

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	THREE MONTHS ENDED 31 DECEMBER			NINE MONTHS ENDED 31 DECEMBER		
	2018 RM'000 Unaudited	2017 RM'000 Unaudited	Changes %	2018 RM'000 Unaudited	2017 RM'000 Unaudited	Changes %
Revenue	56,076	88,515	(36.6)	183,992	270,222	(31.9)
Cost of sales	<u>(43,508)</u>	<u>(66,295)</u>	(34.4)	<u>(141,432)</u>	<u>(186,140)</u>	(24.0)
Gross profit	12,568	22,220	(43.4)	42,560	84,082	(49.4)
Other income	263	377	(30.2)	1,835	3,389	(45.9)
Other operating expenses	(18,113)	(31,921)	(43.3)	(59,320)	(98,135)	(39.6)
Finance costs	(2,074)	(2,477)	(16.3)	(6,259)	(7,369)	(15.1)
Share of results of associates, net of tax	736	1,303	(43.5)	2,394	3,885	(38.4)
Loss before tax	<u>(6,620)</u>	<u>(10,498)</u>	(36.9)	<u>(18,790)</u>	<u>(14,148)</u>	32.8
Tax income / (expense)	685	(197)	NA	(605)	(1,903)	(68.2)
Loss for the financial period	<u><u>(5,935)</u></u>	<u><u>(10,695)</u></u>	(44.5)	<u><u>(19,395)</u></u>	<u><u>(16,051)</u></u>	20.8
Other comprehensive (loss) / income, net of tax						
Items that may be reclassified subsequently to profit or loss:						
- Foreign currency translation differences for foreign operations	(35)	27	NA	(186)	83	NA
- Share of foreign currency translation of associates	12	(1)	NA	(59)	(131)	NA
Other comprehensive (loss) / income for the financial period, net of tax	<u><u>(23)</u></u>	<u><u>26</u></u>	NA	<u><u>(245)</u></u>	<u><u>(48)</u></u>	NA
Total comprehensive loss for the financial period	<u><u>(5,958)</u></u>	<u><u>(10,669)</u></u>	(44.2)	<u><u>(19,640)</u></u>	<u><u>(16,099)</u></u>	22.0
Loss attributable to:-						
Owners of the Parent	(5,234)	(9,116)	(42.6)	(18,309)	(15,812)	15.8
Non-controlling interests	<u>(701)</u>	<u>(1,579)</u>	(55.6)	<u>(1,086)</u>	<u>(239)</u>	NA
Loss for the financial period	<u><u>(5,935)</u></u>	<u><u>(10,695)</u></u>	(44.5)	<u><u>(19,395)</u></u>	<u><u>(16,051)</u></u>	20.8
Total comprehensive loss attributable to:-						
Owners of the Parent	(5,257)	(8,309)	(36.7)	(18,488)	(15,055)	22.8
Non-controlling interests	<u>(701)</u>	<u>(2,360)</u>	(70.3)	<u>(1,152)</u>	<u>(1,044)</u>	10.3
Total comprehensive loss for the financial period	<u><u>(5,958)</u></u>	<u><u>(10,669)</u></u>	(44.2)	<u><u>(19,640)</u></u>	<u><u>(16,099)</u></u>	22.0
Loss per ordinary share (sen)						
- Basic and diluted	<u><u>(1.14)</u></u>	<u><u>(2.12)</u></u>		<u><u>(4.09)</u></u>	<u><u>(3.67)</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 31 DECEMBER 2018**

