

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

	INDIVIDUAL QUARTER THREE MONTHS ENDED			CUMULATIVE PERIOD THREE MONTHS ENDED		
	30 JUNE 2023	30 JUNE 2022	Variance	30 JUNE 2023	30 JUNE 2022	Variance
	RM'000 Unaudited	RM'000 Unaudited	%	RM'000 Unaudited	RM'000 Unaudited	%
Continuing Operations						
Revenue	25,023	31,279	(20.0)	25,023	31,279	(20.0)
Cost of sales	(13,046)	(20,248)	(35.6)	(13,046)	(20,248)	(35.6)
Gross profit	11,977	11,031	8.6	11,977	11,031	8.6
Other income	6,853	671	NA	6,853	671	NA
Other operating expenses	(19,615)	(16,064)	22.1	(19,615)	(16,064)	22.1
Finance costs	(5,233)	(5,278)	(0.9)	(5,233)	(5,278)	(0.9)
Share of results of associates, net of tax	1,079	(915)	NA	1,079	(915)	NA
(Loss) / profit before tax from continuing operations	(4,939)	(10,555)	(53.2)	(4,939)	(10,555)	(53.2)
Taxation	(209)	-	NA	(209)	-	NA
(Loss) / profit for the financial period from continuing operations	(5,148)	(10,555)	(51.2)	(5,148)	(10,555)	(51.2)
Discontinued Operations						
Profit before tax from discontinued operations	-	10,911	NA	-	10,911	NA
Taxation	-	(1,020)	NA	-	(1,020)	NA
Profit for the financial period from discontinued operations	-	9,891	NA	-	9,891	NA
(Loss)/ profit for the financial period	(5,148)	(664)	NA	(5,148)	(664)	NA
Other comprehensive income, net of tax						
Items that may be reclassified subsequently to profit or loss:						
- Foreign currency translation differences for foreign operations	(348)	13	NA	(348)	13	NA
- Share of other comprehensive loss of associates	(39)	-	NA	(39)	-	NA
Other comprehensive loss, net of tax	(387)	13	NA	(387)	13	NA
Total comprehensive (loss) / income	(5,535)	(651)	NA	(5,535)	(651)	NA
(Loss)/ profit attributable to:-						
Owners of the Parent	(5,238)	(3,956)	32.4	(5,238)	(3,956)	32.4
Non-controlling interests	90	3,292	(97.3)	90	3,292	(97.3)
(Loss)/ profit for the financial period	(5,148)	(664)	NA	(5,148)	(664)	NA
Total comprehensive (loss)/ income attributable to:-						
Owners of the Parent	(5,625)	(3,945)	42.6	(5,625)	(3,945)	42.6
Non-controlling interests	90	3,294	(97.3)	90	3,294	(97.3)
Total comprehensive (loss) / income	(5,535)	(651)	NA	(5,535)	(651)	NA
(Loss)/ profit per ordinary share (sen)						
- Basic and diluted	(0.97)	(0.74)		(0.97)	(0.74)	

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying explanatory notes to the interim financial report and the audited financial statements for the financial year ended 31 MARCH 2023.)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	As at 30 JUNE 2023 RM'000 Unaudited	As at 31 MAR 2023 RM'000 Audited
ASSETS		
Non-Current Assets		
Right-of-Use assets	22,133	26,992
Property, plant and equipment	2,716	1,862
Investment in associates	312,691	309,246
Other intangible assets	160,806	161,909
Other investments	760	1,796
Investment properties	669	674
Goodwill on consolidation	14,099	14,099
Deferred tax assets	726	721
	514,600	517,299
Current Assets		
Other investments	-	-
Inventories	9,631	12,213
Trade receivables	18,327	15,456
Other receivables, deposits and prepayments	32,774	19,777
Contract assets	1,129	38
Amount due from related companies	164	5,584
Amounts owing by associates	112	84
Amount owing by a jointly-controlled entity	834	1,267
Current tax assets	2,062	1,485
Cash and cash equivalents	38,314	49,296
	103,347	105,200
TOTAL ASSETS	617,947	622,499
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	279,795	279,795
Other reserves	23,075	23,423
Warrant reserves	27,121	27,121
Retained profits/ Accumulated losses	(14,314)	442
	315,677	330,781
Non-controlling interests	5,454	(4,115)
TOTAL EQUITY	321,131	326,666
Non-Current Liabilities		
Other payables, deposits & accruals	-	439
Borrowings	29,662	16,695
Provision for post employment benefits	115	116
Deferred tax liabilities	32	2
Redeemable Preference shares	90,544	89,222
	120,353	106,474
Current Liabilities		
Trade payables	25,366	7,428
Other payables, deposits and accruals	46,675	42,846
Contract liabilities	24	25
Amount due to related companies	731	-
Amounts owing to associates	18,000	33,031
Amount due to joint venture	18	20
Borrowings	85,464	105,989
Current tax payables	185	20
	176,463	189,359
TOTAL LIABILITIES	296,816	295,833
TOTAL EQUITY AND LIABILITIES	617,947	622,499
Net assets per share (RM)	0.5839	0.6192

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes to the interim financial report and the audited financial statements for the financial year ended 31 MARCH 2022.)

