

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

	INDIVIDUAL QUARTER THREE MONTHS ENDED			CUMULATIVE PERIOD NINE MONTHS ENDED		
	31 DECEMBER 2019 RM'000 Unaudited	31 DECEMBER 2018 RM'000 Unaudited	Variance %	31 DECEMBER 2019 RM'000 Unaudited	31 DECEMBER 2018 RM'000 Unaudited	Variance %
Revenue	51,829	56,076	(7.6)	177,154	183,992	(3.7)
Cost of sales	(31,626)	(43,508)	(27.3)	(118,943)	(141,432)	(15.9)
Gross profit	20,203	12,568	60.7	58,211	42,560	36.8
Other income	190	263	(27.8)	26,616	1,835	>100.0
Other operating expenses	(18,071)	(18,113)	(0.2)	(51,830)	(59,320)	(12.6)
Finance costs	(1,954)	(2,074)	(5.8)	(5,834)	(6,259)	(6.8)
Share of results of associates, net of tax	2,398	736	>100.0	4,606	2,394	92.4
Share of results of a jointly-controlled entity, net of tax	-	-	NA	(22)	-	NA
Profit / (Loss) before tax	2,766	(6,620)	NA	31,747	(18,790)	NA
Taxation	(26)	685	NA	(3,321)	(605)	>100.0
Profit / (Loss) for the financial period	<u>2,740</u>	<u>(5,935)</u>	NA	<u>28,426</u>	<u>(19,395)</u>	NA
Other comprehensive loss, net of tax						
Items that may be reclassified subsequently to profit or loss:						
- Foreign currency translation differences for foreign operations	21	(35)	NA	(171)	(186)	(8.1)
- Share of other comprehensive loss of associates	(2)	12	NA	(2)	(59)	(96.6)
Other comprehensive loss, net of tax	<u>19</u>	<u>(23)</u>	NA	<u>(173)</u>	<u>(245)</u>	(29.4)
Total comprehensive income / (loss)	<u>2,759</u>	<u>(5,958)</u>	NA	<u>28,253</u>	<u>(19,640)</u>	NA
Profit / (Loss) attributable to:-						
Owners of the Parent	942	(5,234)	NA	25,263	(18,309)	NA
Non-controlling interests	1,798	(701)	NA	3,163	(1,086)	NA
Profit / (Loss) for the financial period	<u>2,740</u>	<u>(5,935)</u>	NA	<u>28,426</u>	<u>(19,395)</u>	NA
Total comprehensive income / (loss) attributable to:-						
Owners of the Parent	956	(5,257)	NA	25,108	(18,488)	NA
Non-controlling interests	1,803	(701)	NA	3,145	(1,152)	NA
Total comprehensive income / (loss)	<u>2,759</u>	<u>(5,958)</u>	NA	<u>28,253</u>	<u>(19,640)</u>	NA
Earnings / (Loss) per ordinary share (sen)						
- Basic and diluted	<u>0.20</u>	<u>(1.14)</u>		<u>5.28</u>	<u>(4.09)</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 2019.)

OMESTI BERHAD (530701-T)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	As at 31 DECEMBER 2019 RM'000 Unaudited	As at 31 MARCH 2019 RM'000 Audited
ASSETS		
Non-Current Assets		
Property, plant and equipment	7,114	8,647
Investment in associates	93,203	88,739
Investment in a jointly-controlled entity	-	22
Other intangible assets	8,036	10,555
Other investments	3,898	5,077
Investment properties	979	994
Other receivables	2,442	5,979
Goodwill on consolidation	38,027	38,027
Deferred tax assets	4,106	5,055
	<u>157,805</u>	<u>163,095</u>
Current Assets		
Other investments	109	106
Inventories	1,826	2,852
Trade receivables	28,204	46,114
Other receivables, deposits and prepayments	106,872	95,320
Contract assets	2,097	5,771
Amounts owing by associates	101	1
Amount owing by a jointly-controlled entity	246	77
Current tax assets	3,220	6,772
Cash and cash equivalents	42,591	37,927
	<u>185,266</u>	<u>194,940</u>
	<u>343,071</u>	<u>358,035</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	249,116	248,723
Other reserves	24,224	27,956
Accumulated losses	(106,575)	(135,345)
	<u>166,765</u>	<u>141,334</u>
Non-controlling interests	<u>11,092</u>	<u>5,893</u>
TOTAL EQUITY	<u>177,857</u>	<u>147,227</u>
Non-Current Liabilities		
Borrowings	7,368	9,983
Provision for post employment benefits	3,868	3,868
Deferred tax liabilities	2	2
	<u>11,238</u>	<u>13,853</u>
Current Liabilities		
Trade payables	35,123	38,257
Other payables, deposits and accruals	36,738	50,398
Contract liabilities	18,027	30,168
Amounts owing to associates	53	378
Borrowings	62,520	77,373
Current tax payables	1,515	381
	<u>153,976</u>	<u>196,955</u>
	<u>165,214</u>	<u>210,808</u>
TOTAL LIABILITIES	<u>165,214</u>	<u>210,808</u>
TOTAL EQUITY AND LIABILITIES	<u>343,071</u>	<u>358,035</u>
Net assets per share (RM)	<u>0.3485</u>	<u>0.3104</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 2019.)