	As at 31 DECEMBER 2018 RM'000 Unaudited	As at 31 MARCH 2018 RM'000 Audited
ASSETS		
Non-Current Assets		
Property, plant and equipment	9,572	11,836
Investment in associates	87,556	103,125
Investment in joint venture	150	-
Other intangible assets	6,986	8,680
Other investments	5,287	1,930
Investment properties	994	-
Other receivables	7,171	9,279
Goodwill	36,714	36,714
Deferred tax assets	4,426	4,553
	<u>158,856</u>	<u>176,117</u>
Current Assets		
Other investments	106	103
Inventories	1,589	1,700
Trade receivables	38,781	60,689
Other receivables, deposits and prepayments	97,271	88,031
Amount due from associates	1	9
Current tax assets	8,035	5,696
Cash and cash equivalents	40,181	40,377
	<u>185,964</u>	<u>196,605</u>
TOTAL ASSETS	344,820	372,722
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	248,473	230,698
Other reserves	28,064	39,032
Accumulated losses	(125,531)	(115,411)
	<u>151,006</u>	<u>154,319</u>
Non-controlling interests	13,480	13,088
TOTAL EQUITY	164,486	167,407
Non-Current Liabilities		
Borrowings	13,429	15,329
Provision for post employment benefits	3,686	3,686
Deferred tax liabilities	2	145
	<u>17,117</u>	<u>19,160</u>
Current Liabilities		
Trade payables	34,289	29,650
Other payables, deposits and accruals	69,998	80,459
Amount due to associates	567	510
Borrowings	58,362	75,534
Current tax payables	1	2
	<u>163,217</u>	<u>186,155</u>
TOTAL LIABILITIES	180,334	205,315
TOTAL EQUITY AND LIABILITIES	344,820	372,722
Net assets per share (RM)	0.3370	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 31 DECEMBER 2018**

	-----> Attributable to owners of the Parent <----->						<-Distributable ->	Non- controlling interests RM'000	Total equity RM'000
	Non-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 Nine Months Financial Period Ended 31 December 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	-	-	-	-	-	(18,309)	(18,309)	(1,086)	(19,395)
Foreign currency translation for foreign operations	-	-	-	-	(120)	-	(120)	(66)	(186)
Share of other comprehensive income of associates, net of tax	-	-	-	-	(31)	(28)	(59)	-	(59)
Total comprehensive loss for the financial period	-	-	-	-	(151)	(18,337)	(18,488)	(1,152)	(19,640)
Transactions with owners									
Shares issued pursuant to Long Term Incentive Plan ("LTIP")	358	-	-	-	-	-	358	-	358
Shares issued pursuant to private placement	16,318	-	-	-	-	-	16,318	-	16,318
Effects arising from disposal of a subsidiary	-	-	-	-	-	-	-	(44)	(44)
Arising from accretion of equity interests in subsidiaries	-	-	-	-	-	(2,855)	(2,855)	1,256	(1,599)
Share-based payment transactions in a subsidiary	-	-	-	490	-	-	490	332	822
Conversion of Warrant B	1,099	-	(235)	-	-	-	864	-	864
Warrant lapsed	-	-	(11,072)	-	-	11,072	-	-	-
Total transactions with owners	17,775	-	(11,307)	490	-	8,217	15,175	1,544	16,719
Balance as at 31 December 2018	<u>248,473</u>	<u>24,663</u>	<u>-</u>	<u>3,803</u>	<u>(402)</u>	<u>(125,531)</u>	<u>151,006</u>	<u>13,480</u>	<u>164,486</u>

OMESTI BERHAD (530701-T)
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018 (continued)**

	-----> Attributable to owners of the Parent <----->						<-Distributable ->		
	-----> Non-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	Non- controlling interests RM'000	Total equity RM'000
Unaudited Nine Months Financial Period Ended 31 December 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 after tax for the financial period	-	-	-	-	-	(15,812)	(15,812)	(239)	(16,051)
Foreign currency translation for foreign operations	-	-	-	-	888	-	888	(805)	83
Share of other comprehensive income of associates, net of tax	-	-	-	-	-	(131)	(131)	-	(131)
Total comprehensive income / (loss) for the financial period	-	-	-	-	888	(15,943)	(15,055)	(1,044)	(16,099)
Transactions with owners									
Shares issued pursuant to Long Term Incentive Plan ("LTIP")	313	-	-	-	-	-	313	-	313
Effect arising from acquisition of a subsidiary	-	-	-	-	-	-	-	376	376
Arising from accretion of equity interests in subsidiaries	-	-	-	-	-	(58)	(58)	(180)	(238)
Arising from dilution of equity interests in subsidiaries	-	-	-	-	-	11,151	11,151	16,955	28,106
Share-based payment transactions in a subsidiary	-	-	-	794	-	-	794	575	1,369
Total transactions with owners	313	-	-	794	-	11,093	12,200	17,726	29,926
Balance as at 31 December 2017	<u>230,594</u>	<u>24,663</u>	<u>11,307</u>	<u>3,287</u>	<u>(62)</u>	<u>3,850</u>	<u>273,639</u>	<u>70,097</u>	<u>343,736</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 31 DECEMBER 2018**

