

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

	INDIVIDUAL QUARTER THREE MONTHS ENDED			CUMULATIVE PERIOD NINE MONTHS ENDED		
	31 DEC 2022	31 DEC 2021	Variance	31 DEC 2022	31 DEC 2021	Variance
	RM'000 Unaudited	RM'000 Unaudited	%	RM'000 Unaudited	RM'000 Unaudited	%
<u>Continuing Operations</u>						
Revenue	40,421	25,541	58.3	92,593	97,218	(4.8)
Cost of sales	(18,974)	(14,684)	29.2	(54,666)	(63,500)	(13.9)
Gross profit	21,447	10,857	97.5	37,927	33,718	12.5
Other income	1,684	690	NA	191,906	2,232	NA
Other operating expenses	(25,260)	(16,618)	52.0	(61,212)	(44,911)	36.3
Finance costs	(6,014)	(5,124)	17.4	(17,012)	(12,831)	32.6
Share of results of associates, net of tax	2,164	(2,340)	NA	3,428	(2,907)	NA
(Loss) / profit before tax	(5,979)	(12,535)	(52.3)	155,037	(24,699)	NA
Taxation	162	(388)	NA	162	(408)	NA
(Loss) / profit for the financial period from continuing operations	(5,817)	(12,923)	(55.0)	155,199	(25,107)	NA
<u>Discontinued Operations</u>						
Profit before tax from discontinued operations	-	14,281	NA	7,388	29,003	(74.5)
Taxation	-	(3,080)	NA	(801)	(4,404)	(81.8)
Profit for the financial period from discontinued operations	-	11,201	NA	6,587	24,599	(73.2)
(Loss)/ profit for the financial period	(5,817)	(1,722)	NA	161,786	(508)	NA
Other comprehensive income, net of tax						
Items that may be reclassified subsequently to profit or loss:						
- Foreign currency translation differences for foreign operations	100	(82)	NA	108	11	NA
Other comprehensive income/ (loss), net of tax	4	(82)	NA	12	11	9.1
Total comprehensive (loss) / income	(5,813)	(1,804)	NA	161,798	(497)	NA
(Loss)/ profit attributable to:-						
Owners of the Parent	(6,024)	(4,701)	28.1	158,000	(8,337)	NA
Non-controlling interests	207	2,979	(93.1)	3,786	7,829	(51.6)
(Loss)/ profit for the financial period	(5,817)	(1,722)	NA	161,786	(508)	NA
Total comprehensive (loss)/ income attributable to:-						
Owners of the Parent	(5,924)	(4,783)	23.9	158,106	(8,330)	NA
Non-controlling interests	111	2,979	(96.3)	3,692	7,833	(52.9)
Total comprehensive (loss) / income	(5,813)	(1,804)	NA	161,798	(497)	NA
(Loss)/ profit per ordinary share (sen)						
- Basic and diluted	(1.13)	(0.88)		29.57	(1.56)	

(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 2022.)

OMESTI BERHAD (200001028094 (530701 - T))
Incorporated in Malaysia
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	As at 31 DEC 2022 RM'000 Unaudited	As at 31 MAR 2022 RM'000 Audited
ASSETS		
Non-Current Assets		
Right-of-Use assets	30,418	48,397
Property, plant and equipment	1,494	4,621
Investment in associates	318,963	87,683
Other intangible assets	171,884	260,882
Other investments	717	705
Investment properties	679	694
Goodwill on consolidation	14,482	51,196
Deferred tax assets	790	3,497
	539,427	457,675
Current Assets		
Other investments	-	4,475
Inventories	9,990	14,763
Trade receivables	26,755	52,416
Other receivables, deposits and prepayments	9,200	37,719
Contract assets	1,224	9,502
Amounts owing by associates	3,811	99
Amount owing by a jointly-controlled entity	789	1,111
Current tax assets	1,624	6,547
Cash and cash equivalents	51,512	97,510
	104,905	224,142
	644,332	681,817
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	279,447	276,949
Other reserves	23,769	23,663
Warrant reserves	27,121	27,121
Retained profits/ Accumulated losses	31,798	(133,114)
	362,135	194,619
Non-controlling interests	(2,952)	92,662
TOTAL EQUITY	359,183	287,281
Non-Current Liabilities		
Other payables, deposits & accruals	-	181
Borrowings	39,539	50,321
Provision for post employment benefits	2,713	4,303
Deferred tax liabilities	2	3,747
Redeemable Preference shares	87,920	84,126
	130,174	142,678
Current Liabilities		
Trade payables	9,756	36,433
Other payables, deposits and accruals	44,930	38,650
Contract liabilities	24	18,722
Amounts owing to associates	15,560	234
Amount due to joint venture	29	135
Borrowings	84,499	154,744
Current tax payables	177	2,462
Provision for post employment benefits	-	478
	154,975	251,858
TOTAL LIABILITIES	285,149	394,536
TOTAL EQUITY AND LIABILITIES	644,332	681,817
Net assets per share (RM)	0.6777	0.3655

