

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020**

|   | INDIVIDUAL QUARTER<br>THREE MONTHS ENDED |                        |               | CUMULATIVE PERIOD<br>NINE MONTHS ENDED |                        |               |
|---|--|------------------------|---------------|--|------------------------|---------------|
|   | 31<br>DECEMBER<br>2020                   | 31<br>DECEMBER<br>2019 | Variance<br>% | 31<br>DECEMBER<br>2020                 | 31<br>DECEMBER<br>2019 | Variance<br>% |
|   | RM'000<br>Unaudited                      | RM'000<br>Unaudited    |               | RM'000<br>Unaudited                    | RM'000<br>Unaudited    |               |
| Revenue   | 66,775                                   | 51,829                 | 28.8          | 184,148                                | 177,154                | 3.9           |
| Cost of sales   | (41,552)                                 | (31,626)               | 31.4          | (131,759)                              | (118,943)              | 10.8          |
| Gross profit  | 25,223                                   | 20,203                 | 24.8          | 52,389                                 | 58,211                 | (10.0)        |
| Other income  | 549                                      | 190                    | NA            | 10,096                                 | 26,616                 | (62.1)        |
| Other operating expenses  | (23,551)                                 | (18,071)               | 30.3          | (55,883)                               | (51,830)               | 7.8           |
| Finance costs   | (3,094)                                  | (1,954)                | 58.3          | (6,971)                                | (5,834)                | 19.5          |
| Share of results of associates, net of tax                        | 1,201                                    | 2,398                  | (49.9)        | 4,340                                  | 4,606                  | (5.8)         |
| Share of results of a jointly-controlled entity, net of tax       | -  | -                      | NA            | -                                      | (22)                   | NA            |
| Profit before tax   | 328                                      | 2,766                  | (88.1)        | 3,971                                  | 31,747                 | (87.5)        |
| Taxation  | (74)                                     | (26)                   | NA            | (1,009)                                | (3,321)                | (69.6)        |
| Profit for the financial period                                   | 254                                      | 2,740                  | (90.7)        | 2,962                                  | 28,426                 | (89.6)        |
| <b>Other comprehensive (loss) / income, net of tax</b>            |  |                        |               |  |                        |               |
| Items that may be reclassified subsequently to profit or loss:    |  |                        |               |  |                        |               |
| - Foreign currency translation differences for foreign operations | (2)                                      | 21                     | NA            | (47)                                   | (171)                  | (72.5)        |
| - Share of other comprehensive loss of associates                 | -  | (2)                    | NA            | -                                      | (2)                    | NA            |
| <b>Other comprehensive (loss) / income, net of tax</b>            | <b>(2)</b>                               | <b>19</b>              | <b>NA</b>     | <b>(47)</b>                            | <b>(173)</b>           | <b>(72.8)</b> |
| <b>Total comprehensive income</b>                                 | <b>252</b>                               | <b>2,759</b>           | <b>(90.8)</b> | <b>2,915</b>                           | <b>28,253</b>          | <b>(89.7)</b> |
| <b>(Loss) / Profit attributable to:-</b>                          |  |                        |               |  |                        |               |
| Owners of the Parent  | (772)                                    | 942                    | NA            | 321                                    | 25,263                 | (98.7)        |
| Non-controlling interests   | 1,026                                    | 1,798                  | (42.9)        | 2,641                                  | 3,163                  | (16.5)        |
| <b>Profit for the financial period</b>                            | <b>254</b>                               | <b>2,740</b>           | <b>(90.7)</b> | <b>2,962</b>                           | <b>28,426</b>          | <b>(89.6)</b> |
| <b>Total comprehensive (loss) / income attributable to:-</b>      |  |                        |               |  |                        |               |
| Owners of the Parent  | (779)                                    | 956                    | NA            | 262                                    | 25,108                 | (99.0)        |
| Non-controlling interests   | 1,031                                    | 1,803                  | (42.8)        | 2,653                                  | 3,145                  | (15.6)        |
| <b>Total comprehensive income</b>                                 | <b>252</b>                               | <b>2,759</b>           | <b>(90.8)</b> | <b>2,915</b>                           | <b>28,253</b>          | <b>(89.7)</b> |
| <b>(Loss) / Earnings per ordinary share (sen)</b>                 |  |                        |               |  |                        |               |
| - Basic and diluted   | (0.15)                                   | 0.20                   |               | 0.06                                   | 5.28                   |               |

(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.)