	NINE MONTHS ENDED 31 DECEMBER	
	2018	2017
	RM'000	RM'000
	Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(18,790)	(14,148)
Adjustment for non-cash items:		
Bad debts recovered	(5)	-
Bad debts written off	-	23
Depreciation and amortisation	3,077	6,461
Equity settled share-based payment transactions	1,180	1,368
Impairment losses on receivables	4	-
Impairment loss on property, plant and equipment	4	-
Interest expense	6,078	7,021
Interest income	(711)	(907)
Inventories written back	(17)	-
Inventories written off	14	1
Loss on disposal of a subsidiary	1,165	-
Loss on disposal of an associate	2,346	-
Net gain on disposal of property, plant and equipment	-	(2)
Net loss on dilution of equity interest in associates	1,090	1,976
Net loss on fair value adjustments on other investments	2,964	634
Net loss on disposal of other investments	-	614
Net unrealised loss on foreign currency exchange	(1)	350
Property, plant and equipment written off	-	2
Provision for post-employment benefits	-	179
Reversal of impairment loss on trade receivables	(281)	(891)
Share of results of associates	(2,394)	(3,885)
Write off of deposits	13	-
Operating loss before working capital changes	<u>(4,264)</u>	<u>(1,204)</u>
Net changes in assets	12,010	3,212
Net changes in liabilities	(2,989)	(2,636)
Net cash generated from / (used in) operations	<u>4,757</u>	<u>(628)</u>
Tax paid	(3,079)	(5,025)
Tax refund	117	422
Net cash generated from / (used in) operating activities	<u>1,795</u>	<u>(5,231)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of additional shares in quoted investments	(24)	-
Acquisition of additional shares in subsidiaries	(1,600)	(237)
Addition of software development	(421)	(389)
Disposal of a subsidiary, net of cash disposed off	(157)	28,106
Interest received	708	902
Net (placement)/withdrawal of fixed deposits pledged	(1,345)	9,612
Proceeds from disposal of interest in an associate	8,130	1,653
Proceeds from disposal of other investments	-	2,039
Proceeds from disposal of property, plant and equipment	-	55
Investment in a joint venture	(150)	-
Purchase of property, plant and equipment	(159)	(4,201)
Net cash generated from investing activities	<u>4,982</u>	<u>37,540</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of borrowings	(22,805)	(26,276)
Proceeds from exercise of warrants	864	-
Net proceeds from shares issued pursuant to private placement	16,318	-
Interest paid	(6,078)	(7,021)
Net cash used in financing activities	<u>(11,701)</u>	<u>(33,297)</u>
Net decrease in cash and cash equivalents	(4,924)	(988)
Cash and cash equivalents at 1 April 2018/2017*	27,581	46,954
Effect of foreign exchange on opening balance	(137)	(320)
Cash and cash equivalents at 31 December 2018/2017*	<u>22,520</u>	<u>45,646</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 Third Quarter Ended 31 December 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 period: -

	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 issued and paid-up capital of the Company has increased from 431,075,491 to 476,955,225 ordinary shares. The increase in the issued and paid-up share capital of the Company arose from the issuance of 848,000 new ordinary shares pursuant to the Long Term Incentive Plan (LTIP) to eligible employees, issuance of 43,303,400 new ordinary shares pursuant to private placement and issuance of 1,728,334 new ordinary shares pursuant to conversion of Warrants 2013/2018.

