

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	INDIVIDUAL QUARTER THREE MONTHS ENDED			CUMULATIVE PERIOD SIX MONTHS ENDED		
	30 SEPTEMBER 2020 RM'000 Unaudited	30 SEPTEMBER 2019 RM'000 Unaudited	Variance %	30 SEPTEMBER 2020 RM'000 Unaudited	30 SEPTEMBER 2019 RM'000 Unaudited	Variance %
Revenue	75,230	65,306	15.2	117,373	125,325	(6.3)
Cost of sales	(57,127)	(48,294)	18.3	(90,207)	(87,317)	3.3
Gross profit	18,103	17,012	6.4	27,166	38,008	(28.5)
Other income	2,507	25,500	(90.2)	9,547	26,426	(63.9)
Other operating expenses	(16,979)	(17,100)	(0.7)	(32,332)	(33,759)	(4.2)
Finance costs	(1,733)	(1,923)	(9.9)	(3,877)	(3,880)	(0.1)
Share of results of associates, net of tax	1,463	1,143	28.0	3,139	2,208	42.2
Share of results of a jointly-controlled entity, net of tax	-	-	NA	-	(22)	NA
Profit before tax	3,361	24,632	(86.4)	3,643	28,981	(87.4)
Taxation	(935)	(2,869)	(67.4)	(935)	(3,295)	(71.6)
Profit for the financial period	<u>2,426</u>	<u>21,763</u>	(88.9)	<u>2,708</u>	<u>25,686</u>	(89.5)
Other comprehensive loss, net of tax						
Items that may be reclassified subsequently to profit or loss:						
- Foreign currency translation differences for foreign operations	(13)	4	NA	(45)	(192)	(76.3)
Other comprehensive loss, net of tax	<u>(13)</u>	<u>4</u>	NA	<u>(45)</u>	<u>(192)</u>	(76.3)
Total comprehensive income	<u>2,413</u>	<u>21,767</u>	(88.9)	<u>2,663</u>	<u>25,494</u>	(89.6)
Profit attributable to:-						
Owners of the Parent	1,002	20,267	(95.1)	1,093	24,321	(95.5)
Non-controlling interests	1,424	1,496	(4.8)	1,615	1,365	18.3
Profit for the financial period	<u>2,426</u>	<u>21,763</u>	(88.9)	<u>2,708</u>	<u>25,686</u>	(89.5)
Total comprehensive income attributable to:-						
Owners of the Parent	988	20,253	(95.1)	1,041	24,152	(95.7)
Non-controlling interests	1,425	1,514	(5.9)	1,622	1,342	20.9
Total comprehensive income	<u>2,413</u>	<u>21,767</u>	(88.9)	<u>2,663</u>	<u>25,494</u>	(89.6)
Earnings per ordinary share (sen)						
- Basic and diluted	<u>0.19</u>	<u>4.25</u>		<u>0.21</u>	<u>5.09</u>	

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying explanatory notes to the interim financial report and the audited financial statements for the financial year ended 31 MARCH 2020.)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 30 SEPTEMBER 2020**

	As at 30 SEPTEMBER 2020 RM'000 Unaudited	As at 31 MARCH 2020 RM'000 Audited
ASSETS		
Non-Current Assets		
Right-of-Use assets	27,643	18,777
Property, plant and equipment	5,374	6,274
Investment in associates	100,562	97,423
Other intangible assets	125,208	78,442
Other investments	605	2,633
Investment properties	972	974
Other receivables	230	620
Goodwill on consolidation	38,027	38,027
Deferred tax assets	3,815	3,815
	<u>302,436</u>	<u>246,985</u>
Current Assets		
Other investments	111	110
Inventories	8,570	4,143
Trade receivables	59,208	78,162
Other receivables, deposits and prepayments	43,265	37,438
Contract assets	6,696	8,226
Amounts owing by associates	56	88
Amount owing by a jointly-controlled entity	397	402
Current tax assets	2,427	1,831
Cash and cash equivalents	36,432	40,875
	<u>157,162</u>	<u>171,275</u>
	<u>459,598</u>	<u>418,260</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	275,506	275,506
Other reserves	24,858	24,910
Accumulated losses	(115,076)	(107,975)
	<u>185,288</u>	<u>192,441</u>
Non-controlling interests		
	12,105	10,688
	<u>197,393</u>	<u>203,129</u>
TOTAL EQUITY		
Non-Current Liabilities		
Other payables, deposits & accruals	146	146
Borrowings	12,887	12,968
Provision for post employment benefits	4,413	4,413
Deferred tax liabilities	2	2
	<u>17,448</u>	<u>17,529</u>
Current Liabilities		
Trade payables	49,234	60,733
Other payables, deposits and accruals	76,030	40,795
Contract liabilities	25,034	29,805
Amounts owing to associates	81	22
Amount due to joint venture	39	14
Borrowings	92,478	64,300
Current tax payables	1,861	1,933
	<u>244,757</u>	<u>197,602</u>
	<u>262,205</u>	<u>215,131</u>
TOTAL LIABILITIES		
TOTAL EQUITY AND LIABILITIES		
	<u>459,598</u>	<u>418,260</u>
Net assets per share (RM)		
	<u>0.3490</u>	<u>0.3986</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes to the interim financial report and the audited financial statements for the financial year ended 31 MARCH 2020.)