**OMESTI BERHAD (200001028094 (530701 - T))**

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

|  | As at<br>31 DECEMBER 2020<br>RM'000<br>Unaudited | As at<br>31 MARCH 2020<br>RM'000<br>Audited |
|--|--|---|
| <b>ASSETS</b>                                      |  |   |
| <b>Non-Current Assets</b>                          |  |   |
| Right-of-Use assets                                | 35,318   | 18,777                                      |
| Property, plant and equipment                      | 4,770  | 6,274                                       |
| Investment in associates                           | 101,763  | 97,423                                      |
| Other intangible assets                            | 124,644  | 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                                       |
|  | 310,144  | 246,985                                     |
| <b>Current Assets</b>                              |  |   |
| Other investments                                  | 112  | 110   |
| Inventories  | 16,415   | 4,143                                       |
| Trade receivables                                  | 69,898   | 78,162                                      |
| Other receivables, deposits and prepayments        | 67,077   | 37,438                                      |
| Contract assets                                    | 7,495  | 8,226                                       |
| Amounts owing by associates                        | 24   | 88  |
| Amount owing by a jointly-controlled entity        | 401  | 402   |
| Current tax assets                                 | 3,195  | 1,831                                       |
| Cash and cash equivalents                          | 39,927   | 40,875                                      |
|  | 204,544  | 171,275                                     |
|  | 514,688  | 418,260                                     |
| <b>EQUITY AND LIABILITIES</b>                      |  |   |
| <b>Equity attributable to owners of the Parent</b> |  |   |
| Share capital                                      | 275,881  | 275,506                                     |
| Other reserves                                     | 24,851   | 24,910                                      |
| Accumulated losses                                 | (98,586)   | (107,975)                                   |
|  | 202,146  | 192,441                                     |
| <b>Non-controlling interests</b>                   | 45,584   | 10,688                                      |
| <b>TOTAL EQUITY</b>                                | 247,730  | 203,129                                     |
| <b>Non-Current Liabilities</b>                     |  |   |
| Other payables, deposits & accruals                | 146  | 146   |
| Borrowings   | 12,724   | 12,968                                      |
| Provision for post employment benefits             | 4,413  | 4,413                                       |
| Deferred tax liabilities                           | 2  | 2   |
|  | 17,285   | 17,529                                      |
| <b>Current Liabilities</b>                         |  |   |
| Trade payables                                     | 22,092   | 60,733                                      |
| Other payables, deposits and accruals              | 76,045   | 40,795                                      |
| Contract liabilities                               | 49,221   | 29,805                                      |
| Amounts owing to associates                        | 313  | 22  |
| Amount due to joint venture                        | 34   | 14  |
| Borrowings   | 100,458  | 64,300                                      |
| Current tax payables                               | 1,510  | 1,933                                       |
|  | 249,673  | 197,602                                     |
|  | 266,958  | 215,131                                     |
| <b>TOTAL LIABILITIES</b>                           | 266,958  | 215,131                                     |
| <b>TOTAL EQUITY AND LIABILITIES</b>                | 514,688  | 418,260                                     |
| <b>Net assets per share (RM)</b>                   | 0.3807   | 0.3986                                      |