(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 2022.)

OMESTI BERHAD (200001028094 (530701 - T))

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

	----- 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								
Nine Months Financial Period Ended 31 December 2022								
Balance as at 1 APRIL 2022	276,949	24,663	27,121	(1,000)	(133,114)	194,619	92,662	287,281
Profit after tax for the financial period	-	-	-	-	158,000	158,000	3,786	161,786
Foreign currency translation for foreign operations, net of tax	-	-	-	106	-	106	2	108
Share of other comprehensive loss of associates, net of tax	-	-	-	-	-	-	(96)	(96)
Total comprehensive profit for the financial period	-	-	-	106	158,000	158,106	3,692	161,798
Transactions with owners								
Shares issued pursuant to Employee Share Grant Plan ("ESGP")	2,498	-	-	-	-	2,498	513	3,011
Effects arising from disposal of a subsidiary	-	-	-	-	-	-	(106,203)	(106,203)
Arising from decreation of equity interests in subsidiaries	-	-	-	-	6,912	6,912	6,609	13,521
Dividend paid	-	-	-	-	-	-	(225)	(225)
Total transactions with owners	2,498	-	-	-	6,912	9,410	(99,306)	(89,896)
Balance as at 31 DECEMBER 2022	279,447	24,663	27,121	(894)	31,798	362,135	(2,952)	359,183

OMESTI BERHAD (200001028094 (530701 - T))

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (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								
Nine Months Financial Period Ended 31 December 2021								
Balance as at 1 APRIL 2021	276,260	24,663	27,121	(210)	(112,352)	215,482	49,721	265,203
Effects of adoption of Agenda Decision on IAS 23 Borrowing Costs	-	-	-	-	(2,040)	(2,040)	-	(2,040)
Restated balance	<u>276,260</u>	<u>24,663</u>	<u>27,121</u>	<u>(210)</u>	<u>(114,392)</u>	<u>213,442</u>	<u>49,721</u>	<u>263,163</u>
(Loss) / profit after tax for the financial period	-	-	-	-	(8,337)	(8,337)	7,829	(508)
Foreign currency translation for foreign operations, net of tax	-	-	-	7	-	7	4	11
Total comprehensive profit/ (loss) for the financial period	-	-	-	7	(8,337)	(8,330)	7,833	(497)
Transactions with owners								
Shares issued pursuant to Employee Share Grant Plan ("ESGP")	432	-	-	-	-	432	2,944	3,376
Effects arising from acquisition of a subsidiary	-	-	-	-	-	-	116	116
Arising from accretion of equity interests in subsidiaries	-	-	-	-	(13,661)	(13,661)	(8,476)	(22,137)
Total transactions with owners	<u>432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,661)</u>	<u>(13,229)</u>	<u>(5,416)</u>	<u>(18,645)</u>
Balance as at 31 December 2021	<u><u>276,692</u></u>	<u><u>24,663</u></u>	<u><u>27,121</u></u>	<u><u>(203)</u></u>	<u><u>(136,390)</u></u>	<u><u>191,883</u></u>	<u><u>52,138</u></u>	<u><u>244,021</u></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 2022.)