OMESTI BERHAD (530701-T)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

	-----> Attributable to owners of the Parent <----->						Total attributable to owners of the parent RM'000	Non- controlling interests RM'000	Total equity RM'000
	-----> Non-distributable <----->			-----> Distributable <----->					
Unaudited Nine Months Financial Period Ended 31 DECEMBER 2019	Share capital RM'000	Capital reserve RM'000	Warrant reserve RM'000	Equity compensation reserve RM'000	Exchange translation reserve RM'000	Accumulated losses RM'000			
Balance as at 1 APRIL 2019	248,723	24,663	-	3,577	(284)	(135,345)	141,334	5,893	147,227
Profit for the financial period	-	-	-	-	-	25,263	25,263	3,163	28,426
Foreign currency translation for foreign operations, net of tax	-	-	-	-	(153)	-	(153)	(18)	(171)
Share of other comprehensive loss of associates, net of tax	-	-	-	-	(2)	-	(2)	-	(2)
Total comprehensive (loss)/profit for the financial period	-	-	-	-	(155)	25,263	25,108	3,145	28,253
Transactions with owners									
Shares issued pursuant to Long Term Incentive Plan ("LTIP")	393	-	-	-	-	-	393	-	393
Arising from accretion of equity interests in subsidiaries	-	-	-	-	-	(597)	(597)	(408)	(1,005)
Arising from dilution of equity interests in subsidiaries	-	-	-	-	-	4,104	4,104	5,101	9,205
Share-based payment transactions in a subsidiary	-	-	-	(3,577)	-	-	(3,577)	(2,639)	(6,216)
Total transactions with owners	393	-	-	(3,577)	-	3,507	323	2,054	2,377
Balance as at 31 DECEMBER 2019	<u>249,116</u>	<u>24,663</u>	<u>-</u>	<u>-</u>	<u>(439)</u>	<u>(106,575)</u>	<u>166,765</u>	<u>11,092</u>	<u>177,857</u>

OMESTI BERHAD (530701-T)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019 (continued)**

	-----> Attributable to owners of the Parent ----->						<-Distributable ->		
	-----> Non-distributable ----->								
Unaudited Nine Months Financial Period Ended 31 DECEMBER 2018	Share capital RM'000	Capital reserve RM'000	Warrant reserve RM'000	Equity compensation reserve RM'000	Exchange translation reserve RM'000	Accumulated losses RM'000	Total attributable to owners of the parent RM'000	Non- controlling interests RM'000	Total equity RM'000
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, net of tax	-	-	-	-	(120)	-	(120)	(66)	(186)
Share of other comprehensive loss 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
Issuance of shares pursuant to exercise of warrant	1,099	-	(235)	-	-	-	864	-	864
Warrants 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>

(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 2019.)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**
NINE MONTHS ENDED