*(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 31 DECEMBER 2020**

|  | ----- Non-distributable ----- |                              |   |  |                                 |   |  | Total equity<br>RM'000 |
|--|-------------------------------|------------------------------|---|--|---------------------------------|---|--|------------------------|
|  | Share capital<br>RM'000       | Capital<br>reserve<br>RM'000 | Equity<br>compensation<br>reserve<br>RM'000 | Exchange<br>translation<br>reserve<br>RM'000 | Accumulated<br>losses<br>RM'000 | Total<br>attributable to<br>owners of the<br>parent<br>RM'000 | Non-<br>controlling<br>interests<br>RM'000 |                        |
| <b>Unaudited<br/>Nine Months Financial Period Ended 31 DECEMBER 2020</b> |                               |                              |   |  |                                 |   |  |                        |
| <b>Balance as at 1 APRIL 2020</b>  | 275,506                       | 24,663                       | -   | 247  | (107,975)                       | 192,441   | 10,688                                     | 203,129                |
| Profit after tax for the financial period                                | -                             | -                            | -   | -  | 321                             | 321   | 2,641                                      | 2,962                  |
| Foreign currency translation for<br>foreign operations, net of tax       | -                             | -                            | -   | (59)   | -                               | (59)  | 12   | (47)                   |
| Total comprehensive (loss) / profit for the financial period             | -                             | -                            | -   | (59)   | 321                             | 262   | 2,653                                      | 2,915                  |
| <b>Transactions with owners</b>  |                               |                              |   |  |                                 |   |  |                        |
| Shares issued pursuant to<br>Long Term Incentive Plan ("LTIP")           | -                             | -                            | -   | -  | -                               | -   | 487  | 487                    |
| Shares issued pursuant to<br>Employee Share Grant Plan ("ESGP")          | 375                           | -                            | -   | -  | -                               | 375   | 1,720                                      | 2,095                  |
| Shares issued pursuant to private placement                              | -                             | -                            | -   | -  | 17,128                          | 17,128  | 32,952                                     | 50,080                 |
| Arising from accretion of equity interests in subsidiaries               | -                             | -                            | -   | -  | (7,569)                         | (7,569)   | (2,916)                                    | (10,485)               |
| Dividend paid  | -                             | -                            | -   | -  | (491)                           | (491)   | -  | (491)                  |
| Total transactions with owners   | 375                           | -                            | -   | -  | 9,068                           | 9,443   | 32,243                                     | 41,686                 |
| <b>Balance as at 31 DECEMBER 2020</b>                                    | <b>275,881</b>                | <b>24,663</b>                | <b>-</b>                                    | <b>188</b>                                   | <b>(98,586)</b>                 | <b>202,146</b>  | <b>45,584</b>                              | <b>247,730</b>         |

**OMESTI BERHAD** (200001028094 (530701 - T))

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020 (continued)**

| Unaudited<br>Nine Months Financial Period Ended 31 DECEMBER 2019   | ----- Non-distributable ----- |                              |   |  |                                 |   |  | Total equity<br>RM'000 |
|--|-------------------------------|------------------------------|---|--|---------------------------------|---|--|------------------------|
|  | Share capital<br>RM'000       | Capital<br>reserve<br>RM'000 | Equity<br>compensation<br>reserve<br>RM'000 | Exchange<br>translation<br>reserve<br>RM'000 | Accumulated<br>losses<br>RM'000 | Total<br>attributable to<br>owners of the<br>parent<br>RM'000 | Non-<br>controlling<br>interests<br>RM'000 |                        |
| <b>Balance as at 1 APRIL 2019</b>                                  | 248,723                       | 24,663                       | 3,577                                       | (284)  | (135,345)                       | 141,334   | 5,893                                      | 147,227                |
| Profit after tax for the financial period                          | -                             | -                            | -   | -  | 25,263                          | 25,263  | 3,163                                      | 28,426                 |
| Foreign currency translation for<br>foreign operations, net of tax | -                             | -                            | -   | (153)  | -                               | (153)   | (18)                                       | (171)                  |
| Share of other comprehensive loss of<br>associates, net of tax     | -                             | -                            | -   | (2)  | -                               | (2)   | -  | (2)                    |
| Total comprehensive (loss) / profit for the financial period       | -                             | -                            | -   | (155)  | 25,263                          | 25,108  | 3,145                                      | 28,253                 |
| <b>Transactions with owners</b>                                    |                               |                              |   |  |                                 |   |  |                        |
| Shares issued pursuant to<br>Long Term Incentive Plan ("LTIP")     | 393                           | -                            | -   | -  | -                               | 393   | -  | 393                    |
| Arising from accretion of equity interests in subsidiaries         | -                             | -                            | -   | -  | (597)                           | (597)   | (408)                                      | (1,005)                |
| Arising from dilution of equity interests in subsidiaries          | -                             | -                            | -   | -  | 4,104                           | 4,104   | 5,101                                      | 9,205                  |
| Share-based payment transactions in a subsidiary                   | -                             | -                            | (3,577)                                     | -  | -                               | (3,577)   | (2,639)                                    | (6,216)                |
| Total transactions with owners                                     | 393                           | -                            | (3,577)                                     | -  | 3,507                           | 323   | 2,054                                      | 2,377                  |
| <b>Balance as at 31 DECEMBER 2019</b>                              | <u>249,116</u>                | <u>24,663</u>                | <u>-</u>                                    | <u>(439)</u>                                 | <u>(106,575)</u>                | <u>166,765</u>  | <u>11,092</u>                              | <u>177,857</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 31 DECEMBER 2020**
**NINE MONTHS ENDED**