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	----- Non-distributable -----							Total equity RM'000
	Share capital RM'000	Capital reserve RM'000	Equity compensation reserve RM'000	Exchange translation reserve RM'000	Accumulated losses RM'000	Total attributable to owners of the parent RM'000	Non- controlling interests RM'000	
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 (loss) / 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>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020 (continued)**

	----- Non-distributable -----							Total equity RM'000
	Share capital RM'000	Capital reserve RM'000	Equity compensation reserve RM'000	Exchange translation reserve RM'000	Accumulated losses RM'000	Total attributable to owners of the parent RM'000	Non- controlling interests RM'000	
Unaudited Six Months Financial Period Ended 30 SEPTEMBER 2019								
Balance as at 1 APRIL 2019	248,723	24,663	3,577	(284)	(135,345)	141,334	5,893	147,227
Profit after tax for the financial period	-	-	-	-	24,321	24,321	1,365	25,686
Foreign currency translation for foreign operations, net of tax	-	-	-	(169)	-	(169)	(23)	(192)
Total comprehensive (loss) / profit for the financial period	-	-	-	(169)	24,321	24,152	1,342	25,494
Transactions with owners								
Shares issued pursuant to Long Term Incentive Plan ("LTIP")	393	-	-	-	-	393	-	393
Arising from accretion of equity interests in subsidiaries	-	-	-	-	(242)	(242)	(170)	(412)
Share-based payment transactions in a subsidiary	-	-	(3,854)	-	-	(3,854)	(2,363)	(6,217)
Total transactions with owners	393	-	(3,854)	-	(242)	(3,703)	(2,533)	(6,236)
Balance as at 30 SEPTEMBER 2019	<u>249,116</u>	<u>24,663</u>	<u>(277)</u>	<u>(453)</u>	<u>(111,266)</u>	<u>161,783</u>	<u>4,702</u>	<u>166,485</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 2020.)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	SIX MONTHS ENDED	
	30 SEPTEMBER 2020	30 SEPTEMBER 2019
	RM'000	RM'000
	Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,643	28,981
Adjustments for:		
Allowance for Diminution in Value no longer required	(3,812)	(421)
Depreciation and amortisation	3,476	3,145
Equity settled share-based payment transactions	-	(5,823)
Impairment losses on receivables	-	6,000
Impairment losses on software development	(2,417)	-
Interest expense	3,690	3,803
Interest income	(317)	(417)
Inventories written back	-	(13)
Net gain on disposal of property, plant and equipment	-	(1)
Net gain on fair value adjustments on other investments	-	(726)
Net unrealised gain on foreign currency exchange	(12)	-
Provision for doubtful debts no longer required	-	(104)
Share of results of associates	(3,139)	(2,208)
Share of results of a jointly-controlled entity	-	22
Operating profit before working capital changes	1,112	32,238
Net changes in assets	12,552	(50,477)
Net changes in liabilities	27,034	(8,085)
Net cash from / (used in) operations	40,698	(26,324)
Tax paid	(1,301)	(1,284)
Tax refunded	2	4,258
Net cash from / (used in) operating activities	39,399	(23,350)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of additional shares in subsidiaries	(9,628)	(412)
Addition of software development	(45,605)	(35)
Disposal of a subsidiary, net of cash disposed off	-	26,879
Interest received	316	415
Net (withdrawal) / placement of fixed deposits pledged	(1,600)	2,945
Proceed from disposal of quoted investments	6,340	-
Proceeds from disposal of other investments	-	2,326
Investment in associates	(1,586)	-
Purchase of property, plant and equipment	(204)	(134)
Net cash (used in) / from investing activities	(51,967)	31,984
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown / (repayments) of borrowings	13,702	(15,723)
Interest paid	(3,332)	(3,803)
Net cash from / (used in) financing activities	10,370	(19,526)
Net decrease in cash and cash equivalents	(2,198)	(10,892)
Cash and cash equivalents at 1 APRIL 2020/2019*	26,065	21,677
Effect of foreign exchange on opening balance	(61)	(182)
Cash and cash equivalents at 30 SEPTEMBER 2020/2019*	23,806	10,603