	31 DECEMBER 2019 RM'000 Unaudited	31 DECEMBER 2018 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	31,747	(18,790)
Adjustments for:		
Allowance for Diminution in Value no longer required	(421)	-
Bad debts recovered	-	(5)
Depreciation and amortisation	4,733	3,077
Equity settled share-based payment transactions	(5,823)	1,180
Impairment losses on receivables	6,000	4
Impairment losses on property, plant and equipment	1	4
Interest expense	5,594	6,078
Interest income	(545)	(711)
Inventories written back	(23)	(17)
Inventories written off	-	14
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	(1)	-
Net loss on dilution of equity interest in associates	142	1,090
Net (gain) / loss on fair value adjustments on other investments	(664)	2,964
Net unrealised loss on foreign currency exchange	-	(1)
Provision for doubtful debts no longer required	(104)	-
Reversal of impairment loss on trade receivables	-	(281)
Share of results of associates	(4,606)	(2,394)
Share of results of a jointly-controlled entity	22	-
Write off of deposits	-	13
Operating profit / (loss) before working capital changes	36,052	(4,264)
Net changes in assets	(17,036)	12,010
Net changes in liabilities	(28,396)	(2,989)
Net cash (used in)/from operations	(9,380)	4,757
Tax paid	(2,496)	(3,079)
Tax refunded	4,809	117
Net cash (used in)/from operating activities	(7,067)	1,795
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of additional shares in quoted investments	-	(24)
Acquisition of additional shares in subsidiaries	(1,005)	(1,600)
Addition of software development	(128)	(421)
Disposal of a subsidiary, net of cash disposed off	26,879	(157)
Interest received	542	708
Net withdrawal / (placement) of fixed deposits pledged	2,917	(1,345)
Proceeds from disposal of interest in an associate	-	8,130
Proceeds from disposal of property, plant and equipment	1	-
Investment in a joint venture	-	(150)
Purchase of property, plant and equipment	(216)	(159)
Net cash generated from investing activities	28,990	4,982
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of borrowings	(19,481)	(22,805)
Proceeds from exercise of warrants	-	864
Proceeds from shares issued pursuant to private placement in a subsidiary	9,205	16,318
Interest paid	(5,594)	(6,078)
Net cash used in financing activities	(15,870)	(11,701)
Net increase / (decrease) in cash and cash equivalents	6,053	(4,924)
Cash and cash equivalents at 1 APRIL 2019/2018*	21,677	27,581
Effect of foreign exchange on opening balance	(163)	(137)
Cash and cash equivalents at 31 DECEMBER 2019/2018*	27,567	22,520

* 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 2019.)

OMESTI BERHAD (530701-T)

Incorporated in Malaysia

Notes to the Interim Financial Report

For the Third Quarter Ended 31 December 2019

1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements outlined in the Malaysian Financial Reporting Standard ("MFRS") 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 MARCH 2019. The explanatory notes attached to the interim financial statements 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 2019.

2 Significant Accounting Policies

The significant accounting policies and methods of computation adopted 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 2019, except for the adoption of the following new MFRSs, amendments to MFRSs and IC interpretations that are effective from 1 JANUARY 2019: -

MFRS 16 *Leases*

IC Interpretation 23 *Uncertainty over Income Tax Treatments*

Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*

Amendments to MFRS 9 *Prepayment Features with Negative Compensation*

Amendments to MFRS 3 *Annual Improvements to MFRS Standards 2015-2017 Cycle*

Amendments to MFRS 11 *Annual Improvements to MFRS Standards 2015-2017 Cycle*

Amendments to MFRS 112 *Annual Improvements to MFRS Standards 2015-2017 Cycle*

Amendments to MFRS 123 *Annual Improvements to MFRS Standards 2015-2017 Cycle*

Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*

The adoption of the above did not have any significant effects on the interim financial statements upon their initial application.

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 2019 was not qualified.

4 Seasonal and cyclical factors

The business operations of the Group was not materially 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 7 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 changes in estimates of amounts which have a material effect to 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 969,400 new ordinary shares pursuant to the exercise of Employee Share Grant Plan ("ESGP").

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.

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 2019						
Unaudited						
External revenue	81,116	95,036	968	34	-	177,154
Inter segment revenue	39,869	7,604	4	1,471	(48,948)	-
Total Revenue	120,985	102,640	972	1,505	(48,948)	177,154
Segment results	30,594	(4,815)	(479)	16,557	(9,645)	32,212
Share of results of associates	-	-	-	4,606	-	4,606
Share of results of a jointly-controlled entity	-	-	-	(22)	-	(22)
Interest expense	(1,486)	(1,038)	-	(3,070)	-	(5,594)
Interest Income	330	132	-	83	-	545
Profit / (Loss) before tax	29,438	(5,721)	(479)	18,154	(9,645)	31,747
Segment assets	249,636	84,064	1,919	213,957	(206,505)	343,071
Nine Months Financial Period Ended 31 DECEMBER 2018						
Unaudited						
External revenue	98,682	82,306	2,587	417	-	183,992
Inter segment revenue	19,414	9,439	49	1,678	(30,580)	-
Total Revenue	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 tax	(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

