

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	INDIVIDUAL QUARTER THREE MONTHS ENDED			CUMULATIVE PERIOD SIX MONTHS ENDED		
	30 SEPT 2023 RM'000 Unaudited	30 SEPT 2022 RM'000 Unaudited	Variance %	30 SEPT 2023 RM'000 Unaudited	30 SEPT 2022 RM'000 Unaudited	Variance %
<u>Continuing Operations</u>						
Revenue	26,881	20,893	28.7	51,904	52,172	(0.5)
Cost of sales	(10,046)	(18,478)	(45.6)	(23,092)	(35,692)	(35.3)
Gross profit	16,835	2,415	597.1	28,812	16,480	74.8
Other income	887	189,551	(99.5)	7,740	190,222	(95.9)
Other operating expenses	(16,752)	(19,888)	(15.8)	(36,367)	(35,952)	1.2
Finance costs	(4,678)	(5,721)	(18.2)	(9,911)	(10,998)	(9.9)
Share of results of associates, net of tax	(1,390)	2,179	(163.8)	(311)	1,264	NA
Profit/ (Loss) before tax from continuing operations	(5,098)	168,536	NA	(10,037)	161,016	(106.2)
Taxation	(402)	-	NA	(611)	-	NA
(Loss) / profit for the financial period from continuing operations	(5,500)	168,536	NA	(10,648)	161,016	(106.6)
<u>Discontinued Operations</u>						
(Loss)/Profit before tax from discontinued operations	-	(488)	NA	-	7,388	NA
Taxation	-	219	NA	-	(801)	NA
Profit for the financial period from discontinued operations	-	(269)	NA	-	6,587	NA
(Loss)/ profit for the financial period	(5,500)	168,267	NA	(10,648)	167,603	(106.4)
Other comprehensive income, net of tax						
Items that may be reclassified subsequently to profit or loss:						
- Foreign currency translation differences for foreign operations	425	(5)	NA	77	8	NA
- Share of other comprehensive loss of associates	(212)	-	NA	(251)	-	NA
Other comprehensive loss, net of tax	213	(5)	NA	(174)	8	NA
Total comprehensive (loss) / income	(5,287)	168,262	NA	(10,822)	167,611	NA
(Loss)/ profit attributable to:-						
Owners of the Parent	(5,986)	167,980	NA	(11,224)	164,024	NA
Non-controlling interests	486	287	69.3	576	3,579	(83.9)
(Loss)/ profit for the financial period	(5,500)	168,267	NA	(10,648)	167,603	NA
Total comprehensive (loss)/ income attributable to:-						
Owners of the Parent	(5,772)	167,975	NA	(11,397)	164,030	NA
Non-controlling interests	485	287	69.0	575	3,581	(83.9)
Total comprehensive (loss) / income	(5,287)	168,262	NA	(10,822)	167,611	NA
(Loss)/ profit per ordinary share (sen)						
- Basic and diluted	(1.11)	31.45		(2.08)	30.71	

(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 2023.)

OMESTI BERHAD (200001028094 (530701 - T))

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023**

	As at 30 SEPT 2023 RM'000 Unaudited	As at 31 MAR 2023 RM'000 Audited
ASSETS		
Non-Current Assets		
Right-of-Use assets	49,489	26,992
Property, plant and equipment	3,010	1,862
Investment in associates	295,309	309,246
Other intangible assets	159,942	161,909
Other investments	760	1,796
Investment properties	664	674
Goodwill on consolidation	14,099	14,099
Deferred tax assets	727	721
	524,000	517,299
Current Assets		
Inventories	8,731	12,213
Trade receivables	12,714	15,456
Other receivables, deposits and prepayments	11,169	19,777
Contract assets	741	38
Amount due from related parties	-	5,584
Amounts owing by associates	363	84
Amount owing by a jointly-controlled entity	741	1,267
Current tax assets	1,927	1,485
Cash and cash equivalents	38,021	49,296
	74,407	105,200
	598,407	622,499
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	279,795	279,795
Other reserves	23,501	23,423
Warrant reserves	27,121	27,121
Retained profits/ Accumulated losses	(20,512)	442
	309,905	330,781
Non-controlling interests	5,939	(4,115)
TOTAL EQUITY	315,844	326,666
Non-Current Liabilities		
Other payables, deposits & accruals	-	439
Borrowings	27,021	16,695
Provision for post employment benefits	116	116
Deferred tax liabilities	32	2
Redeemable Preference shares	91,885	89,222
	119,054	106,474
Current Liabilities		
Trade payables	14,141	7,428
Other payables, deposits and accruals	30,557	42,846
Contract liabilities	24	25
Amount due to related parties	26,777	31,941
Amounts owing to associates	168	1,090
Amount due to joint venture	145	20
Borrowings	91,512	105,989
Current tax payables	185	20
	163,509	189,359
	282,563	295,833
TOTAL LIABILITIES	282,563	295,833
TOTAL EQUITY AND LIABILITIES	598,407	622,499
Net assets per share (RM)	0.5732	0.6192