* 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 2020.)

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 2020. 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 2020.

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 2020 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 2020:

Amendments to References to the Conceptual Framework in MFRS Standards
Amendments to MFRS 3 Definition of a Business
Amendments to MFRS 101 and MFRS 108 Definition of Material
Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform
MFRS 17 Insurance Contracts
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current
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 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 2020 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

On 29 June 2020, Microlink Solutions Berhad ("Microlink"), a subsidiary of the Company, declared and approved a single-tier interim dividend of RM0.01 per ordinary share in respect of the financial year ended 31 March 2020. The dividend has been paid on 26 August 2020.

Notes to the Interim Financial Report

For the Second Quarter Ended 30 September 2020

9 Segmental reporting

The Group's reportable segments were identified as follows: -

- Business Performance Services - Provision of business performance improvement related services.
- Trading & Distribution Services - Distribution and reselling of hardware and software and related services.
- Digital & Infrastructure Services - Provision of a comprehensive range of tele/data communication, networking solutions and related services.

Other operating segments that do not constitute reportable segments comprise operations related to property development and investment holding.

Business Segments	Business Performance Services RM'000	Trading & Distribution Services RM'000	Digital & Infrastructure Services RM'000	Others RM'000	Eliminations RM'000	Total RM'000
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	<u>56,949</u>	<u>73,762</u>	<u>3</u>	<u>989</u>	<u>(14,330)</u>	<u>117,373</u>
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	<u>2,704</u>	<u>587</u>	<u>(435)</u>	<u>671</u>	<u>116</u>	<u>3,643</u>
Segment assets	<u>323,398</u>	<u>102,888</u>	<u>3,433</u>	<u>426,014</u>	<u>(396,135)</u>	<u>459,598</u>

Six Months Financial Period Ended 30 SEPTEMBER 2019

Unaudited

External revenue	56,989	67,483	828	25	-	125,325
Inter segment revenue	22,447	2,047	3	980	(25,477)	-
Total Revenue	<u>79,436</u>	<u>69,530</u>	<u>831</u>	<u>1,005</u>	<u>(25,477)</u>	<u>125,325</u>
Segment results	22,627	(5,306)	(423)	22,212	(8,929)	30,181
Share of results of associates	-	-	-	2,208	-	2,208
Share of results of a jointly-controlled entity	-	-	-	(22)	-	(22)
Interest expense	(996)	(747)	-	(2,060)	-	(3,803)
Interest Income	241	107	-	69	-	417
Profit / (Loss) before tax	<u>21,872</u>	<u>(5,946)</u>	<u>(423)</u>	<u>22,407</u>	<u>(8,929)</u>	<u>28,981</u>
Segment assets	<u>232,431</u>	<u>91,867</u>	<u>415</u>	<u>215,961</u>	<u>(184,839)</u>	<u>355,835</u>

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) Omesti Holdings Berhad ("OHB"), a wholly-owned subsidiary of the Company, had on 7 August 2020 and 8 September 2020 disposed a total of 42,140,550 ordinary shares ("DGSB Shares") in Diversified Gateway Solutions Berhad ("DGSB"), representing 5.651% of the total number of issued shares of DGSB in the open market for a total cash consideration of RM6,341,082.50 only or at an average of RM0.1505 per DGSB Share ("Disposals") as follows:

Date of Transaction	No of DGSB Shares	Consideration (RM)
07-08-2020	2,000,000	320,000.00
08-09-2020	40,140,550	6,021,082.50
Total	42,140,550	6,341,082.50

Following the Disposals, OHB now holds a balance of 54 DGSB Shares, representing 0.00% equity interest in DGSB.