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 Third Quarter Ended 31 December 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
<u>Nine Months Financial Period Ended 31 December 2018</u>						
External sales	98,682	82,306	2,587	417	-	183,992
Inter segment sales	19,414	9,439	49	1,678	(30,580)	-
Total Sales	118,096	91,745	2,636	2,095	(30,580)	183,992
Segment results	(1,043)	126	(2,253)	(46,438)	33,791	(15,817)
Share of results of associates	-	-	-	2,394	-	2,394
Interest expense	(9)	(2,733)	(114)	(3,327)	105	(6,078)
Interest Income	494	202	2	118	(105)	711
Loss before taxation	(558)	(2,405)	(2,365)	(47,253)	33,791	(18,790)
Segment assets	349,096	106,127	1,484	287,264	(399,151)	344,820
<u>Nine Months Financial Period Ended 31 December 2017</u>						
External sales	145,688	113,408	10,964	162	-	270,222
Inter segment sales	39,888	1,297	2,196	1,180	(44,561)	-
Total Sales	185,576	114,705	13,160	1,342	(44,561)	270,222
Segment results	6,175	1,502	(7,630)	(8,464)	(3,502)	(11,919)
Share of results of associates	-	-	-	3,885	-	3,885
Interest expense	(1,434)	(1,102)	(291)	(4,226)	32	(7,021)
Interest Income	559	186	144	50	(32)	907
Profit / (Loss) before taxation	5,300	586	(7,777)	(8,755)	(3,502)	(14,148)
Segment assets	423,094	119,551	99,341	470,060	(548,679)	563,367

**Notes to the Interim Financial Report
For the Third Quarter Ended 31 December 2018**

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.

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.

Omesti Innovation Lab Singapore Pte Ltd ("OILS"), a wholly-owned subsidiary of CNA has on 4 September 2018 filed an application for strike-off with the Accounting and Corporate Regulatory Authority ("ACRA"), Singapore. The application has been approved by the ACRA on 14 September 2018.

Associate

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.

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

12 Subsequent events

There were no material events announced subsequent to the end of the current financial 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>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.

**Notes to the Interim Financial Report
For the Third Quarter Ended 31 December 2018**

15 Cash and bank balances

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

	As at 31 DECEMBER 2018 RM'000
Cash and bank balances	12,401
Fixed deposits with licensed financial institutions	27,780
	<u>40,181</u>
Less: Fixed deposits pledged with licensed banks	(13,954)
Less: Bank overdraft	<u>(3,707)</u>
	<u><u>22,520</u></u>

16 Comparative figures

Certain comparative figures for the financial year ended 31 March 2018 have been reclassified to conform with current financial year's presentation. These reclassifications do not have an impact on the retained earnings of the Company.

	As previously reported RM'000	Reclassification RM'000	As restated RM'000
31 March 2018			
<u>Statement of financial position</u>			
Inventories	39,003	(37,303)	1,700
Other receivables, deposits and prepayments	50,728	37,303	88,031
	<u><u>50,728</u></u>	<u><u>37,303</u></u>	<u><u>88,031</u></u>

**Additional information required by Bursa Securities Listing Requirements
For the Third Quarter Ended 31 December 2018**
1 Detailed analysis of performance

The Group's revenue for the current quarter under review has decreased to RM56.08 million or a decrease of 36.6% as compared to the corresponding quarter of the preceding financial year mainly due to the deconsolidation of financial results of DGSB Group following the cessation of DGSB Group as a subsidiary of the Group; and the lower revenue from the Trading & Distribution Services segment because of lower order fulfilment.