(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 2023.)

OMESTI BERHAD (200001028094 (530701 - T))
 Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	----- Non-distributable -----							
	Share capital RM'000	Capital reserve RM'000	Warrant reserve RM'000	Exchange translation reserve RM'000	Retained profits / Accumulated losses RM'000	Total attributable to owners of the parent RM'000	Non- controlling interests RM'000	Total equity RM'000
Unaudited								
Six Months Financial Period Ended 30 September 2023								
Balance as at 1 APRIL 2023	279,795	24,663	27,121	(1,240)	442	330,781	(4,115)	326,666
Profit after tax for the financial period	-	-	-	-	(11,224)	(11,224)	576	(10,648)
Foreign currency translation for foreign operations, net of tax	-	-	-	78	-	78	(1)	77
Share of other comprehensive loss of associates, net of tax	-	-	-	-	(251)	(251)	-	(251)
Total comprehensive profit for the financial period	-	-	-	78	(11,475)	(11,397)	575	(10,822)
Transactions with owners								
Arising from decreation of equity interests in subsidiaries	-	-	-	-	(9,479)	(9,479)	9,479	-
Total transactions with owners	-	-	-	-	(9,479)	(9,479)	9,479	-
Balance as at 30 SEPTEMBER 2023	<u>279,795</u>	<u>24,663</u>	<u>27,121</u>	<u>(1,162)</u>	<u>(20,512)</u>	<u>309,905</u>	<u>5,939</u>	<u>315,844</u>

OMESTI BERHAD (200001028094 (530701 - T))
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (continued)**

	----- Non-distributable -----							
	Share capital RM'000	Capital reserve RM'000	Warrant 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
Unaudited								
Six Months Financial Period Ended 30 SEPTEMBER 2022								
Balance as at 1 APRIL 2022	276,949	24,663	27,121	(1,000)	(133,114)	194,619	92,662	287,281
(Loss) / profit after tax for the financial period	-	-	-	-	164,024	164,024	3,579	167,603
Foreign currency translation for foreign operations, net of tax	-	-	-	6	-	6	2	8
Total comprehensive (loss) / profit for the financial period	-	-	-	6	164,024	164,030	3,581	167,611
Transactions with owners								
Shares issued pursuant to Employee Share Grant Plan ("ESGP")	-	-	-	-	-	-	513	513
Effects arising from disposal of a subsidiary	-	-	-	-	-	-	(106,203)	(106,203)
Arising from accretion of equity interests in subsidiaries	-	-	-	-	6,961	6,961	6,561	13,522
Dividend paid	-	-	-	-	-	-	(225)	(225)
Total transactions with owners	-	-	-	-	6,961	6,961	(99,354)	(92,393)
Balance as at 30 SEPTEMBER 2022	<u>276,949</u>	<u>24,663</u>	<u>27,121</u>	<u>(994)</u>	<u>37,871</u>	<u>365,610</u>	<u>(3,111)</u>	<u>362,499</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 2023.)