|   | 31 DECEMBER 2020<br>RM'000<br>Unaudited | 31 DECEMBER 2019<br>RM'000<br>Unaudited |
|---|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                               |   |   |
| Profit before tax   | 3,971                                   | 31,747                                  |
| Adjustments for:  |   |   |
| Bad debts written off   | 2                                       | -                                       |
| Allowance for Diminution in Value no longer required                      | (3,812)                                 | (421)                                   |
| Depreciation and amortisation   | 5,070                                   | 4,733                                   |
| Equity settled share-based payment transactions                           | -                                       | (5,823)                                 |
| Impairment losses on receivables  | -                                       | 6,000                                   |
| Impairment losses on software development                                 | (2,417)                                 | -                                       |
| Impairment losses on property, plant and equipment                        | -                                       | 1                                       |
| Interest expense  | 6,749                                   | 5,594                                   |
| Interest income   | (405)                                   | (545)                                   |
| Inventories written back  | -                                       | (23)                                    |
| Net gain on disposal of property, plant and equipment                     | -                                       | (1)                                     |
| Net loss on dilution of equity interest in associates                     | -                                       | 142                                     |
| Net gain on fair value adjustments on other investments                   | -                                       | (664)                                   |
| Net unrealised gain on foreign currency exchange                          | (12)                                    | -                                       |
| Provision for doubtful debts no longer required                           | -                                       | (104)                                   |
| Share of results of associates  | (4,340)                                 | (4,606)                                 |
| Share of results of a jointly-controlled entity                           | -                                       | 22                                      |
| Operating profit before working capital changes                           | 4,806                                   | 36,052                                  |
| Net changes in assets   | (30,340)                                | (17,036)                                |
| Net changes in liabilities  | 23,014                                  | (28,396)                                |
| Net cash from / (used in) operations                                      | (2,520)                                 | (9,380)                                 |
| Tax paid  | (2,498)                                 | (2,496)                                 |
| Tax refunded  | 2                                       | 4,809                                   |
| Net cash from / (used in) operating activities                            | (5,016)                                 | (7,067)                                 |
| <b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>                            |   |   |
| Acquisition of additional shares in subsidiaries                          | (10,484)                                | (1,005)                                 |
| Addition of software development  | (45,639)                                | (128)                                   |
| Disposal of a subsidiary, net of cash disposed off                        | -                                       | 26,879                                  |
| Interest received   | 403                                     | 542                                     |
| Net placement of fixed deposits pledged                                   | 598                                     | 2,917                                   |
| Proceed from disposal of quoted investments                               | 6,340                                   | -                                       |
| Proceeds from disposal of property, plant and equipment                   | -                                       | 1                                       |
| Investment in associates  | (1,586)                                 | -                                       |
| Purchase of property, plant and equipment                                 | (825)                                   | (216)                                   |
| Net cash (used in) / from investing activities                            | (51,193)                                | 28,990                                  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                               |   |   |
| Net drawdown / (repayments) of borrowings                                 | 15,342                                  | (19,481)                                |
| Proceeds from shares issued pursuant to private placement in a subsidiary | 50,080                                  | 9,205                                   |
| Shares issued pursuant to Employee Share Grant Plan ("ESGP")              | 375                                     | -                                       |
| Interest paid   | (6,083)                                 | (5,594)                                 |
| Net cash from / (used in) financing activities                            | 59,714                                  | (15,870)                                |
| Net decrease in cash and cash equivalents                                 | 3,505                                   | 6,053                                   |
| Cash and cash equivalents at 1 APRIL 2020/2019*                           | 26,065                                  | 21,677                                  |
| Effect of foreign exchange on opening balance                             | (68)                                    | (163)                                   |
| Cash and cash equivalents at 31 DECEMBER 2020/2019*                       | 29,502                                  | 27,567                                  |

