

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	INDIVIDUAL QUARTER THREE MONTHS ENDED			CUMULATIVE PERIOD SIX MONTHS ENDED		
	30 SEPT 2021 RM'000 Unaudited	30 SEPT 2020 RM'000 Unaudited	Variance %	30 SEPT 2021 RM'000 Unaudited	30 SEPT 2020 RM'000 Unaudited	Variance %
Revenue	98,768	75,230	31.3	165,300	117,373	40.8
Cost of sales	(68,443)	(57,127)	19.8	(106,507)	(90,207)	18.1
Gross profit	30,325	18,103	67.5	58,793	27,166	NA
Other income	1,368	2,507	(45.4)	1,749	9,547	(81.7)
Other operating expenses	(23,447)	(16,979)	38.1	(48,803)	(32,332)	50.9
Finance costs	(6,297)	(1,733)	NA	(8,614)	(3,877)	NA
Share of results of associates, net of tax	7	1,463	(99.5)	(568)	3,139	NA
Profit before tax	1,956	3,361	(41.8)	2,557	3,643	(29.8)
Taxation	(1,043)	(935)	NA	(1,343)	(935)	NA
Profit for the financial period	913	2,426	(62.4)	1,214	2,708	(55.2)
Other comprehensive income / (loss), net of tax						
Items that may be reclassified subsequently to profit or loss:						
- Foreign currency translation differences for foreign operations	62	(13)	NA	93	(45)	NA
Other comprehensive income / (loss), net of tax	62	(13)	NA	93	(45)	NA
Total comprehensive income	975	2,413	(59.6)	1,307	2,663	(50.9)
(Loss) / Profit attributable to:-						
Owners of the Parent	(2,195)	1,002	NA	(3,636)	1,093	NA
Non-controlling interests	3,108	1,424	NA	4,850	1,615	NA
Profit for the financial period	913	2,426	(62.4)	1,214	2,708	(55.2)
Total comprehensive (loss) / income attributable to:-						
Owners of the Parent	(2,137)	988	NA	(3,547)	1,041	NA
Non-controlling interests	3,112	1,425	NA	4,854	1,622	NA
Total comprehensive income	975	2,413	(59.6)	1,307	2,663	(50.9)
(Loss) / Earnings per ordinary share (sen)						
- Basic and diluted	(0.41)	0.19		(0.68)	0.21	

(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 2021.)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	As at 30 SEPT 2021 RM'000 Unaudited	As at 31 MARCH 2021 RM'000 Audited
ASSETS		
Non-Current Assets		
Right-of-Use assets	41,997	51,964
Property, plant and equipment	5,921	6,447
Investment in associates	90,210	90,778
Other intangible assets	228,190	180,521
Other investments	10,177	1,045
Investment properties	954	954
Goodwill on consolidation	38,457	38,027
Deferred tax assets	3,493	3,493
	419,399	373,229
Current Assets		
Other investments	83	99
Inventories	7,843	19,149
Trade receivables	67,913	39,426
Other receivables, deposits and prepayments	39,334	17,204
Contract assets	7,444	8,479
Amounts owing by associates	69	29
Amount owing by a jointly-controlled entity	633	705
Current tax assets	5,025	3,958
Cash and cash equivalents	50,572	130,547
	178,916	219,596
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	276,260	276,260
Other reserves	24,542	24,453
Warrant reserves	27,121	27,121
Accumulated losses	(129,302)	(112,352)
	198,621	215,482
Non-controlling interests	53,490	49,721
TOTAL EQUITY	252,111	265,203
Non-Current Liabilities		
Other payables, deposits & accruals	158	158
Borrowings	67,649	38,865
Provision for post employment benefits	4,798	4,798
Deferred tax liabilities	2	2
Redeemable Preference shares	81,688	79,320
	154,295	123,143
Current Liabilities		
Trade payables	30,691	33,161
Other payables, deposits and accruals	29,149	48,210
Contract liabilities	17,162	22,379
Amounts owing to associates	4	3
Amount due to joint venture	65	83
Borrowings	114,242	99,375
Current tax payables	596	1,268
	191,909	204,479
TOTAL LIABILITIES	346,204	327,622
TOTAL EQUITY AND LIABILITIES	598,315	592,825
Net assets per share (RM)	0.3730	0.4047