OMESTI BERHAD (20001028094 (530701 - T))
Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

	SIX MONTHS ENDED	
	30 SEPT 2023 RM'000 Unaudited	30 SEPT 2022 RM'000 Unaudited
CASH FLOW USED IN OPERATING ACTIVITIES		
Profit/ (loss) before tax from continuing operations	(10,037)	161,016
Profit before tax from discontinued operations	-	7,388
	<u>(10,037)</u>	<u>168,404</u>
Adjustments for:		
Bad debts written off	-	227
Depreciation and amortisation	15,187	16,376
Interest expense	8,886	11,154
Interest income	(314)	(287)
Net gain on disposal of quoted investment	(12)	(21)
Net gain on disposal of subsidiaries	-	(189,065)
Net (gain) / loss on disposal of associates	(1,901)	31
Net loss on fair value adjustments on other investments	-	265
Provision of stock obsolescence no longer required	-	(107)
Impairment loss on joint venture	100	-
Gain on disposal of a subsidiary	3,617	-
Crystallisation of impairment of an amount due from a disposed subsidiary	(3,672)	-
Gain on disposal of property, plant and equipment	-	-
Impairment loss on receivables	(6)	-
Share of (gain)/ loss results of associates	311	(1,264)
	<u>12,159</u>	<u>5,713</u>
Operating profit before working capital changes	12,159	5,713
Net changes in assets	(651)	(71,034)
Net changes in liabilities	(6)	1,697
	<u>11,502</u>	<u>(63,624)</u>
Net cash used in operations	11,502	(63,624)
Tax paid	(987)	(934)
Tax refunded	99	-
	<u>10,614</u>	<u>(64,558)</u>
Net cash used in operating activities	10,614	(64,558)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisitions of additional interests in a subsidiary	-	(475)
Net disposal/(acquisition) of interest in associates	21,654	(135)
Addition of software development expenditure	-	(1,215)
Disposal of interest in subsidiaries	-	8,700
Interest received	314	287
Net placement of fixed deposits pledged	-	(335)
Acquisition of assets of property, plant and equipment	(40,834)	(563)
Purchase of other investments	-	(9,655)
Net proceeds from disposal of quoted securities	1,048	-
Purchase of property, plant and equipment	-	-
	<u>(17,818)</u>	<u>(3,391)</u>
Net cash from/ (used in) investing activities	(17,818)	(3,391)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayment)/ drawdown of borrowings	(17,649)	17,132
Repayment from hire purchase and lease creditors	19,560	-
Interest paid	(8,886)	(7,565)
Net proceeds of a private placement exercise in a subsidiary	-	-
	<u>(6,975)</u>	<u>9,567</u>
Net cash (used in)/ from financing activities	(6,975)	9,567
Net decrease in cash and cash equivalents	(14,179)	(58,382)
Cash and cash equivalents at 1 APRIL 2023/2022*	20,697	61,401
Effect of foreign exchange on opening balance	95	19
	<u>6,613</u>	<u>3,038</u>
Cash and cash equivalents at 30 September 2023/2022*	6,613	3,038

* 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 2023.)

OMESTI BERHAD (200001028094 (530701 - T))

Incorporated in Malaysia

Notes to the Interim Financial Report

For the Second Quarter Ended 30 September 2023

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 30 SEPTEMBER 2023. 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 30 SEPTEMBER 2023.

2 Significant Accounting Policies

The accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the financial statements for the financial year ended 30 SEPTEMBER 2023:

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 – Comparative Information)

Amendments to MFRS 101 Disclosure of Accounting Policies

Amendments to MFRS 108 Definition of Accounting Estimates

Amendments to MFRS 112 Deferred tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 16 Lease liability in a sale and leaseback

Amendments to MFRS 101 Classification of Liabilities as Current or Non-current

Amendments to MFRS 101 Non-current Liabilities with Covenants

International Tax Reform—Pillar Two Model Rules (Amendments to MFRS 112 Income Taxes)

Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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 2023 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

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.

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.
- Healthcare Services - Distribution of pharmaceutical products, vaccines and medical devices and provision of various medical 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	Healthcare Services RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Six Months Financial Period Ended 30 September 2023							
Unaudited							
Continuing Operations							
External revenue	40,300	-	28	11,054	522	-	51,904
Inter segment revenue	4,675	-	-	-	93	(4,768)	-
Total Revenue	44,975	-	28	11,054	615	(4,768)	51,904
Segment results	736	-	(115)	(1,058)	(13)	(705)	(1,155)
Share of results of associates	-	-	-	-	(311)	-	(311)
Share of results of a jointly-controlled entity	-	-	-	-	-	-	-
Interest expense	(6,637)	-	(4)	(99)	(2,145)	-	(8,886)
Interest Income	223	-	-	0	91	-	314
(Loss)/ profit before tax	(5,677)	-	(119)	(1,157)	(2,378)	(705)	(10,037)
Segment assets	595,633	-	2,793	23,514	333,101	(356,634)	598,407