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

	----- Non-distributable -----							
	Share capital RM'000	Capital reserve RM'000	Warrant reserve RM'000	Exchange translation reserve RM'000	Retained profits / Accumulated losses RM'000	Total attributable to owners of the parent RM'000	Non- controlling interests RM'000	Total equity RM'000
Unaudited								
Three Months Financial Period Ended 30 June 2023								
Balance as at 1 APRIL 2023	279,795	24,663	27,121	(1,240)	442	330,781	(4,115)	326,666
Profit after tax for the financial period	-	-	-	-	(5,238)	(5,238)	90	(5,148)
Foreign currency translation for foreign operations, net of tax				(348)		(348)		(348)
Share of other comprehensive loss of associates, net of tax					(39)	(39)		(39)
Total comprehensive profit for the financial period	-	-	-	(348)	(5,277)	(5,625)	90	(5,535)
Transactions with owners								
Arising from decreation of equity interests in subsidiaries					(9,479)	(9,479)	9,479	-
Total transactions with owners	-	-	-	-	(9,479)	(9,479)	9,479	-
Balance as at 30 JUNE 2023	<u>279,795</u>	<u>24,663</u>	<u>27,121</u>	<u>(1,588)</u>	<u>(14,314)</u>	<u>315,677</u>	<u>5,454</u>	<u>321,131</u>

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

	----- Non-distributable -----							
	Share capital RM'000	Capital reserve RM'000	Warrant reserve RM'000	Exchange translation reserve RM'000	Accumulated losses RM'000	Total attributable to owners of the parent RM'000	Non- controlling interests RM'000	Total equity RM'000
Unaudited								
THREE Months Financial Period Ended 30 JUNE 2022								
Balance as at 1 APRIL 2022	276,949	24,663	27,121	(1,000)	(133,114)	194,619	92,662	287,281
(Loss) / profit after tax for the financial period	-	-	-	-	(3,956)	(3,956)	3,292	(664)
Foreign currency translation for foreign operations, net of tax	-	-	-	11	-	11	2	13
Total comprehensive (loss) / profit for the financial period	-	-	-	11	(3,956)	(3,945)	3,294	(651)
Transactions with owners								
Shares issued pursuant to Employee Share Grant Plan ("ESGP")	-	-	-	-	-	-	513	513
Arising from accretion of equity interests in subsidiaries	-	-	-	-	5,643	5,643	2,671	8,314
Dividend paid	-	-	-	-	-	-	(225)	(225)
Total transactions with owners	-	-	-	-	5,643	5,643	2,959	8,602
Balance as at 30 JUNE 2022	<u>276,949</u>	<u>24,663</u>	<u>27,121</u>	<u>(989)</u>	<u>(131,427)</u>	<u>196,317</u>	<u>98,915</u>	<u>295,232</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes to the interim financial report and the audited financial statements for the financial year ended 31 MARCH 2023.)

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

	THREE MONTHS ENDED	
	30 JUNE 2023	30 JUNE 2022
	RM'000 Unaudited	RM'000 Unaudited
CASH FLOW USED IN OPERATING ACTIVITIES		
Profit/ (loss) before tax from continuing operations	(4,939)	(10,555)
Profit before tax from discontinued operations	-	10,911
	<u>(4,939)</u>	<u>356</u>
Adjustments for:		
Bad debts written off	-	5
Depreciation and amortisation	6,476	10,050
Interest expense	4,352	5,573
Interest income	(155)	(188)
Net (gain) / loss on disposal of quoted investment	(12)	(21)
Gain on disposal of a subsidiary	3,617	-
Crystallisation of impairment of an amount due from a disposed subsidiary	(3,672)	-
Gain on disposal of property, plant and equipment	(6)	-
Net gain on disposal of associates	(2,576)	-
Net gain on fair value adjustments on other investments	-	235
Share of (gain)/ loss results of associates	(1,079)	915
	<u>2,006</u>	<u>16,925</u>
Operating profit before working capital changes		
Net changes in assets	(8,487)	(20,754)
Net changes in liabilities	6,922	(8,295)
	<u>441</u>	<u>(12,124)</u>
Net cash used in operations		
Tax paid	(580)	(2,533)
Tax refunded	99	-
	<u>(40)</u>	<u>(14,657)</u>
Net cash used in operating activities		
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of assets of property, plant and equipment	(1,135)	-
Net disposal/(acquisition) of interest in associates	172	(104)
Acquisitions of additional interests in a subsidiary	-	(475)
Addition of software development expenditure	-	(1,215)
Disposal of interest in subsidiaries	-	8,700
Interest received	155	188
Net placement of fixed deposits pledged	-	(285)
Purchase of other investments	-	(9,655)
Net proceeds from disposal of quoted securities	1,048	-
Purchase of property, plant and equipment	-	(58)
	<u>240</u>	<u>(2,904)</u>
Net cash from/ (used in) investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayment)/ drawdown of borrowings	(22,649)	8,322
Proceeds from hire purchase and lease creditors	22,279	-
Interest paid	(4,352)	(1,842)
Net proceeds of a private placement exercise in a subsidiary	-	-
	<u>(4,722)</u>	<u>6,480</u>
Net cash (used in)/ from financing activities		
Net decrease in cash and cash equivalents	(4,522)	(11,081)
Cash and cash equivalents at 1 APRIL 2023/2022*	20,697	61,401
Effect of foreign exchange on opening balance	(331)	23
	<u>15,844</u>	<u>50,343</u>
Cash and cash equivalents at 30 June 2023/2022*		