\* 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**

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

**9 Segmental reporting**

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

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

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

| <b>Business Segments</b>                                   | <b>Business Performance Services<br/>RM'000</b> | <b>Trading &amp; Distribution Services<br/>RM'000</b> | <b>Digital &amp; Infrastructure Services<br/>RM'000</b> | <b>Others<br/>RM'000</b> | <b>Eliminations<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|--|---|---|---|--------------------------|--------------------------------|-------------------------|
| <b>Nine Months Financial Period Ended 31 DECEMBER 2020</b> |   |   |   |                          |                                |                         |
| <b>Unaudited</b>   |   |   |   |                          |                                |                         |
| External revenue   | 79,927  | 102,669   | 27  | 1,525                    | -                              | 184,148                 |
| Inter segment revenue                                      | 24,138  | 2,549   | -   | 1,471                    | (28,158)                       | -                       |
| <b>Total Revenue</b>                                       | <b>104,065</b>                                  | <b>105,218</b>  | <b>27</b>   | <b>2,996</b>             | <b>(28,158)</b>                | <b>184,148</b>          |
| Segment results  | 9,938   | 2,051   | (886)   | (2,435)                  | (2,693)                        | 5,975                   |
| Share of results of associates                             | -   | -   | -   | 4,340                    | -                              | 4,340                   |
| Share of results of<br>a jointly-controlled entity         | -   | -   | -   | -                        | -                              | -                       |
| Interest expense   | (1,996)   | (953)   | (22)  | (3,784)                  | 6                              | (6,749)                 |
| Interest Income  | 267   | 67  | -   | 71                       | -                              | 405                     |
| <b>Profit / (Loss) before tax</b>                          | <b>8,209</b>                                    | <b>1,165</b>  | <b>(908)</b>  | <b>(1,808)</b>           | <b>(2,687)</b>                 | <b>3,971</b>            |
| Segment assets   | 415,424   | 77,979  | 4,130   | 440,946                  | (423,791)                      | 514,688                 |
| <b>Nine Months Financial Period Ended 31 DECEMBER 2019</b> |   |   |   |                          |                                |                         |
| <b>Unaudited</b>   |   |   |   |                          |                                |                         |
| External revenue   | 81,116  | 95,036  | 968   | 34                       | -                              | 177,154                 |
| Inter segment revenue                                      | 39,869  | 7,604   | 4   | 1,471                    | (48,948)                       | -                       |
| <b>Total Revenue</b>                                       | <b>120,985</b>                                  | <b>102,640</b>  | <b>972</b>  | <b>1,505</b>             | <b>(48,948)</b>                | <b>177,154</b>          |
| Segment results  | 30,594  | (4,815)   | (479)   | 16,557                   | (9,645)                        | 32,212                  |
| Share of results of associates                             | -   | -   | -   | 4,606                    | -                              | 4,606                   |
| Share of results of<br>a jointly-controlled entity         | -   | -   | -   | (22)                     | -                              | (22)                    |
| Interest expense   | (1,486)   | (1,038)   | -   | (3,070)                  | -                              | (5,594)                 |
| Interest Income  | 330   | 132   | -   | 83                       | -                              | 545                     |
| <b>Profit / (Loss) before tax</b>                          | <b>29,438</b>                                   | <b>(5,721)</b>  | <b>(479)</b>  | <b>18,154</b>            | <b>(9,645)</b>                 | <b>31,747</b>           |
| Segment assets   | 249,636   | 84,064  | 1,919   | 213,957                  | (206,505)                      | 343,071                 |

**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**

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<br>31 DECEMBER<br>2020<br>RM'000 | As at<br>31 DECEMBER<br>2019<br>RM'000 |
|---|--|--|
| Cash and bank balances                              | 29,502                                 | 31,507                                 |
| Fixed deposits with licensed financial institutions | 10,425                                 | 11,084                                 |
|   | 39,927                                 | 42,591                                 |
| Less: Fixed deposits pledged with licensed banks    | (10,425)                               | (11,642)                               |
| Less: Bank overdraft                                | -                                      | (3,382)                                |
|   | <u>29,502</u>                          | <u>27,567</u>                          |



**Additional information required by Bursa Securities Listing Requirements  
For the Second Quarter Ended 31 December 2020**
**1 Detailed analysis of performance**