OMESTI BERHAD (530701-T)

Incorporated in Malaysia

Notes to the Interim Financial Report

For the Third Quarter Ended 31 December 2019

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

Man Yau Holdings Berhad ("MYHB"), a wholly-owned subsidiary of the Group has on 15 JULY 2019 disposed off 3,000,000 ordinary shares in Formis e Solutions Sdn. Bhd. ("FES"), a company incorporated in Malaysia that remained inactive, representing 100% of the equity interest for a total cash consideration of RM26,880,000 to an unrelated party. Following the disposal, FES ceased to be a subsidiary of the Company.

During the financial period under review, Omesti Holdings Berhad ("OHB"), a wholly-owned subsidiary of the Group acquired 1,529,200 ordinary shares in Microlink Solutions Berhad ("Microlink"), a 61.5% owned subsidiary of OHB, representing 0.9% of the total issued and paid-up share capital of Microlink for a total cash consideration of RM833,665. In DECEMBER 2019, OHB's equity interest in Microlink has been diluted from 62.4% to 56.8% resulting from the private placement of 16,736,800 ordinary shares of Microlink. Subsequently, OHB acquired 208,700 ordinary shares in Microlink, representing 0.1% of the total issued and paid-up share capital of Microlink for a total consideration of RM171,483. Following the acquisition, OHB now holds 56.9% equity interest in Microlink.

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

12 Subsequent events

OHB, a wholly-owned subsidiary of the Group has on 24 FEBRUARY 2020 subscribed to its entitlement of 2,997 new ordinary shares at an issue price of RM100.00 per share, representing 30% of the enlarged issued share capital of Crif Omesti Sdn Bhd ("Crif Omesti"), an existing 30% owned associated company of OHB, for a total cash subscription price of RM299,700.

Subsequent to the quarter end under review and up to the date of this announcement, OHB, a wholly-owned subsidiary of the Group acquired 7,158,300 ordinary shares in Microlink, a 56.9% owned subsidiary of OHB, representing 3.9% of the total issued and paid-up share capital of Microlink for a total cash consideration of RM6,417,016. Following the acquisition, OHB now holds 60.8% equity interest in Microlink.

Saved as disclosed above, 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

There were no changes in contingent liabilities or contingent assets during the current financial period under review.

14 Capital commitments

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

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 2019	As at 31 DECEMBER 2018
	RM'000	RM'000
Cash and bank balances	31,507	12,401
Fixed deposits with licensed financial institutions	11,084	27,780
	<u>42,591</u>	<u>40,181</u>
Less: Fixed deposits pledged with licensed banks	(11,642)	(13,954)
Less: Bank overdraft	(3,382)	(3,707)
	<u><u>27,567</u></u>	<u><u>22,520</u></u>

Additional information required by Bursa Securities Listing Requirements
For the Third Quarter Ended 31 December 2019

1 Detailed analysis of performance

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

	INDIVIDUAL QUARTER THREE MONTHS ENDED			CUMULATIVE PERIOD NINE MONTHS ENDED		
	31 DECEMBER 2019 RM'000 Unaudited	31 DECEMBER 2018 RM'000 Unaudited	Variance %	31 DECEMBER 2019 RM'000 Unaudited	31 DECEMBER 2018 RM'000 Unaudited	Variance %
Business Performance Services	41,549	35,796	16.1	120,985	118,096	2.4
Trading & Distribution Services	33,110	27,729	19.4	102,640	91,745	11.9
Digital & Infrastructure Services	141	558	(74.7)	972	2,636	(63.1)
Others	500	732	(31.7)	1,505	2,095	(28.2)
	75,300	64,815	16.2	226,102	214,572	5.4
Less : Inter Segment Revenue	(23,471)	(8,739)		(48,948)	(30,580)	
Total Group Revenue	51,829	56,076	(7.6)	177,154	183,992	(3.7)

The Group's revenue for the current quarter under review has decreased to RM51.83 million or a decrease of 7.6% as compared to the corresponding quarter of the preceding financial period mainly due to lower order fulfilments and progress billings in the Business Performance Services segment.