- ii) During the financial period under review, OHB acquired 4,097,300 ordinary shares in Microlink for a total cash consideration of RM3,260,354, resulting in the equity interest of 64.3% owned by OHB.

In August 2020, OHB's equity interest in Microlink has been diluted from 64.3% to 64.0% resulting from the Long-Term Incentive Plan ("LTIP") grant of 1,000,000 ordinary shares of Microlink.

Subsequently, OHB acquired 4,080,300 ordinary shares in Microlink for a total consideration of RM6,367,228. Following the acquisition, OHB now holds 66.2% 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 SEPTEMBER 2020 RM'000	As at 30 SEPTEMBER 2019 RM'000
Cash and bank balances	23,809	12,483
Fixed deposits with licensed financial institutions	12,623	12,877
	36,432	25,360
Less: Fixed deposits pledged with licensed banks	(12,623)	(11,615)
Less: Bank overdraft	(3)	(3,142)
	<u>23,806</u>	<u>10,603</u>

Additional information required by Bursa Securities Listing Requirements
For the Second Quarter Ended 30 September 2020

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 SEPTEMBER 2020 RM'000 Unaudited	30 SEPTEMBER 2019 RM'000 Unaudited	Variance %	30 SEPTEMBER 2020 RM'000 Unaudited	30 SEPTEMBER 2019 RM'000 Unaudited	Variance %
Business Performance Services	39,261	42,807	(8.3)	56,949	79,436	(28.3)
Trading & Distribution Services	45,613	35,795	27.4	73,762	69,530	6.1
Digital & Infrastructure Services	-	390	NA	3	831	(99.6)
Others	499	490	1.8	989	1,005	(1.6)
	85,373	79,482	7.4	131,703	150,802	(12.7)
Less : Inter Segment Revenue	(10,143)	(14,176)		(14,330)	(25,477)	
Total Group Revenue	<u>75,230</u>	<u>65,306</u>	15.2	<u>117,373</u>	<u>125,325</u>	(6.3)

The Group's revenue for the current quarter under review has increased to RM75.23 million, representing an increase of 15.2% as compared to the corresponding quarter of the preceding financial period mainly due to higher order fulfilments and progress billings in the Trading & Distribution 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 SEPTEMBER 2020 RM'000 Unaudited	30 SEPTEMBER 2019 RM'000 Unaudited	Variance %	30 SEPTEMBER 2020 RM'000 Unaudited	30 SEPTEMBER 2019 RM'000 Unaudited	Variance %
Business Performance Services	2,870	14,386	(80.1)	2,704	21,872	(87.6)
Trading & Distribution Services	585	(5,449)	NA	587	(5,946)	NA
Digital & Infrastructure Services	(158)	(238)	(33.6)	(435)	(423)	2.8
Others	17	23,645	(99.9)	671	22,407	(97.0)
	3,314	32,344	(89.8)	3,527	37,910	(90.7)
Less : Elimination	47	(7,712)		116	(8,929)	
Profit before tax	<u>3,361</u>	<u>24,632</u>	(86.4)	<u>3,643</u>	<u>28,981</u>	(87.4)

The Group posted a profit before tax of RM3.36 million for the current financial quarter as compared to a profit before tax of RM24.63 million as recorded in the previous corresponding quarter. The decrease was mainly attributable to the one-off gain on disposal of a subsidiary of RM24.6 million in the previous corresponding quarter.

2 Variation of results against preceding quarter

	THREE MONTHS ENDED		Variance %
	30 SEPTEMBER 2020 RM'000	30 JUNE 2020 RM'000	
Revenue	<u>75,230</u>	<u>42,143</u>	78.5
Profit before tax	<u>3,361</u>	<u>282</u>	NA

The Group's revenue for the current quarter under review has increased to RM75.23 million, representing an increase of 78.5% as compared to the immediate preceding quarter mainly attributable to higher order fulfilments from Business Performance Services and Trading & Distribution Services segments.