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		
	2018	2017	Variance	2018	2017	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Business Performance Services	35,796	50,384	(29.0)	118,096	185,576	(36.4)
Trading & Distribution Services	27,729	43,863	(36.8)	91,745	114,705	(20.0)
Digital & Infrastructure Services	558	4,412	(87.4)	2,636	13,160	(80.0)
Others	732	415	76.4	2,095	1,342	56.1
	<u>64,815</u>	<u>99,074</u>	<u>(34.6)</u>	<u>214,572</u>	<u>314,783</u>	<u>(31.8)</u>
Less : Inter Segment Revenue	<u>(8,739)</u>	<u>(10,559)</u>		<u>(30,580)</u>	<u>(44,561)</u>	
Total Group Revenue	<u>56,076</u>	<u>88,515</u>	<u>(36.6)</u>	<u>183,992</u>	<u>270,222</u>	<u>(31.9)</u>

The detailed breakdown of 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		
	2018	2017	Variance	2018	2017	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Business Performance Services	102	(4,902)	NA	(558)	5,300	NA
Trading & Distribution Services	(1,297)	1,037	NA	(2,405)	586	NA
Digital & Infrastructure Services	(481)	(2,895)	(83.4)	(2,365)	(7,777)	(69.6)
Others	<u>(3,996)</u>	<u>(2,388)</u>	<u>67.3</u>	<u>(47,253)</u>	<u>(8,755)</u>	<u>NA</u>
	<u>(5,672)</u>	<u>(9,148)</u>	<u>(38.0)</u>	<u>(52,581)</u>	<u>(10,646)</u>	<u>NA</u>
Less : Elimination	<u>(948)</u>	<u>(1,350)</u>		<u>33,791</u>	<u>(3,502)</u>	
Loss before tax	<u>(6,620)</u>	<u>(10,498)</u>	<u>(36.9)</u>	<u>(18,790)</u>	<u>(14,148)</u>	<u>32.8</u>

The Group posted a loss before tax of RM6.62 million for the current financial quarter as compared to a loss before tax of RM10.50 million as recorded in the previous corresponding quarter. The decrease was mainly attributable to lower employees costs as compared to the corresponding quarter last year.

2 Variation of results against preceding quarter

	THREE MONTHS ENDED 31 DECEMBER 2018	THREE MONTHS ENDED 30 SEPTEMBER 2018	Variance
	RM'000	RM'000	%
Revenue	<u>56,076</u>	<u>74,709</u>	(24.9)
Loss before tax	<u>(6,620)</u>	<u>(6,447)</u>	2.7

The Group's revenue for the current quarter under review is 24.9% lower than that recorded for the immediate preceding quarter, due to lower order fulfilment in the Trading & Distribution Services segment.

Despite the decrease of revenue of RM18.63 million, the Group recorded only RM0.2 million higher loss before tax because of the higher operating expenses in the immediate preceding quarter due to the loss on disposal of DGSB and Fiber.

**Additional information required by Bursa Securities Listing Requirements
For the Third Quarter Ended 31 December 2018**
3 Business prospects

Micro and macro-economic uncertainties continue to have an impact on the Group's business and it is likely that these conditions will continue through to the fourth quarter FY19. These circumstance aside, steps were already taken by the Board to reduce its investments in the start up companies by forming strategic partnerships, and securing projects that will generate sustainable revenue. The rationalization of the start up companies is well under way, whilst the projects secured are currently being implemented and once live, will begin to deliver that recurring revenue. This revenue will have a significant impact on the profitability for the Group. In addition to this and the pipeline that the Group has identified and continues to build, the Board expects to see an improved and positive financial year ending 31 March 2020.

4 Profit forecast

Not applicable.

5 Tax income / (expense)

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Current tax expense				
- Malaysian taxation	39	(346)	1,225	1,303
- Foreign taxation	-	232	-	486
	<u>39</u>	<u>(114)</u>	<u>1,225</u>	<u>1,789</u>
(Over) / Under provision in prior period				
- Malaysian taxation	(605)	246	(605)	352
- Foreign taxation	-	(28)	-	(28)
	<u>(605)</u>	<u>218</u>	<u>(605)</u>	<u>324</u>
	<u>(566)</u>	<u>104</u>	<u>620</u>	<u>2,113</u>
Deferred taxation				
- origination and reversal of temporary differences				
- Malaysian taxation	(119)	93	(15)	(210)
	<u>(685)</u>	<u>197</u>	<u>605</u>	<u>1,903</u>

The Group incurred an nominal 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. 2,303,400 Placement Shares were subsequently issued on 4 September 2018 and a total cash proceeds of RM0.82 million were raised.