Six Months Financial Period Ended 30 SEPTEMBER 2022
Unaudited
Continuing Operations

External revenue	40,128	-	28	11,479	537	-	52,172
Inter segment revenue	4,529	-	-	-	305	(4,834)	-
Total Revenue	44,657	-	28	11,479	842	(4,834)	52,172
Segment results	(836)	-	(286)	505	231,439	(60,577)	170,245
Share of results of associates	-	-	-	-	1,264	-	1,264
Share of results of a jointly-controlled entity	-	-	-	-	-	-	-
Interest expense	(6,851)	-	(8)	(70)	(3,703)	-	(10,632)
Interest Income	116	-	-	-	23	-	139
(Loss)/ profit before tax	(7,571)	-	(294)	435	229,023	(60,577)	161,016
Segment assets	604,613	-	399	22,423	402,225	(316,788)	712,872

Discontinued Operations

External revenue	15,303	30,088	-	-	-	-	45,391
Inter segment revenue	13,814	2,540	-	-	-	(16,354)	-
Total Revenue	29,117	32,628	-	-	-	(16,354)	45,391
Segment results	8,838	(163)	-	-	-	(913)	7,762
Interest expense	(185)	(337)	-	-	-	-	(522)
Interest Income	88	60	-	-	-	-	148
Profit before tax	8,741	(440)	-	-	-	(913)	7,388

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

(i) During the financial period under review, Omesti Holdings Berhad ("OHB"), a wholly-owned subsidiary of the Group sold net 23,991,400 ordinary shares in Microlink Solutions Berhad ("Microlink") for a total cash consideration of RM22,122,879.23. Following these transactions, OHB now holds 33.985% 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

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 30 SEPT 2023	As at 30 SEPT 2022
	RM'000	RM'000
Cash and bank balances	16,585	12,727
Fixed deposits with licensed financial institutions	<u>21,436</u>	<u>19,524</u>
	38,021	32,251
Less: Fixed deposits pledged with licensed banks	(21,436)	(19,524)
Less: Bank overdraft	<u>(9,972)</u>	<u>(9,689)</u>
	<u><u>6,613</u></u>	<u><u>3,038</u></u>

**Additional information required by Bursa Securities Listing Requirements
For the Second Quarter Ended 30 September 2023**
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 SIX MONTHS ENDED		
	30 SEPT 2023	30 SEPT 2022	Variance	30 SEPT 2023	30 SEPT 2022	Variance
	RM'000 Unaudited	RM'000 Unaudited	%	RM'000 Unaudited	RM'000 Unaudited	%
Continuing Operations						
Business Performance Services	23,280	17,624	32.1	44,975	44,657	0.7
Trading & Distribution Services	-	-	NA	-	-	NA
Digital & Infrastructure Services	13	14	(7.1)	28	28	-
Healthcare Services	5,752	5,896	(2.4)	11,054	11,479	(3.7)
Others	280	311	NA	615	842	(27.0)
	<u>29,325</u>	<u>23,845</u>	23.0	<u>56,672</u>	<u>57,006</u>	(0.6)
Less : Inter Segment Revenue	<u>(2,444)</u>	<u>(2,952)</u>		<u>(4,768)</u>	<u>(4,834)</u>	
Group Revenue from continuing operations	<u>26,881</u>	<u>20,893</u>	28.7	<u>51,904</u>	<u>52,172</u>	(0.5)
Discontinued Operations						
Business Performance Services	-	2,734	NA	-	29,117	NA
Trading & Distribution Services	-	1,870	NA	-	32,628	NA
	-	4,605	NA	-	61,745	NA
Less : Inter Segment Revenue	-	(5,913)		-	(16,354)	
Group Revenue from discontinued operations	-	(1,308)		-	45,391	
Total Group Revenue	<u>26,881</u>	<u>19,585</u>	37.3	<u>51,904</u>	<u>97,563</u>	(46.8)

The Group's revenue for the current quarter under review has increased to RM26.88 million, representing a increase of 37.3% as compared to the corresponding quarter of the preceding financial period mainly due to higher order fulfilments and progress billing in the Business Performance Services.