(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 2021.)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

----- 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 2021								
Balance as at 1 APRIL 2021	276,260	24,663	27,121	(210)	(112,352)	215,482	49,721	265,203
Profit / (loss) after tax for the financial period	-	-	-	-	(3,636)	(3,636)	4,850	1,214
Foreign currency translation for foreign operations, net of tax	-	-	-	89	-	89	4	93
Total comprehensive profit / (loss) for the financial period	-	-	-	89	(3,636)	(3,547)	4,854	1,307
Transactions with owners								
Shares issued pursuant to Employee Share Grant Plan ("ESGP")	-	-	-	-	-	-	2,944	2,944
Effects arising from acquisition of a subsidiary	-	-	-	-	-	-	116	116
Arising from accretion of equity interests in subsidiaries	-	-	-	-	(13,314)	(13,314)	(4,145)	(17,459)
Total transactions with owners	-	-	-	-	(13,314)	(13,314)	(1,085)	(14,399)
Balance as at 30 SEPTEMBER 2021	<u>276,260</u>	<u>24,663</u>	<u>27,121</u>	<u>(121)</u>	<u>(129,302)</u>	<u>198,621</u>	<u>53,490</u>	<u>252,111</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (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 2020								
Balance as at 1 APRIL 2020	275,506	24,663	-	247	(107,975)	192,441	10,688	203,129
Profit after tax for the financial period	-	-	-	-	1,093	1,093	1,615	2,708
Foreign currency translation for foreign operations, net of tax	-	-	-	(52)	-	(52)	7	(45)
Total comprehensive profit for the financial period	-	-	-	(52)	1,093	1,041	1,622	2,663
Transactions with owners								
Shares issued pursuant to Employee Share Grant Plan ("ESGP")	-	-	-	-	-	-	1,720	1,720
Arising from accretion of equity interests in subsidiaries	-	-	-	-	(7,703)	(7,703)	(1,925)	(9,628)
Dividend paid	-	-	-	-	(491)	(491)	-	(491)
Total transactions with owners	-	-	-	-	(8,194)	(8,194)	(205)	(8,399)
Balance as at 30 SEPTEMBER 2020	<u>275,506</u>	<u>24,663</u>	<u>-</u>	<u>195</u>	<u>(115,076)</u>	<u>185,288</u>	<u>12,105</u>	<u>197,393</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 2021.)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

	SIX MONTHS ENDED	
	30 SEPT 2021 RM'000 Unaudited	30 SEPT 2020 RM'000 Unaudited
CASH FLOWS USED IN OPERATING ACTIVITIES		
Profit before tax	2,557	3,643
Adjustments for:		
Allowance for Diminution in Value no longer required	-	(3,812)
Depreciation and amortisation	16,068	3,476
Impairment losses on software development	-	(2,417)
Interest expense	8,268	3,690
Interest income	(291)	(317)
Net unrealised gain on foreign currency exchange	-	(12)
Share of results of associates	568	(3,139)
Operating profit before working capital changes	26,661	(2,690)
Net changes in assets	(61,404)	16,354
Net changes in liabilities	1,716	27,033
Net cash (used in) / from operations	(33,027)	40,697
Tax paid	(3,031)	(1,301)
Tax refunded	-	2
Net cash (used in) / from operating activities	(36,058)	39,398
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of additional shares in subsidiaries	(17,574)	(9,628)
Acquisition of interest in a subsidiary	(300)	-
Addition of software development expenditure	(47,311)	(45,605)
Interest received	290	316
Net placement of fixed deposits pledged	(10,899)	(1,600)
Proceeds from disposal of other investments	-	6,341
Investment in associates	-	(1,586)
Purchase of other investments	(5,936)	-
Purchase of property, plant and equipment	(656)	(204)
Net cash used in investing activities	(82,386)	(51,966)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of borrowings	22,509	13,702
Interest paid	(4,016)	(3,332)
Net cash from financing activities	18,493	10,370
Net decrease in cash and cash equivalents	(99,951)	(2,198)
Cash and cash equivalents at 1 APRIL 2021/2020*	116,525	26,065
Effect of foreign exchange on opening balance	100	(61)
Cash and cash equivalents at 30 September 2021/2020*	16,674	23,806

* 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 2021.)