* 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.)

1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements outlined in the Malaysian Financial Reporting Standard ("MFRS") 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 JUNE 2023. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the previous financial year ended 30 JUNE 2023.

2 Significant Accounting Policies

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

MFRS 17 Insurance Contracts
Amendments to MFRS 17 Insurance Contracts
Amendments to MFRS 17 Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 – Comparative Information)
Amendments to MFRS 101 Disclosure of Accounting Policies
Amendments to MFRS 108 Definition of Accounting Estimates
Amendments to MFRS 112 Deferred tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 16 Lease liability in a sale and leaseback
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current
Amendments to MFRS 101 Non-current Liabilities with Covenants
International Tax Reform–Pillar Two Model Rules (Amendments to MFRS 112 Income Taxes)
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The adoption of the above did not have any significant effects on the interim financial statements upon their initial application.

3 Qualification of independent auditors' report on preceding annual audited financial statements

The independent auditors' report on the annual audited financial statements for the financial year ended 30 JUNE 2023 was not qualified.

4 Seasonal and cyclical factors

The business operations of the Group was not materially affected by any significant seasonal and cyclical factors during the current financial period under review.

5 Unusual items due to their nature, size or incidence

Saved as disclosed in Note 2 and Note 7 of this report, there were no unusual items affecting the assets, liabilities, equity, net income, or cash flows due to their nature, size, or incidence during the current financial period under review.

6 Material changes in estimates

There were no changes in estimates of amounts which have a material effect to the financial statements of the current financial period under review.

7 Debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial period under review.

8 Dividends paid

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

9 Segmental reporting

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

- Business Performance Services - Provision of business performance improvement related services.
- Trading & Distribution Services - Distribution and reselling of hardware and software and related services.
- Digital & Infrastructure Services - Provision of a comprehensive range of tele/data communication, networking solutions and related services.
- Healthcare Services - Distribution of pharmaceutical products, vaccines and medical devices and provision of various medical services.

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

Business Segments	Business Performance Services RM'000	Trading & Distribution Services RM'000	Digital & Infrastructure Services RM'000	Healthcare Services RM'000	Others RM'000	Eliminations RM'000	Total RM'000
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THREE Months Financial Period Ended 30 JUNE 2023
Unaudited
Continuing Operations

External revenue	19,419	-	15	5,302	287	-	25,023
Inter segment revenue	2,276	-	-	-	48	(2,324)	-
Total Revenue	21,695	-	15	5,302	335	(2,324)	25,023
Segment results	(1,665)	-	(72)	(544)	(904)	1,365	(1,820)
Share of results of associates	-	-	-	-	1,079	-	1,079
Share of results of a jointly-controlled entity	-	-	-	-	-	-	-
Interest expense	(3,341)	-	(2)	(34)	(975)	-	(4,352)
Interest Income	140	-	-	0	15	-	155
(Loss)/ profit before tax	(4,866)	-	(75)	(578)	(786)	1,365	(4,939)
Segment assets	602,877	-	2,781	22,623	348,543	(358,878)	617,947

Discontinued Operations

External revenue	-	-	-	-	-	-	-
Inter segment revenue	-	-	-	-	-	-	-
Total Revenue	-	-	-	-	-	-	-
Segment results	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-
Profit/ (loss) before tax	-	-	-	-	-	-	-
Segment assets	-	-	-	-	-	-	-