OMESTI BERHAD (200001028094 (530701 - T))

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

	NINE MONTHS ENDED	
	31 DEC 2022	31 DEC 2021
	RM'000 Unaudited	RM'000 Unaudited
CASH FLOW USED IN OPERATING ACTIVITIES		
Profit/ (loss) before tax from continuing operations	155,037	(24,699)
Profit before tax from discontinued operations	7,388	29,003
	<u>162,425</u>	<u>4,304</u>
Adjustments for:		
Bad debts written off	236	2
Depreciation and amortisation	23,601	25,655
Impairment losses on software development	2,511	-
Impairment losses on receivables	4,287	89
Interest expense	16,396	13,539
Interest income	(431)	(412)
Net gain on disposal of quoted investment	(21)	(1,131)
Deemed gain on disposal of subsidiary	(184,772)	-
Net gain on disposal of subsidiaries	(4,291)	-
Net loss on disposal of associates	196	-
Net loss on fair value adjustments on other investments	124	280
Net unrealised loss on foreign currency exchange	-	(27)
Provision for gratuity obligations	6	345
Reversal of impairment loss on trade receivables	(68)	-
Provision of stock obsolescence no longer required	(107)	-
Dilution gain on ESGP	(421)	-
Share of (gain)/ loss results of associates	(3,428)	2,907
	<u>16,243</u>	<u>45,551</u>
Operating profit before working capital changes	16,243	45,551
Net changes in assets	(66,007)	(57,096)
Net changes in liabilities	(10,683)	(23,588)
	<u>(60,447)</u>	<u>(35,133)</u>
Net cash used in operations	(60,447)	(35,133)
Tax paid	(1,656)	(3,995)
Tax refunded	99	-
	<u>(62,004)</u>	<u>(39,128)</u>
Net cash used in operating activities	(62,004)	(39,128)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of additional shares in subsidiaries	(475)	(22,375)
Net purchase of additional shares in an associate	(21,335)	(687)
Acquisition of interest in a subsidiaries	-	(300)
Addition of software development expenditure	(1,215)	(58,175)
Disposal of interest in subsidiaries	8,700	-
Interest received	431	410
Dividend received	2,629	-
Net placement of fixed deposits pledged	(499)	(11,748)
Proceeds from disposal of interest in an associate	87,020	-
Purchase of other investments	(9,655)	(882)
Addition of Right-of-Use assets	-	(11,800)
Purchase of property, plant and equipment	(1,201)	(685)
	<u>64,400</u>	<u>(106,242)</u>
Net cash from/ (used in) investing activities	64,400	(106,242)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayment)/ drawdown of borrowings	(31,999)	50,335
Shares issued pursuant to Employee Share Grant Plan ("ESGP")	2,498	2,395
Interest paid	(12,620)	(9,258)
	<u>(42,121)</u>	<u>43,472</u>
Net cash (used in)/ from financing activities	(42,121)	43,472
Net decrease in cash and cash equivalents	(39,725)	(101,898)
Cash and cash equivalents at 1 APRIL 2022/2021*	61,401	116,525
Effect of foreign exchange on opening balance	122	18
	<u>21,798</u>	<u>14,645</u>
Cash and cash equivalents at 31 March 2022/2021*	21,798	14,645

* 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 2022.)

OMESTI BERHAD (200001028094 (530701 - T))

Incorporated in Malaysia

Notes to the Interim Financial Report
For the Third Quarter Ended 31 December 2022

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 2022. 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 2022.

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 2022 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)
Initial Application of MFRS 17 and MFRS 9 Comparative Information (Amendments to MFRS 17 Insurance Contracts)
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 2022 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
Nine Months Financial Period Ended 31 December 2022							
Unaudited							
Continuing Operations							
External revenue	74,816	-	40	17,072	665	-	92,593
Inter segment revenue	7,945	-	-	-	365	(8,310)	-
Total Revenue	82,761	-	40	17,072	1,030	(8,310)	92,593
Segment results	10,228	-	(462)	300	217,980	(60,846)	167,200
Share of results of associates	-	-	-	-	3,428	-	3,428
Share of results of a jointly-controlled entity	-	-	-	-	-	-	-
Interest expense	(10,569)	-	(12)	(109)	(5,184)	-	(15,874)
Interest Income	242	-	-	-	41	-	283
(Loss)/ profit before tax	(99)	-	(474)	191	216,265	(60,846)	155,037
Segment assets	590,750	-	192	25,045	355,667	(327,322)	644,332
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/ (loss) before tax	8,741	(440)	-	-	-	(913)	7,388
Nine Months Financial Period Ended 31 December 2021							
Unaudited							
Continuing Operations							
External revenue	86,204	-	42	9,136	1,836	-	97,218
Inter segment revenue	33,023	-	-	-	1,676	(34,699)	-
Total Revenue	119,227	-	42	9,136	3,512	(34,699)	97,218
Segment results	7,527	538	53	892	(20,333)	1,624	(9,699)
Share of results of associates	-	-	-	-	(2,907)	-	(2,907)
Share of results of a jointly-controlled entity	-	-	-	-	-	-	-
Interest expense	(9,369)	7	(17)	-	(2,885)	(23)	(12,287)
Interest Income	116	-	-	-	78	-	194
Profit/ (loss) before tax	(1,726)	545	36	892	(26,047)	1,601	(24,699)
Segment assets	678,205	(19,260)	2,499	11,403	218,896	(499,099)	392,644
Discontinued Operations							
External revenue	62,395	103,568	-	-	-	-	165,963
Inter segment revenue	6,211	4,713	-	-	-	(10,924)	-
Total Revenue	68,606	108,281	-	-	-	(10,924)	165,963
Segment results	28,194	1,691	-	-	-	152	30,037
Interest expense	(732)	(543)	-	-	-	23	(1,252)
Interest Income	149	69	-	-	-	-	218
Profit before tax	27,611	1,217	-	-	-	175	29,003
Segment assets	231,161	92,397	-	-	-	(102,984)	220,574