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

|                                   | INDIVIDUAL QUARTER<br>THREE MONTHS ENDED      |   |               | CUMULATIVE PERIOD<br>NINE MONTHS ENDED        |   |               |
|-----------------------------------|---|---|---------------|---|---|---------------|
|                                   | 31<br>DECEMBER<br>2020<br>RM'000<br>Unaudited | 31<br>DECEMBER<br>2019<br>RM'000<br>Unaudited | Variance<br>% | 31<br>DECEMBER<br>2020<br>RM'000<br>Unaudited | 31<br>DECEMBER<br>2019<br>RM'000<br>Unaudited | Variance<br>% |
| Business Performance Services     | 47,116  | 41,549  | 13.4          | 104,065                                       | 120,985                                       | (14.0)        |
| Trading & Distribution Services   | 31,456  | 33,110  | (5.0)         | 105,218                                       | 102,640                                       | 2.5           |
| Digital & Infrastructure Services | 24  | 141   | (83.0)        | 27  | 972   | (97.2)        |
| Others                            | 2,007   | 500   | NA            | 2,996   | 1,505   | 99.1          |
|                                   | 80,603  | 75,300  | 7.0           | 212,306                                       | 226,102                                       | (6.1)         |
| Less : Inter Segment Revenue      | (13,828)                                      | (23,471)                                      |               | (28,158)                                      | (48,948)                                      |               |
| Total Group Revenue               | <u>66,775</u>                                 | <u>51,829</u>                                 | 28.8          | <u>184,148</u>                                | <u>177,154</u>                                | 3.9           |

The Group's revenue for the current quarter under review has increased to RM66.78 million, representing an increase of 28.8% 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 detailed breakdown of profit before tax by business segments of the Group is as follows: -

|                                   | INDIVIDUAL QUARTER<br>THREE MONTHS ENDED      |   |               | CUMULATIVE PERIOD<br>NINE MONTHS ENDED        |   |               |
|-----------------------------------|---|---|---------------|---|---|---------------|
|                                   | 31<br>DECEMBER<br>2020<br>RM'000<br>Unaudited | 31<br>DECEMBER<br>2019<br>RM'000<br>Unaudited | Variance<br>% | 31<br>DECEMBER<br>2020<br>RM'000<br>Unaudited | 31<br>DECEMBER<br>2019<br>RM'000<br>Unaudited | Variance<br>% |
| Business Performance Services     | 5,505   | 7,566   | (27.2)        | 8,209   | 29,438  | (72.1)        |
| Trading & Distribution Services   | 578   | 225   | NA            | 1,165   | (5,721)                                       | NA            |
| Digital & Infrastructure Services | (473)   | (56)  | NA            | (908)   | (479)   | 89.6          |
| Others                            | (2,479)                                       | (4,253)                                       | (41.7)        | (1,808)                                       | 18,154  | NA            |
|                                   | 3,131   | 3,482   | (10.1)        | 6,658   | 41,392  | (83.9)        |
| Less : Elimination                | (2,803)                                       | (716)   |               | (2,687)                                       | (9,645)                                       |               |
| Profit before tax                 | <u>328</u>                                    | <u>2,766</u>                                  | (88.1)        | <u>3,971</u>                                  | <u>31,747</u>                                 | (87.5)        |

The Group posted a profit before tax of RM0.33 million for the current financial quarter as compared to a profit before tax of RM2.77 million as recorded in the previous corresponding quarter. The decrease is mainly due to the lower gross profit margin achieved in the Business Performance Services segment.

**2 Variation of results against preceding quarter**

|                   | THREE MONTHS ENDED               |                                   |               |
|-------------------|----------------------------------|-----------------------------------|---------------|
|                   | 31<br>DECEMBER<br>2020<br>RM'000 | 30<br>SEPTEMBER<br>2020<br>RM'000 | Variance<br>% |
| Revenue           | <u>66,775</u>                    | <u>75,230</u>                     | (11.2)        |
| Profit before tax | <u>328</u>                       | <u>3,361</u>                      | (90.2)        |

The Group's revenue for the current quarter under review has decreased to RM66.78 million, representing a decrease of 11.2% as compared to the immediate preceding quarter mainly attributable to lower order fulfilments from Trading & Distribution Services.

**Additional information required by Bursa Securities Listing Requirements  
For the Second Quarter Ended 31 December 2020**
**3 Business prospects**

The continuing COVID-19 pandemic along with the implementation of various movement control orders have brought about an unprecedented crisis.

While adhering to the strict protocols, the Group still managed to implement the delivery of its services without much disruptions. The Group will continue to monitor the COVID-19 situation closely and to optimise constantly its operation to adapt to the ongoing impact of the pandemic. The Board of Directors is cautiously optimistic that the financial performance of the current financial year will remain positive.

**4 Profit forecast**

Not applicable.