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 2021. 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 2021.

2 Significant Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements for the financial year ended 31 March 2021 except for the newly-issued accounting framework - MFRS and IC Interpretations ("IC Int.") to be applied by all Entities Other Than Private Entities for the financial periods beginning on or after 1 January 2021:

Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)
Annual Improvements to MFRS Standards 2018 - 2020
Amendments to MFRS 3 Reference to the Conceptual Framework
Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current
MFRS 17 Insurance Contracts
Amendments to MFRS 17 Insurance Contracts
Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)
Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (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 2021 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**8 Dividends paid**

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

Notes to the Interim Financial Report
For the First Quarter Ended 30 September 2021

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 2021							
Unaudited							
External revenue	93,973	64,946	28	4,006	2,347	-	165,300
Inter segment revenue	18,513	3,086	-	-	1,165	(22,764)	-
Total Revenue	112,486	68,032	28	4,006	3,512	(22,764)	165,300
Segment results	21,140	754	(162)	868	(11,045)	(453)	11,102
Share of results of associates	-	-	-	-	(568)	-	(568)
Share of results of a jointly-controlled entity	-	-	-	-	-	-	-
Interest expense	(6,445)	(375)	(15)	-	(1,441)	8	(8,268)
Interest Income	205	45	-	-	41	-	291
Profit / (Loss) before tax	14,900	424	(177)	868	(13,013)	(445)	2,557
Segment assets	873,999	81,687	2,455	10,659	200,924	(571,409)	598,315
Six Months Financial Period Ended 30 September 2020							
Unaudited							
External revenue	45,205	72,156	3	-	9	-	117,373
Inter segment revenue	11,744	1,606	-	-	980	(14,330)	-
Total Revenue	56,949	73,762	3	-	989	(14,330)	117,373
Segment results	3,404	1,246	(435)	-	(448)	110	3,877
Share of results of associates	-	-	-	-	3,139	-	3,139
Share of results of a jointly-controlled entity	-	-	-	-	-	-	-
Interest expense	(914)	(707)	-	-	(2,075)	6	(3,690)
Interest Income	214	48	-	-	55	-	317
Profit / (Loss) before tax	2,704	587	(435)	-	671	116	3,643
Segment assets	323,398	102,888	3,433	-	426,014	(396,135)	459,598

Notes to the Interim Financial Report
For the First Quarter Ended 30 September 2021

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 acquired 14,409,700 ordinary shares in Microlink Solutions Berhad ("Microlink") for a total cash consideration of RM20,206,045. During August 2021, OHB sold 1,820,000 ordinary shares in Microlink for a total cash consideration of RM2,747,802. Following the acquisitions, OHB now holds 56.68% equity interest in Microlink.

(ii) Omesti Berhad proposed acquisition of 20,000 ordinary shares and proposed subscription of 400,000 ordinary shares, representing 70% equity interest of the total enlarged number of issued shares in Bemed Tempua Sdn Bhd ("BTSB") for a total cash consideration of RM 700,000.00.

On 27 July 2021, Omesti Berhad announce that its wholly-owned subsidiary Omesti Holdings Berhad ("OHB") entered into the following agreements:

(a) Share Sale Agreement with Bemed Holding Sdn Bhd ("BHSB") to acquire 20,000 ordinary shares ("Shares") in BTSB for a total cash consideration of RM300,000.00 only ("Proposed Acquisition"); and

(b) Subscription Agreement with BTSB to subscribe for 400,000 Shares in BTSB for a total cash subscription price of RM400,000.00 only ("Proposed Subscription").

This proposed acquisition have been completed on 30 August 2021.

