,401,900 new ordinary shares ("Placement Shares") in Omesti, to independent third party investor(s) to be identified ("Private Placement").

The listing application pursuant to the Private Placement was approved by Bursa Securities on 15 January 2018.

On 22 June 2018, the Company applied for an extension of time of six (6) months up to 12 January 2019 to complete the Private Placement with Bursa Malaysia. Approval was granted vide Bursa Malaysia's letter dated 28 June 2018.

On 10 July 2018, the Company announced that the issue price for the Placement Shares is fixed at RM0.400 per Placement Share pursuant to the Private Placement. The first tranche of 21,000,000 Placement Shares were issued on 18 July 2018 and a total cash proceeds of RM8.40 million were raised.

On 20 August 2018, the Company announced that the issue price for the second tranche of Placement Shares is fixed at RM0.355 per Placement Share pursuant to the Private Placement.

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

**Additional information required by Bursa Securities Listing Requirements
For the First Quarter Ended 30 June 2018**
7 Borrowings and debt securities

The Group's bank borrowings consist of term loan, invoice financing, lease creditors, trust receipts and bank overdraft, and are denominated in Ringgit Malaysia.

	As at 30 JUNE 2018 RM'000
Short term bank borrowings - secured	69,839
Long term bank borrowings - secured	14,915
	<hr/>
	84,754

8 Changes in material litigation

There is no pending litigation as at end of the current financial period under review.

9 Dividends

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

10 (Loss) / earnings per ordinary share
Basic / diluted (loss) / earnings per ordinary share

Basic / diluted 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 year.

	INDIVIDUAL QUARTER THREE MONTHS ENDED 30 JUNE		CUMULATIVE PERIOD THREE MONTHS ENDED 30 JUNE	
	2018	2017	2018	2017
Loss after tax and non-controlling interests (RM'000)	(5,567)	(460)	(5,567)	(460)
Number of shares in issue as at beginning of the period ('000)	431,075	430,254	431,075	430,254
Effect of issuance of LTIP ('000)	228	183	228	183
Effect of conversion of warrant B ('000)	570	-	570	-
WA number of ordinary shares in issue ('000)	431,873	430,437	431,873	430,437
Basic / diluted loss per ordinary share (sen)	<u>(1.29)</u>	<u>(0.11)</u>	<u>(1.29)</u>	<u>(0.11)</u>

**Additional information required by Bursa Securities Listing Requirements
For the First Quarter Ended 30 June 2018**

11 (Loss) / Profit before tax

	INDIVIDUAL QUARTER THREE MONTHS ENDED 30 JUNE		CUMULATIVE PERIOD THREE MONTHS ENDED 30 JUNE	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
(Loss) / Profit before tax is arrived at after charging: -				
Bad debts written off	-	23	-	23
Depreciation and amortisation	1,194	2,238	1,194	2,238
Equity settled share-based payment transactions	415	456	415	456
Impairment losses on:				
- property, plant and equipment	4	-	4	-
Interest expenses	1,973	2,351	1,973	2,351
Loss on disposal of:				
- other investments	-	52	-	52
Loss on dilution of equity interest in associates	276	-	276	-
Provision for post-employment benefits	-	158	-	158
Realised loss on foreign currency transactions	-	17	-	17
Unrealised loss on foreign currency translation	-	124	-	124
And crediting: -				
Gain on disposal of :				
- property, plant and equipment	-	10	-	10
Interest income	374	305	374	305
Net gain on fair value adjustment on other investments	102	137	102	137
Reversal of impairment losses on:				
- trade receivables	-	775	-	775
Realised gain on foreign currency transactions	-	64	-	64
Share of profits of associates	974	1,469	974	1,469
Unrealised gain on foreign currency translation	-	97	-	97