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

Notes to the Interim Financial Report
For the Third Quarter Ended 31 December 2022

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 23,735,472 ordinary shares in Microlink Solutions Berhad ("Microlink") for a total cash consideration of RM20,203,274. Subsequently, OHB sold 166,971,472 ordinary shares in Microlink for a total cash consideration of RM95,720,468. Microlink diluted OHB's equity interest by issuing 512,600 shares and 2,633,500 shares on 2 August 2022 and 23 December 2022 as part of its long term incentive plan. Following these transactions, OHB now holds 37.01% equity interest in Microlink.

(ii) Heads Of Agreement ("HOA") Entered Into Between Omesti Berhad, Man Yau Holdings Berhad And Microlink Solutions Berhad

M&A Securities Sdn Bhd, on behalf of the Board of Directors of Omesti wishes to announce that the Company had on 19 January 2022 entered into a Heads of Agreement with Man Yau Holdings Berhad ("MYHB"), a wholly-owned subsidiary of Omesti, and Microlink Solutions Berhad ("Microlink"), wherein Omesti and MYHB on the one hand are desirous of undertaking the transfer of certain information technology projects to Microlink on the other hand, which will comprise and involve the following:

- (i) the proposed sale and transfer by Omesti of its rights and interests under the TMBSSP contracts in respect of a business support system project for Telekom Malaysia Berhad ("TMBSSP"), to Microlink ("Proposed Transfer of TMBSSP");
 - (ii) the proposed sale and transfer by Omesti of 250,000 ordinary shares in Formis Research & Development Sdn Bhd, representing 100% of its equity interest, which is carrying out certain electronic services development and maintenance projects, to Microlink ("Proposed Share Sale of FRDSB"); and
 - (iii) the proposed sale and transfer by MYHB of 10,000 ordinary shares in Omesti Assist Sdn Bhd, representing 100% of its equity interest, which is also carrying out certain electronic services development and maintenance projects, to Microlink ("Proposed Share Sale of OASB").
- (iv) all parties acknowledge that the definitive agreements shall be executed within 60 days from the date of the HOA, with an automatic extension of 30 days upon the expiry of such 60 days period (i.e. by 18 April 2022), or such further extended date as the parties may mutually agree upon ("Expiry Date").

On 12 April 2022, all parties executed a letter mutually agreeing to extend the Expiry Date for a period of 3 months, commencing from 19 April 2022 and expiring on 18 July 2022, subject to any further extension as may be mutually agreed upon between the parties.

On 18 July 2022, the HOA expired and lapsed with no further extension of time has been between the Company, Man Yau Holdings Berhad, a wholly-owned subsidiary of Omesti, and Microlink Solutions Berhad.

(iii) On 4 July 2022, the Company has disposed Formis Lab Singapore Pte Ltd from Continuous Network Advisers Sdn Bhd to Microlink Solutions Berhad ("Microlink").

(iv) On 12 July 2022, Omesti Holdings Berhad ("OHB"), a wholly-owned subsidiary, entered into a Joint Venture and Shareholders' Agreement with 360 Medic Holdings Sdn Bhd ("360MH") for the formation and operation of a joint venture company, namely, Aurora 360 Sdn Bhd.