Accordingly, BTSB is now a 70%-owned subsidiary of OHB and consequently an indirect 70%-owned subsidiary of Omesti.

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 2021	As at 30 SEPT 2020
	RM'000	RM'000
Cash and bank balances	28,745	23,809
Fixed deposits with licensed financial institutions	21,827	12,623
	<u>50,572</u>	<u>36,432</u>
Less: Fixed deposits pledged with licensed banks	(21,827)	(12,623)
Less: Bank overdraft	(12,071)	(3)
	<u>16,674</u>	<u>23,806</u>

**Additional information required by Bursa Securities Listing Requirements
For the First Quarter Ended 30 September 2021**

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		
			Variance			Variance
	30 SEPT 2021 RM'000 Unaudited	30 SEPT 2020 RM'000 Unaudited	%	30 SEPT 2021 RM'000 Unaudited	30 SEPT 2020 RM'000 Unaudited	%
Business Performance Services	65,447	39,261	66.7	112,486	56,949	97.5
Trading & Distribution Services	43,824	45,613	(3.9)	68,032	73,762	(7.8)
Digital & Infrastructure Services	14	-	NA	28	3	NA
Healthcare Services	4,006	-	NA	4,006	-	NA
Others	2,440	499	NA	3,512	989	NA
	<u>115,731</u>	<u>85,373</u>	35.6	<u>188,064</u>	<u>131,703</u>	42.8
Less : Inter Segment Revenue	<u>(16,963)</u>	<u>(10,143)</u>		<u>(22,764)</u>	<u>(14,330)</u>	
Total Group Revenue	<u>98,768</u>	<u>75,230</u>	31.3	<u>165,300</u>	<u>117,373</u>	40.8

The Group's revenue for the current quarter under review has increased to RM98.77 million, representing an increase of 31.3% as compared to the corresponding quarter of the preceding financial period mainly due to higher order fulfilments and progress billings in the Business Performance Services.

The Group has also begun to recognise the financial contribution from the Healthcare Services segment in the month of Sept 2021 following the completion of the acquisition into Bemed Tempua Sdn Bhd.

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		
			Variance			Variance
	30 SEPT 2021 RM'000 Unaudited	30 SEPT 2020 RM'000 Unaudited	%	30 SEPT 2021 RM'000 Unaudited	30 SEPT 2020 RM'000 Unaudited	%
Business Performance Services	6,512	2,870	NA	14,900	2,704	NA
Trading & Distribution Services	1,114	585	90.4	424	587	(27.8)
Digital & Infrastructure Services	(112)	(158)	(29.1)	(177)	(435)	(59.3)
Healthcare Services	868	-	NA	868	-	NA
Others	(5,630)	17	NA	(13,013)	671	NA
	<u>2,752</u>	<u>3,314</u>	(17.0)	<u>3,002</u>	<u>3,527</u>	(14.9)
Less : Elimination	<u>(796)</u>	<u>47</u>		<u>(445)</u>	<u>116</u>	
Profit before tax	<u>1,956</u>	<u>3,361</u>	(41.8)	<u>2,557</u>	<u>3,643</u>	(29.8)

The Group posted a lower profit before tax of RM1.96 million for the current financial quarter against RM3.36 million recorded in the previous corresponding quarter despite higher contributions from the Business Performance Services and Healthcare Services largely due to higher interest costs.

2 Variation of results against preceding quarter

	THREE MONTHS ENDED		
	30 SEPT 2021	30 JUNE 2021	Variance
	RM'000	RM'000	%
Revenue	<u>98,768</u>	<u>66,532</u>	48.5
Profit before tax	<u>1,956</u>	<u>601</u>	225.5%

The Group's revenue for the current quarter under review has increased to RM98.77 million, representing an increase of 48.5% as compared to the immediate preceding quarter mainly attributable to higher order fulfilments from Business Performance Services and Trading & Distribution Services.

Besides higher margins from the Distribution Services segment, the financial results from the Healthcare Services segment in the current quarter has also contributed positively to the profit before tax as compared to the immediate preceding quarter.