**5 Taxation**

|   | INDIVIDUAL QUARTER<br>THREE MONTHS ENDED      |   | CUMULATIVE PERIOD<br>NINE MONTHS ENDED        |   |
|---|---|---|---|---|
|   | 31<br>DECEMBER<br>2020<br>RM'000<br>Unaudited | 31<br>DECEMBER<br>2019<br>RM'000<br>Unaudited | 31<br>DECEMBER<br>2020<br>RM'000<br>Unaudited | 31<br>DECEMBER<br>2019<br>RM'000<br>Unaudited |
| Current tax expense                                 |   |   |   |   |
| - Malaysian taxation                                | 74  | 507   | 1,009   | 1,987   |
| Under provision in prior periods                    |   |   |   |   |
| - Malaysian taxation                                | -   | (481)   | -   | 385   |
|   | 74  | 26  | 1,009   | 2,372   |
| Deferred taxation                                   |   |   |   |   |
| - origination and reversal of temporary differences |   |   |   |   |
| - Malaysian taxation                                | -   | -   | -   | 949   |
|   | 74  | 26  | 1,009   | 3,321   |

The Group's taxation for the current quarter under review has increased to RM0.07 million as compared to a taxation of RM0.02 million as recorded in the previous corresponding quarter. This is because profits of certain subsidiaries cannot be set-off against losses of other subsidiaries for tax purposes.

**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.

On 18 February 2021, the Company has announced on the important relevant dates for renounceable rights as below:

- 1) The Right commence of trading : 9 Mar 2021
- 2) The Date of Dispatch of the Prospectus and Provisional Allotment Letter of Offer : 10 Mar 2021
- 3) The last day and time for Acceptance, Renunciation and Payment : 23 Mar 2021
- 4) The Rights cessation quotation : 16 Mar 2021

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 31 December 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:

- 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 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.

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

FNS maintains the position that it is not in default of the Outsourcing Agreement and in view thereof, on 11 February 2021, FNS filed a writ of summons and statement of claim as plaintiff against SSM as defendant, at the Court for, inter-alia, the unlawful termination of the Outsourcing Agreement.

FNS is seeking for, inter-alia, the following orders from the Court:

- a) An order by way of specific performance of the Outsourcing Agreement;
- b) Damages in lieu of the specific performance to be assessed by the Court;
- c) Alternatively, damages to be assessed and/or sums to be determined for quantum meruit;
- d) Alternatively, an order that the sum of RM128,178,067.84 be paid by SSM to FNS;
- e) Further and/or in the alternative, damages to be assessed and/or sums to be determined in relation to the issue of unjust enrichment;
- f) A declaration that the source code and/or intellectual property and/or confidential information as particularised in the statement of claim is property belonging to FNS;
- g) An order that SSM deliver up the source code and/or intellectual property and/or confidential information which is in the custody, possession or control of SSM to FNS;
- h) An injunction to restrain SSM either through its agents and/or servants and/or otherwise howsoever from using and/or distributing and/or sharing and/or publishing the source code and/or intellectual property and/or confidential information belonging to FNS and/or any part thereof for any purpose; and
- i) Damages, whether general and/or aggravated and/or exemplary, to be assessed by the Court.

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.

**Additional information required by Bursa Securities Listing Requirements  
For the Second Quarter Ended 31 December 2020**

**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<br>THREE MONTHS ENDED |                                     | CUMULATIVE PERIOD<br>NINE MONTHS ENDED |                                     |
|--|--|-------------------------------------|--|-------------------------------------|
|  | 31<br>DECEMBER<br>2020<br>Unaudited      | 31<br>DECEMBER<br>2019<br>Unaudited | 31<br>DECEMBER<br>2020<br>Unaudited    | 31<br>DECEMBER<br>2019<br>Unaudited |
| (Loss) / Profit after tax and non-controlling interests (RM'000) | (772)                                    | 942                                 | 321                                    | 25,263                              |
| Number of shares in issue as at beginning of the period ('000)   | 530,838                                  | 478,562                             | 530,838                                | 477,592                             |
| Effect of issuance of LTIP ('000)                                | -  | -                                   | -                                      | 666                                 |
| Effect of issuance of ESGP ('000)                                | 96                                       | -                                   | 96                                     | -                                   |
| WA number of ordinary shares in issue ('000)                     | 530,934                                  | 478,562                             | 530,934                                | 478,258                             |
| Basic / diluted (loss) / earnings per ordinary share (sen)       | (0.15)                                   | 0.20                                | 0.06                                   | 5.28                                |