This joint venture company will establish and undertake the operations of one or more diagnostic and screening centre(s) in Malaysia.

(v) From 18 July 2022 onwards, the Company stopped treating Microlink Solutions Berhad ("Microlink") as a subsidiary of the Company for the following reasons:-

- (i) as at 18 July 2022, the Company through Omesti Holdings Berhad ("OHB"), a wholly-owned subsidiary of Omesti holds a total of 525,594,972 Microlink shares, representing 49.2% equity interest in Microlink; and
- (ii) with the changes to the board compositions of both Omesti and Microlink and the re-designation of a director in Omesti announced on 18 July 2022, and hence Microlink is accounted for as an investment in associate henceforth.

Accordingly, Microlink is now a 49.2%-owned associated company of OHB, and consequently an indirect 49.2%-owned associated company of Omesti with effect from 18 July 2022.

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

12 Discontinued Operations

As disclosed in Note 11 (v) above, Microlink is now classified as discontinued operations since 18 July 2022 in accordance with MFRS 5: Non-current Assets Held for Sale and Discontinued Operations whereby the comparative Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income has been presented to show the discontinued operations separately from continuing operations.

Microlink Solutions Sdn Bhd

Profit attributable to the discontinued operations were as follows:

	INDIVIDUAL QUARTER THREE MONTHS ENDED			CUMULATIVE PERIOD SIX MONTHS ENDED		
	30 SEPT 2022	30 SEPT 2021	Variance %	30 SEPT 2022	30 SEPT 2021	Variance %
	RM'000 Unaudited	RM'000 Unaudited		RM'000 Unaudited	RM'000 Unaudited	
Revenue	4,605	62,991	(92.7)	58,462	104,925	(44.3)
Cost of sales	(1,630)	(45,120)	(96.4)	(36,466)	(72,058)	(49.4)
Gross profit	2,975	17,871	(83.4)	21,996	32,867	(33.1)
Other income	155	944	(83.6)	359	1,103	(67.5)
Other operating expenses	(2,639)	(10,386)	(74.6)	(13,727)	(18,281)	(24.9)
Finance costs	(60)	(346)	(82.7)	(536)	(778)	(31.1)
Profit before tax	431	8,083	(94.7)	8,092	14,911	(45.7)
Taxation	219	(1,024)	NA	(801)	(1,324)	(39.5)
Profit for the financial period	650	7,059	(90.8)	7,291	13,587	(46.3)

13 Gain on Disposal / Deemed Disposal of Subsidiaries

- (i) The gain on the deemed disposal of Microlink due to its change of status from subsidiary to associate on 18 July 2022, as disclosed in 11 (v):

Gain Arising from Deemed Disposal of Microlink	RM '000
Fair Value of Microlink Shares	296,961
Derecognition of Microlink Net Assets	(209,058)
Derecognition of non-controlling interest of Microlink	104,802
Derecognition of Exchange Translation & Forex Reserve of Microlink	44
Derecognition of Intangible Assets allocated via Purchase Price Allocation of Microlink	(60)
Derecognition of Goodwill recognised in relation to Microlink	(18,304)
Reversal of various elimination for intercompany transactions between the Group (excluding Microlink) and Microlink	10,387
Gain from Deemed Disposal of Microlink	184,772

- (ii) The gain on the disposal of Formis Labs Singapore Pte. Ltd. ("FLS") on 4 July 2022, as disclosed in 11 (iii):

Gain Arising from Disposed of FLS	RM
Consideration	-
Derecognition of FLS Net Assets	4,293
Gain from Disposed of FLS	4,293

OMESTI BERHAD (200001028094 (530701 - T))

Incorporated in Malaysia

**Notes to the Interim Financial Report
For the Third Quarter Ended 31 December 2022**

14 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.