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

	INDIVIDUAL QUARTER THREE MONTHS ENDED			CUMULATIVE PERIOD SIX MONTHS ENDED		
	30 SEPT 2023	30 SEPT 2022	Variance	30 SEPT 2023	30 SEPT 2022	Variance
	RM'000 Unaudited	RM'000 Unaudited	%	RM'000 Unaudited	RM'000 Unaudited	%
Continuing Operations						
Business Performance Services	(811)	(6,525)	(87.6)	(5,677)	(7,571)	(25.0)
Trading & Distribution Services	-	-	NA	-	-	NA
Digital & Infrastructure Services	(45)	(124)	(64.0)	(119)	(294)	(59.5)
Healthcare Services	(580)	272	NA	(1,157)	435	NA
Others	(1,592)	185,223	NA	(2,378)	229,023	NA
	<u>(3,027)</u>	<u>178,846</u>	NA	<u>(9,332)</u>	<u>221,593</u>	NA
Less : Elimination	<u>(2,070)</u>	<u>(10,310)</u>		<u>(705)</u>	<u>(60,577)</u>	
(Loss)/ profit before tax from continuing operations	<u>(5,098)</u>	<u>168,536</u>	NA	<u>(10,037)</u>	<u>161,016</u>	NA
Discontinued Operations						
Business Performance Services	-	648	NA	-	8,741	NA
Trading & Distribution Services	-	(217)	NA	-	(440)	NA
	-	431	NA	-	8,301	NA
Less : Elimination	-	(919)		-	(913)	
Profit before tax from discontinued operations	-	(488)	NA	-	7,388	NA
Total (Loss)/ Profit before tax	<u>(5,098)</u>	<u>168,048</u>	NA	<u>(10,037)</u>	<u>168,404</u>	NA

The Group posted a loss before tax of RM5 million for the current financial quarter as compared to profit before tax of RM168.04 million recorded in the previous corresponding quarter. The change from profit from previous corresponding quarter to loss in current year quarter is due to previous quarter recognition of one time gain from the deemed disposal of a subsidiary.

**Additional information required by Bursa Securities Listing Requirements
For the Second Quarter Ended 30 September 2023**
2 Variation of results against preceding quarter

	THREE MONTHS ENDED		Variance
	30 SEPT 2023 RM'000	30 JUNE 2023 RM'000	
Continuing Operations			
Revenue	<u>26,881</u>	<u>25,023</u>	7.4
(Loss)/ Profit before tax	<u>(5,098)</u>	<u>(4,939)</u>	3.2
Discontinued Operations			
Revenue	<u>-</u>	<u>-</u>	NA
Loss before tax	<u>-</u>	<u>-</u>	NA
Total Revenue	<u>26,881</u>	<u>25,023</u>	7.4
Total (Loss)/ Profit before tax	<u>(5,098)</u>	<u>(4,939)</u>	3.2

The Group's revenue for the current quarter under review has increased to RM26.88 million, representing a increase of 7.4% as compared to the immediate preceding quarter mainly due to high order fulfilment and progress billing from business performance services.

The Group has registered a increased of loss before tax for the current quarter as compared to the immediate preceding quarter due to loss of an associates.

**Additional information required by Bursa Securities Listing Requirements
For the Second Quarter Ended 30 September 2023**
3 Business prospects

The Group would remain focused in increasing the revenue contribution and operational efficiency of the healthcare sector. Besides, the Group continues to be committed in maintaining and enhancing revenue and profitability from its existing IT division.

The Group would also look for growth opportunities within the healthcare sector including opening new branches to increase its presence and visibility in the healthcare market. This strategy is vital in ensuring that the Group maintains and increase its relevance and success within the healthcare industry.

4 Profit forecast

Not applicable.