**Additional information required by Bursa Securities Listing Requirements
For the First Quarter Ended 30 September 2021**

3 Business prospects

The Group has embarked on a new revenue stream in the healthcare business segment by acquiring a licensed healthcare provider which holds a Master Sales & Distribution Agreement for Sinovac COVID-19 vaccine with Pharmaniaga Lifescience Sdn Bhd. This has enabled the Group to launch its nationwide immunisation drive of vaccination services and booster vaccinations to companies across the country.

In early November 2021, the Group has announced that it is in the midst of acquiring a group of companies that are engaged in the trading and retail sale of pharmaceutical products, orthopaedic and medical goods. The additional investment into the healthcare services segment will enable the Group to further expand its portfolio of healthcare services and customer base. Being a technology-based Group, it will be deploying its technology expertise to fully digitalise the operations of the healthcare services segment to increase operational efficiencies and profitability.

The Board continues to hold a positive view on the outlook of the Group premised upon the growth plans in the healthcare services segments and the continuous business opportunities in the ICT services segments.

4 Profit forecast

Not applicable.

5 Taxation

	INDIVIDUAL QUARTER THREE MONTHS ENDED		CUMULATIVE PERIOD SIX MONTHS ENDED	
	30 SEPT 2021	30 SEPT 2020	30 SEPT 2021	30 SEPT 2020
	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited
Current tax expense				
- Malaysian taxation	1,043	935	1,343	935
Under provision in prior periods				
- Malaysian taxation	-	-	-	-
	<u>1,043</u>	<u>935</u>	<u>1,343</u>	<u>935</u>
Deferred taxation				
- origination and reversal of temporary differences				
- Malaysian taxation	-	-	-	-
Under provision in prior periods				
	<u>1,043</u>	<u>935</u>	<u>1,343</u>	<u>935</u>

The Group has incurred an income tax expense of RM 1.04 million for the financial period under review consists of taxation from certain subsidiaries.

6 Status of corporate proposals

On 7 April 2021, the Company announced that the Company has completed its Rights Issue of RPS with Warrants following the listing of and quotation for 106,441,367 RPS and 248,362,936 Warrants in Omesti.

The utilisation of proceeds are as follows:

	Proposed Utilisation	Actual Utilisation	Deviation
Funding for TM Project	56,580,000	56,580,000 Within 6 months	-
Repayment of borrowings	44,400,000	44,400,000 Within 6 months	-
Working capital	4,501,367	4,501,367 Within 12 months	-
Estimated expenses	960,000	960,000 Within 1 month	-
	<u>106,441,367</u>	<u>106,441,367</u>	

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 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 First Quarter Ended 30 September 2021**

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 Berhad ("OB") together with Formis Network Services Sdn Bhd ("FNS"), an indirect subsidiary of OB (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, OB (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's 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 suit is presently fixed for a case management via e-review on 22 October 2021 for parties to file pre-trial documents.

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

- 2) Formis Network Services Sdn Bhd ("FNS") vs Suruhanjaya Syarikat 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) RM 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 First Quarter Ended 30 September 2021**

8 Changes in material litigation (cont.)

FNS had 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 on 28 April 2021 filed an injunction application against CCM to restrain CCM from, inter alia, using and/or disseminating FNS's intellectual property and/or confidential information including works created and/or products designed and/or developed by FNS in performing its obligations under the Outsourcing Agreement, until the final disposal and/or conclusion of the suit. Consequentially, 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. The sealing application is presently fixed for hearing on 26 October 2021.

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 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 2021	30 SEPT 2020	30 SEPT 2021	30 SEPT 2020
	Unaudited	Unaudited	Unaudited	Unaudited
(Loss) / Profit after tax and non-controlling interests (RM'000)	(2,195)	1,002	(3,636)	1,093
Number of shares in issue as at beginning of the period ('000)	532,479	530,838	532,479	530,838
WA number of ordinary shares in issue ('000)	532,479	530,838	532,479	530,838
Basic / diluted (loss) / earnings per ordinary share (sen)	(0.41)	0.19	(0.68)	0.21