15 Changes in contingent liabilities or contingent assets

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

16 Capital commitments

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

17 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 DEC 2022 RM'000	As at 31 DEC 2021 RM'000
Cash and bank balances	31,824	27,872
Fixed deposits with licensed financial institutions	19,688	22,675
	<hr/>	<hr/>
	51,512	50,547
Less: Fixed deposits pledged with licensed banks	(19,688)	(22,675)
Less: Bank overdraft	(10,026)	(13,227)
	<hr/>	<hr/>
	21,798	14,645

**Additional information required by Bursa Securities Listing Requirements
For the Third Quarter Ended 31 December 2022**
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 DEC 2022	31 DEC 2021	Variance	31 DEC 2022	31 DEC 2021	Variance
	RM'000 Unaudited	RM'000 Unaudited	%	RM'000 Unaudited	RM'000 Unaudited	%
Continuing Operations						
Business Performance Services	38,104	39,554	(3.7)	82,761	119,227	(30.6)
Trading & Distribution Services	-	-	NA	-	-	NA
Digital & Infrastructure Services	12	14	(14.3)	40	42	(4.8)
Healthcare Services	5,593	5,130	9.0	17,072	9,136	86.9
Others	188	-	NA	1,030	3,512	(70.7)
	43,897	44,698	(1.8)	100,903	131,917	(23.5)
Less : Inter Segment Revenue	(3,476)	(19,157)		(8,310)	(34,699)	
Group Revenue from continuing operations	40,421	25,541	58.3	92,593	97,218	(4.8)
Discontinued Operations						
Business Performance Services	-	26,181	NA	29,117	68,606	(57.6)
Trading & Distribution Services	-	38,559	NA	32,628	108,281	(69.9)
	-	64,740	NA	61,745	176,887	(65.1)
Less : Inter Segment Revenue	-	(3,702)		(16,354)	(10,924)	
Group Revenue from discontinued operations	-	61,038		45,391	165,963	
Total Group Revenue	40,421	86,579	(53.3)	137,984	263,181	(47.6)

The Group's revenue for the current quarter under review has decreased to RM40.42 million, representing a decrease of 53.3% as compared to the corresponding quarter of the preceding financial period mainly due to discontinued operations of a subsidiary.

The Group has ceased to recognise the financial contribution from Microlink since 18 July 2022 due to its change of status from subsidiary to associate. Accordingly, Microlink is now a 37.01% owned associate company of OHB, a wholly-owned subsidiary of Omesti.

The Group has also begun to recognise the financial contribution from the Healthcare Services segment since September 2021 following the completion of the acquisition of 70% equity interest on 30 August 2021 for Bemed Tempua Sdn Bhd and the completion of acquisition 70% interest in additional 9 Bemed pharmaceutical companies.

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

	INDIVIDUAL QUARTER THREE MONTHS ENDED			CUMULATIVE PERIOD NINE MONTHS ENDED		
	31 DEC 2022	31 DEC 2021	Variance	31 DEC 2022	31 DEC 2021	Variance
	RM'000 Unaudited	RM'000 Unaudited	%	RM'000 Unaudited	RM'000 Unaudited	%
Continuing Operations						
Business Performance Services	7,472	(1,684)	NA	(99)	(1,726)	(94.3)
Trading & Distribution Services	-	(95)	NA	-	545	NA
Digital & Infrastructure Services	(180)	213	NA	(474)	36	NA
Healthcare Services	(244)	24	NA	191	892	(78.6)
Others	(12,758)	(13,034)	(2.1)	216,265	(26,047)	NA
	(5,710)	(14,576)	(60.8)	215,883	(26,300)	NA
Less : Elimination	(269)	2,041		(60,846)	1,601	
(Loss)/ profit before tax from continuing operations	(5,979)	(12,535)	(52.3)	155,037	(24,699)	NA
Discontinued Operations						
Business Performance Services	-	12,668	NA	8,741	27,611	(68.3)
Trading & Distribution Services	-	1,433	NA	(440)	1,217	NA
	-	14,101	NA	8,301	28,828	(71.2)
Less : Elimination	-	180		(913)	175	
Profit before tax from discontinued operations	-	14,281	NA	7,388	29,003	(74.5)
Total (Loss)/ Profit before tax	(5,979)	1,746	NA	162,425	4,304	NA

The Group posted a loss before tax of RM5.98 million for the current financial quarter as compared to profit before tax of RM1.75 million recorded in the previous corresponding quarter. The significant decrease is mainly due to Microlink ceasing to contribute profits as the change of status of Microlink from subsidiary to associate since 18 July 2022.