5 Taxation

	INDIVIDUAL QUARTER THREE MONTHS ENDED		CUMULATIVE PERIOD SIX MONTHS ENDED	
	30 SEPT 2023	30 SEPT 2022	30 SEPT 2023	30 SEPT 2022
	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited
Continuing Operations				
Current tax expense				
- Malaysian taxation	402	-	612	-
Under/ (over) provision in prior periods				
- Malaysian taxation	-	-	-	-
	402	-	612	-
Deferred taxation				
- origination and reversal of temporary differences				
- Malaysian taxation	-	-	(1)	-
Under provision in prior periods				
- Malaysian taxation	-	-	-	-
	-	-	(1)	-
	402	-	611	-
Discontinued Operations				
Current tax expense				
- Malaysian taxation	-	(219)	-	801
Under/ (over) provision in prior periods				
- Malaysian taxation	-	-	-	-
	-	(219)	-	801
Deferred taxation				
- origination and reversal of temporary differences				
- Malaysian taxation	-	-	-	-
Under provision in prior periods				
- Malaysian taxation	-	-	-	-
	-	-	-	-
	-	(219)	-	801
Total Group Taxation	402	(219)	611	801

The Group has incurred an current tax expense of RM0.4 million in the current quarter under review for certain subsidiaries.

6 Status of corporate proposals

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 redeemable preference shares, term loan, invoice financing, lease creditors, trust receipts and bank overdraft, and are denominated in RM.

**Additional information required by Bursa Securities Listing Requirements
For the Second Quarter Ended 30 September 2023****8 Changes in material litigation**

Save as disclosed below, the Group and its subsidiaries are not engaged in any other material litigations, claims or arbitration, either as plaintiff or defendant as at the date of this report:

- 1) Foster Moore International Limited ("the Plaintiff") vs. Formis Network Services Sdn. Bhd. ("FNS") and Omesti Berhad ("Omesti")
Omesti together with Formis Network Services Sdn Bhd ("FNS"), an indirect subsidiary of Omesti (collectively, the "Defendants"), had on 13 May 2020 received a writ of summons and statement of claim, both dated 2 April 2020, from Foster Moore International Limited ("Plaintiff") alleging that FNS has failed to pay the Plaintiff for works done in accordance with a master service agreement dated 20 November 2017 entered into between the Plaintiff, Omesti (as corporate guarantor to guarantee the payment obligation of FNS) and FNS. The works in question relate to the provision of services and deliverables by the Plaintiff to FNS in connection with an online register of companies solution to the Companies Commission of Malaysia ("CCM").

The Plaintiff is seeking for, inter alia, the following orders from the Kuala Lumpur High Court ("the Court"):

- a) that the Defendants jointly and severally pay the Plaintiff an outstanding sum of USD0.8 million;
- b) interest at the rate of 1.5% per month for the sums due and owing amounting to an aggregate sum of USD0.8 million, calculated from the due date, being no later than 30 days after the date of the invoice or the date of issuance of the invoice, until the date of judgment;
- c) post-judgment interest at the rate of 5% per annum on the judgment sum from the date of judgment until full and final settlement of the same;
- d) costs; and
- e) any further and other relief as this Court deems appropriate.

The Defendants filed a statement of defence and counterclaim against the Plaintiff on 10 July 2020. In the counterclaim, the Defendants are claiming for, amongst

- (i) Damages for overpayment to the Plaintiff; and
- (ii) Licence fees in the approximate sum of USD1.0 million.

Subsequently, the Plaintiff filed its reply and defence to counterclaim on 4 September 2020 and the Defendants filed their reply to the Plaintiff's defence to counterclaim on 16 October 2020. Further the Defendants had received the Plaintiff amended reply to defence and counterclaim on 14 December 2020 and the Defendants had subsequently filed their amended reply to the Counterclaim on 4 January 2021.

The court was informed, on 25 October 2023, of the ongoing settlement negotiations between the Parties. The suit is presently fixed for further case management on 24 November 2023 for parties to finalise pre-trial documents. Trial is currently fixed for 5, 6 and 7 February 2024.

The solicitors acting for and on behalf of the Defendants believe that the Defendants have a fair chance of defending the claim and succeeding with the counterclaim.

- 2) Formis Network Services Sdn Bhd ("FNS") vs Suruhanjaya Svarikat Malaysia ("SSM")

On 5 August 2019, CCM issued a termination notice ("Termination Notice") to FNS to terminate the outsourcing agreement dated 28 November 2017 entered into between CCM and FNS (which was supplemented by a first supplemental agreement dated 28 March 2019) for the supply, implementation, training, support and maintenance of CCM's Core Digital Registry Solution ("Outsourcing Agreement"). Pursuant to the Termination Notice, CCM alleged that FNS failed and/or neglected to complete the implementation of "Release 1" within the prescribed time frame set out in the notice of default dated 3 June 2019 issued by CCM and to fulfil all its obligations as stipulated in the Outsourcing Agreement. By reason thereof, CCM sought to terminate the Outsourcing Agreement and demanded liquidated ascertained damages in the sum of RM13.2 million from FNS.