On 11 December 2018, the Company announced that the issue price for the third tranche of Placement Shares is fixed at RM0.355 per Placement Share pursuant to the Private Placement. 20,000,000 Placement Shares were subsequently issued on 12 December 2018 and a total cash proceeds of RM7.10 million were raised.

On 12 December 2018, the Company announced that the Private Placement is completed following the listing of and quotation in aggregate of 43,303,400 new shares.

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

**Additional information required by Bursa Securities Listing Requirements
For the Third Quarter Ended 31 December 2018**
7 Status of utilisation of proceeds from Private Placement

On 12 December 2018, the Private Placement has been fully completed with the listing of and quotation for the 43,303,400 Placement Shares on the Main Market of Bursa Securities.

As at 26 February 2019, the status of utilisation of the proceeds raised is as follows: -

	Intended timeframe	Proposed Utilisation RM'000	Actual Utilisation as at 26 FEBRUARY 2019 RM'000	Balance Utilisation RM'000
a) Repayment of Bank Borrowings	Within six (6) months	3,500	3,500	-
b) Working capital for general business purposes	Within twelve (12) months	12,418	12,418	-
c) Estimated expenses for the Proposed Private Placement	Within one (1) month	400	400	-
Total		<u>16,318</u>	<u>16,318</u>	<u>-</u>

8 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 31 DECEMBER 2018 RM'000
Short term bank borrowings - secured	58,362
Long term bank borrowings - secured	13,429
	<u>71,791</u>

9 Changes in material litigation

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

10 Dividends

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

11 Loss per ordinary share
Basic / diluted loss 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 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2018	2017	2018	2017
Loss after tax and non-controlling interests (RM'000)	(5,234)	(9,116)	(18,309)	(15,812)
Number of shares in issue as at beginning of the period ('000)	456,338	430,655	431,075	430,254
Effect of issuance of LTIP ('000)	369	-	353	-
Effect of conversion of warrant B ('000)	-	-	1,345	-
Effect of private placement ('000)	4,348	-	15,365	290
WA number of ordinary shares in issue ('000)	<u>461,055</u>	<u>430,655</u>	<u>448,138</u>	<u>430,544</u>
Basic / diluted loss per ordinary share (sen)	<u>(1.14)</u>	<u>(2.12)</u>	<u>(4.09)</u>	<u>(3.67)</u>

Additional information required by Bursa Securities Listing Requirements
For the Third Quarter Ended 31 December 2018

12 Loss before tax

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Loss before tax is arrived at after charging: -				
Bad debts written off	-	-	-	23
Depreciation and amortisation	889	2,036	3,077	6,461
Equity settled share-based payment transactions	496	456	1,180	1,368
Impairment losses on:				
- trade and other receivables	4	-	4	-
- property, plant and equipment	1	-	4	-
Interest expenses	2,007	2,379	6,078	7,021
Inventories written down	13	-	14	1
Loss on disposal of:				
- a subsidiary	-	-	1,165	-
- an associate	-	-	2,346	-
- other investments	-	-	-	614
- property, plant and equipment	-	8	-	-
Net loss on dilution of equity interest in associates	-	389	1,090	1,976
Net loss on fair value adjustment on other investments	2,039	-	2,964	634
Net unrealised loss on foreign currency translation	90	456	-	350
Property, plant and equipment written off	-	2	-	2
Provision for post-employment benefits	-	-	-	179
Write off of deposits	-	-	13	-

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
And crediting: -				
Bad debts recovered	5	-	5	-
Gain on disposal of:				
- property, plant and equipment	-	-	-	2
Net gain on dilution of equity interest in associates	79	-	-	-
Interest income	167	341	711	907
Inventories written back	17	-	17	-
Net realised gain on foreign currency transactions	-	22	236	121
Net unrealised gain on foreign currency translation	-	-	1	-
Reversal of impairment losses on:				
- trade receivables	-	154	281	891
Share of profits of associates	736	1,303	2,394	3,885