**Additional information required by Bursa Securities Listing Requirements
For the Third Quarter Ended 31 December 2022**
2 Variation of results against preceding quarter

	THREE MONTHS ENDED		Variance
	31	30	
	DEC 2022	SEP 2022	
	RM'000	RM'000	%
<u>Continuing Operations</u>			
Revenue	<u>40,421</u>	<u>20,893</u>	93.5
(Loss)/ Profit before tax	<u>(5,979)</u>	<u>168,536</u>	NA
<u>Discontinued Operations</u>			
Revenue	<u>-</u>	<u>(1,308)</u>	NA
Loss before tax	<u>-</u>	<u>(488)</u>	NA
Total Revenue	<u>40,421</u>	<u>19,585</u>	NA
Total (Loss)/ Profit before tax	<u>(5,979)</u>	<u>168,048</u>	NA

The Group's revenue for the current quarter under review has increased to RM40.42 million, representing an increase of 93.5% as compared to the immediate preceding quarter mainly due to higher order fulfilments and progress billing in the Business Performance Services.

The Group has registered a loss before tax for the current quarter as compared to the immediate preceding quarter due to Microlink ceasing to contribute profits as the change of status of Microlink from subsidiary to associate since 18 July 2022.

**Additional information required by Bursa Securities Listing Requirements
For the Third Quarter Ended 31 December 2022**
3 Business prospects

Globally the rate of inflation has begun to subside despite remaining still at relatively elevated levels. This has allowed central banks around the globe to adopt a slightly less aggressive policy of monetary tightening. For example, the Federal Reserve has most recently adopted a modest 25 basis point increase to an overnight policy rate of 4.50%-4.75%, while locally, Bank Negara Malaysia has recently elected to not increase and hold its overnight policy rate at 2.75%. Although recession risks remain, these policy changes could allow economic growth to be sustainable and continue.

The Group continues its foray into the Healthcare sector, with the number of pharmacies increasing from 10 previously to 14 today. The Group continues to seek additional locations for new pharmacies as well as expansion via acquisition. In addition to the pharmacies, the Group has also recently commenced operations of its laboratory in Penang.

In terms of capital allocation, the group has elected to recognise and crystallise some of the substantial value creation and gains from Microlink and redeploying some of these funds into the healthcare sector. At the same time the group's gearing has been strengthened and borrowings reduced to more manageable levels.

As a result we would expect over the medium to long term, the group's earnings base will be premised not only on its IT-related business but also from its healthcare business.

4 Profit forecast

Not applicable.

5 Taxation

	INDIVIDUAL QUARTER THREE MONTHS ENDED		CUMULATIVE PERIOD NINE MONTHS ENDED	
	31 DEC 2022 RM'000 Unaudited	31 DEC 2021 RM'000 Unaudited	31 DEC 2022 RM'000 Unaudited	31 DEC 2021 RM'000 Unaudited
<u>Continuing Operations</u>				
Current tax expense				
- Malaysian taxation	-	388	-	408
Under/ (over) provision in prior periods				
- Malaysian taxation	(162)	-	(162)	-
	(162)	388	(162)	408
Deferred taxation				
- origination and reversal of temporary differences				
- Malaysian taxation	-	-	-	-
Under provision in prior periods				
- Malaysian taxation	-	-	-	-
	(162)	388	(162)	408
<u>Discontinued Operations</u>				
Current tax expense				
- Malaysian taxation	-	3,080	801	4,404
Total Group Taxation	(162)	3,468	639	4,812

The Group has incurred an over provision in prior periods of RM 0.16 million for the financial period under review consists of taxation 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 Third Quarter Ended 31 December 2022****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 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 on 15 May 2023 for parties to finalise pre-trial documents, further, the suit now fixed for trial from 5th to 9th June 2023. The previous trial dates that were fixed in September 2022 was vacated due to other high priority cases.

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 Third Quarter Ended 31 December 2022**
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 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 has fixed a case management date on 4th January 2023.

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 NINE MONTHS ENDED	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
	Unaudited	Unaudited	Unaudited	Unaudited
(Loss)/ profit after tax and non-controlling interests (RM'000)	(6,024)	(4,701)	158,000	(8,337)
Number of shares in issue as at beginning of the period ('000)	534,190	532,479	534,190	532,479
Effect of issuance of ESGP ('000)	164	774	164	257
WA number of ordinary shares in issue ('000)	534,354	533,253	534,354	532,736
Basic / diluted (loss)/ earnings per ordinary share (sen)	(1.13)	(0.88)	29.57	(1.56)