FNS in response, via its letter dated 9 August 2019, denied CCM's allegations and took the position, amongst others, that the Termination Notice is unlawful and premature. In this regard, FNS took the position that if CCM continues to breach the Outsourcing Agreement, FNS will be constrained to commence proceedings against CCM and the indicative sum of damages sought (which is provided by the Outsourcing Agreement) would be RM150.0 million.

The parties thereafter engaged in a dispute resolution discussions as provided for under the terms of the Outsourcing Agreement.

On 8 July 2020, CCM via its solicitors issued a letter to FNS confirming that CCM has maintained its decision to terminate the Outsourcing Agreement in accordance with the Termination Notice, as CCM believes that no amicable solution can be reached between the parties.

FNS maintains the position that it is not in default of the Outsourcing Agreement and had filed a writ and statement of claim on 11 February 2021 against CCM. CCM had served their defence and counterclaim on FNS on 30 March 2021, claiming among others: -

- a) M 49,298,651.00 for liquidated ascertained damages ("LAD") allegedly owing by FNS to CCM due to delays and costs for the payment of licensing which CCM would not have had to allegedly incur, had the Core Project been completed as per the agreed timeline under the Outsourcing Agreement
- b) Damages – to be assessed by Court
- c) Interests on all sums allegedly due
- d) Costs
- e) An order for the delivery of all the content, materials, designs, specifications, records, accounts, detailed report, data, document and any other information belonging to the CCM by FNS.

**Additional information required by Bursa Securities Listing Requirements
For the Second Quarter Ended 30 September 2023**
8 Changes in material litigation (cont.)

FNS filed and served its reply to CCM's defence and counterclaim on 12 May 2021 denying and disputing CCM's defence and counterclaim. Apart from the writ and statement of claim filed by FNS against CCM, FNS had subsequently filed a sealing application to ensure all documents in relation to FNS's confidential information and intellectual properties including works created and/or products designed and/or developed by FNS in performing its obligations under the Outsourcing Agreement are sealed and shall only be privy to parties named in the Suit and the Court. A Consent Order for the sealing application was recorded on 23 November 2021. The court heard the discovery Applications filed by both parties and the decision will be delivered on 28 December 2023. Trial dates for this matter have been fixed for 13 to 16 May 2025.

The solicitors acting for and on behalf of the FNS are of the view that FNS has a fair chance of succeeding in the claim and also in defending the counterclaim.

The Group assessed that the expected losses arising from the litigation are the expenses in engaging advocates and solicitors to address the litigation and the cost of the litigation and litigation proceedings.

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)/ earnings per ordinary share for the quarter and financial period under review is calculated based on the Group's (loss)/ profit 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 SIX MONTHS ENDED	
	30 SEPT 2023	30 SEPT 2022	30 SEPT 2023	30 SEPT 2022
	Unaudited	Unaudited	Unaudited	Unaudited
(Loss)/ profit after tax for owners of the parent (RM'000) from continuing operations	(5,986)	168,112	(11,224)	160,783
(Loss)/ profit after tax for owners of the parent (RM'000) from discontinued operations	-	(132)	-	3,241
(Loss)/ profit after tax for owners of the parent (RM'000)	<u>(5,986)</u>	<u>167,980</u>	<u>(11,224)</u>	<u>164,024</u>
Number of shares in issue as at beginning of the period ('000)	540,673	534,190	540,673	534,190
Effect of issuance of ESGP ('000)	-	-	-	-
WA number of ordinary shares in issue ('000)	<u>540,673</u>	<u>534,190</u>	<u>540,673</u>	<u>534,190</u>
Basic / diluted (loss)/ earnings per ordinary share (sen) from continuing operations	(1.11)	31.47	(2.08)	30.10
Basic / diluted (loss)/ earnings per ordinary share (sen) from discontinued operations	-	(0.02)	-	0.61
Basic / diluted (loss)/ earnings per ordinary share (sen)	<u>(1.11)</u>	<u>31.45</u>	<u>(2.08)</u>	<u>30.71</u>