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

	INDIVIDUAL QUARTER THREE MONTHS ENDED			CUMULATIVE PERIOD NINE MONTHS ENDED		
	31 DECEMBER 2019 RM'000 Unaudited	31 DECEMBER 2018 RM'000 Unaudited	Variance %	31 DECEMBER 2019 RM'000 Unaudited	31 DECEMBER 2018 RM'000 Unaudited	Variance %
Business Performance Services	7,566	102	>100.0	29,438	(558)	NA
Trading & Distribution Services	225	(1,297)	NA	(5,721)	(2,405)	>100.0
Digital & Infrastructure Services	(56)	(481)	(88.4)	(479)	(2,365)	(79.7)
Others	(4,253)	(3,996)	6.4	18,154	(47,253)	NA
	3,482	(5,672)	NA	41,392	(52,581)	NA
Less : Elimination	(716)	(948)		(9,645)	33,791	
Profit / (Loss) before tax	2,766	(6,620)	NA	31,747	(18,790)	NA

The Group posted a profit before tax of RM2.77 million for the current financial quarter as compared to a loss before tax of RM6.62 million as recorded in the previous corresponding quarter. The increase is mainly due to the higher gross profit margin achieved in the Business Performance Services segment as a result of improved efficiency.

2 Variation of results against preceding quarter

	THREE MONTH ENDED 31 DECEMBER 2019 RM'000	THREE MONTHS ENDED 30 SEPTEMBER 2019 RM'000	Variance %
	Revenue	51,829	65,306
Profit before tax	2,766	24,632	(88.8)

The Group's revenue for the current quarter under review is 20.6% lower than that recorded for the immediate preceding quarter mainly due to lower external order fulfilments and progress billings from the Trading & Distribution segment.

The profit before tax for the immediate preceding quarter is higher than that for the current quarter under review, mainly contributed by the gain on disposal of a subsidiary in the preceding quarter.

**Additional information required by Bursa Securities Listing Requirements
For the Third Quarter Ended 31 December 2019**
3 Business prospects

Despite the ongoing external macro economics uncertainties, the Group is confident of remaining profitable for the current financial year.

4 Profit forecast

Not applicable.

5 Taxation

	INDIVIDUAL QUARTER THREE MONTHS ENDED		CUMULATIVE PERIOD NINE MONTHS ENDED	
	31 DECEMBER 2019 RM'000 Unaudited	31 DECEMBER 2018 RM'000 Unaudited	31 DECEMBER 2019 RM'000 Unaudited	31 DECEMBER 2018 RM'000 Unaudited
Current tax expense				
- Malaysian taxation	507	39	1,987	1,225
(Over)/ under provision in prior periods				
- Malaysian taxation	(481)	(605)	385	(605)
	26	(566)	2,372	620
Deferred taxation				
- origination and reversal of temporary differences				
- Malaysian taxation	-	(119)	949	(15)
	26	(685)	3,321	605

The Group incurred an income tax expense with a lower effective interest rate for the financial period under review. This is because the Company has benefited from utilisation of the unused tax losses of certain subsidiaries.

6 Status of corporate proposals

On 20 December 2019, the Company announced that the Company proposes to implement a private placement of up to 47,856,100 new ordinary shares ("Placement Shares") in Omesti, to independent third party investor(s) to be identified ("Private Placement").

The listing application in relation to the Private Placement was approved by Bursa Securities on 6 February 2020.

On 14 February 2020, the Company announced that the issue price for the Placement Shares is fixed at RM0.50 per Placement Share to be issued pursuant to the Private Placement.

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

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 RM.

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.

**Additional information required by Bursa Securities Listing Requirements
For the Third Quarter Ended 31 December 2019**

10 Earnings / (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 period.

	INDIVIDUAL QUARTER THREE MONTHS ENDED		CUMULATIVE PERIOD NINE MONTHS ENDED	
	31 DECEMBER 2019 Unaudited	31 DECEMBER 2018 Unaudited	31 DECEMBER 2019 Unaudited	31 DECEMBER 2018 Unaudited
Profit / (Loss) after tax and non-controlling interests (RM'000)	942	(5,234)	25,263	(18,309)
Number of shares in issue as at beginning of the period ('000)	478,562	456,338	477,592	431,075
Effect of issuance of LTIP ('000)	-	369	666	353
Effect of conversion of Warrant B ('000)	-	-	-	1,345
Effect of private placement ('000)		4,348		15,365
WA number of ordinary shares in issue ('000)	478,562	461,055	478,258	448,138
Basic / diluted earnings / (loss) per ordinary share (sen)	0.20	(1.14)	5.28	(4.09)