**Additional information required by Bursa Securities Listing Requirements
For the Second Quarter Ended 30 September 2020**

3 Business prospects

The COVID-19 pandemic brought about an unprecedented crisis which has impacted businesses globally. The Government of Malaysia announced the imposition of various movement control orders to curb the spike of COVID-19 cases.

Given the prevailing economic conditions and global financial outlook, the Group will continue its efforts to ensure continuous profitable operations post-COVID-19. Notwithstanding the above, the Board is optimistic on the outlook of the ICT industry given the marked increase in the requirement for businesses to transform digitally and automate their operations to ensure long-term sustainability. The Board is optimistic that the long term prospects of the Group will be supported by the growth in connectivity services in Malaysia, evolving connectivity technology, capital expenditure of communication service providers on support systems to cope with greater network coverage as well as increasing network capacity to accommodate both ongoing growth in subscriber base and data usage.

Premised on the above and barring any unforeseen circumstances, the Board of Directors is optimistic that the financial performance for the current financial year will remain positive.

4 Profit forecast

Not applicable.

5 Taxation

	INDIVIDUAL QUARTER THREE MONTHS ENDED		CUMULATIVE PERIOD SIX MONTHS ENDED	
	30 SEPTEMBER 2020 RM'000 Unaudited	30 SEPTEMBER 2019 RM'000 Unaudited	30 SEPTEMBER 2020 RM'000 Unaudited	30 SEPTEMBER 2019 RM'000 Unaudited
Current tax expense				
- Malaysian taxation	935	1,145	935	1,480
Under provision in prior periods				
- Malaysian taxation	-	821	-	866
	935	1,966	935	2,346
Deferred taxation				
- origination and reversal of temporary differences				
- Malaysian taxation	-	903	-	949
	935	2,869	935	3,295

The Group's taxation for the current quarter under review has decreased to RM0.9 million, representing a decrease of 67% as compared to the corresponding quarter of the preceding financial period due to lower taxable income.

6 Status of corporate proposals

On 3 June 2020, the Company announced that the Company proposes to implement a renounceable rights issue of up to 119,775,812 new redeemable preference shares ("RPS") in Omesti at an issue price of RM1.00 per RPS together with up to 279,476,894 free detachable warrants ("Warrants") on the basis of 1 RPS for every 5 existing ordinary shares in Omesti held and 7 Warrants for every 3 RPS subscribed at an entitlement date to be determined by the Board at a later date ("Proposed Rights Issue of RPS with Warrants").

The listing application in relation to the Proposed Rights Issue of RPS with Warrants was submitted to Bursa Securities on 17 September 2020.

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

7 Borrowings and debt securities

The Group's bank borrowings consist of term loan, invoice financing, lease creditors, trust receipts and bank overdraft, and are denominated in RM.

**Additional information required by Bursa Securities Listing Requirements
For the Second Quarter Ended 30 September 2020**

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:

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 for the Companies Commission of Malaysia.

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

- a) that the Defendants jointly and severally pay the Plaintiff the sum of USD0.8 million;
- b) interest at the rate of 1.5% per month on the sums due and owing, 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 Defence and Counterclaim on 10 July 2020. In the Counterclaim, the Defendants claimed for, amongst others:

- (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. The suit is presently fixed for case management on 17 December 2020.

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

On 29 June 2020, Microlink, a subsidiary of the Company, declared and approved a single-tier interim dividend of RM0.01 per ordinary share in respect of the financial year ended 31 March 2020. The dividend has been paid on 26 August 2020.

On 27 November 2020, Microlink declared a single-tier interim dividend of RM0.01 per ordinary share in respect of the financial year ending 31 March 2021.

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10 Earnings per ordinary share

Basic / diluted 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 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 SEPTEMBER 2020 Unaudited	30 SEPTEMBER 2019 Unaudited	30 SEPTEMBER 2020 Unaudited	30 SEPTEMBER 2019 Unaudited
Profit after tax and non-controlling interests (RM'000)	1,002	20,267	1,093	24,321
Number of shares in issue as at beginning of the period ('000)	530,838	476,955	530,838	477,592
Effect of issuance of LTIP ('000)	-	395	-	513
WA number of ordinary shares in issue ('000)	530,838	477,350	530,838	478,105
Basic / diluted earnings per ordinary share (sen)	0.19	4.25	0.21	5.09