THREE Months Financial Period Ended 30 JUNE 2022
Unaudited
Continuing Operations

External revenue	25,253	-	14	5,583	429	-	31,279
Inter segment revenue	1,780	-	-	-	101	(1,881)	-
Total Revenue	27,033	-	14	5,583	530	(1,881)	31,279
Segment results	(1,133)	-	(166)	203	46,548	(50,053)	(4,601)
Share of results of associates	-	-	-	-	(915)	-	(915)
Share of results of a jointly-controlled entity	-	-	-	-	-	-	-
Interest expense	(3,221)	-	(4)	(39)	(1,845)	-	(5,109)
Interest Income	58	-	-	-	12	-	70
(Loss)/ profit before tax	(4,296)	-	(170)	164	43,800	(50,053)	(10,555)
Segment assets	614,721	5,366	438	21,941	209,953	(429,604)	422,815

Discontinued Operations

External revenue	18,606	28,218	-	-	(125)	-	46,699
Inter segment revenue	7,777	2,540	-	-	125	(10,442)	-
Total Revenue	26,383	30,758	-	-	-	(10,442)	46,699
Segment results	11,441	25	-	-	-	(209)	11,257
Interest expense	(160)	(304)	-	-	-	-	(464)
Interest Income	62	56	-	-	-	-	118
Profit before tax	11,343	(223)	-	-	-	(209)	10,911
Segment assets	336,690	70,959	-	-	-	(139,687)	267,962

10 Carrying amount of revalued assets

There were no changes to the valuation of property, plant and equipment during the current financial period under review.

11 Changes in the composition of the group

(i) During the financial period under review, Omesti Holdings Berhad ("OHB"), a wholly-owned subsidiary of the Group sold net 1,130,900 ordinary shares in Microlink Solutions Berhad ("Microlink") for a total cash consideration of RM532,835.39. Following these transactions, OHB now holds 36.22% 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 31 MAR 2023 RM'000	As at 30 JUNE 2022 RM'000
Cash and bank balances	16,927	61,309
Fixed deposits with licensed financial institutions	21,388	23,964
	<hr/>	<hr/>
	38,314	85,273
Less: Fixed deposits pledged with licensed banks	(21,388)	(23,964)
Less: Bank overdraft	(1,083)	(10,966)
	<hr/>	<hr/>
	15,844	50,343

Additional information required by Bursa Securities Listing Requirements
For the First Quarter Ended 30 June 2023

1 Detailed analysis of performance

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

	INDIVIDUAL QUARTER THREE MONTHS ENDED			CUMULATIVE PERIOD THREE MONTHS ENDED		
	30 JUNE 2023	30 JUNE 2022	Variance %	30 JUNE 2023	30 JUNE 2022	Variance %
	RM'000 Unaudited	RM'000 Unaudited		RM'000 Unaudited	RM'000 Unaudited	
Continuing Operations						
Business Performance Services	21,695	27,033	(19.7)	21,695	27,033	(19.7)
Trading & Distribution Services	-	-	NA	-	-	NA
Digital & Infrastructure Services	15	14	7.1	15	14	7.1
Healthcare Services	5,302	5,583	(5.0)	5,302	5,583	(5.0)
Others	335	530	NA	335	530	(36.8)
	<u>27,347</u>	<u>33,160</u>	(17.5)	<u>27,347</u>	<u>33,160</u>	(17.5)
Less : Inter Segment Revenue	(2,324)	(1,881)		(2,324)	(1,881)	
Group Revenue from continuing operations	<u>25,023</u>	<u>31,279</u>	(20.0)	<u>25,023</u>	<u>31,279</u>	(20.0)
Discontinued Operations						
Business Performance Services	-	26,383	NA	-	26,383	NA
Trading & Distribution Services	-	30,758	NA	-	30,758	NA
	-	57,141	NA	-	57,141	NA
Less : Inter Segment Revenue	-	(10,442)		-	(10,442)	
Group Revenue from discontinued operations	-	46,699		-	46,699	
Total Group Revenue	<u>25,023</u>	<u>77,978</u>	(67.9)	<u>25,023</u>	<u>77,978</u>	(67.9)

The Group's revenue for the current quarter under review has decreased to RM25.02 million, representing a decrease of 67.9% as compared to the corresponding quarter of the preceding financial period mainly due cease of revenue contribution from Microlink group following its change of status from subsidiary to associate on 18th July 2022.

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

	INDIVIDUAL QUARTER THREE MONTHS ENDED			CUMULATIVE PERIOD THREE MONTHS ENDED		
	30 JUNE 2023	30 JUNE 2022	Variance %	30 JUNE 2023	30 JUNE 2022	Variance %
	RM'000 Unaudited	RM'000 Unaudited		RM'000 Unaudited	RM'000 Unaudited	
Continuing Operations						
Business Performance Services	(4,866)	(4,296)	13.3	(4,866)	(4,296)	13.3
Trading & Distribution Services	-	-	NA	-	-	NA
Digital & Infrastructure Services	(75)	(170)	(56.1)	(75)	(170)	(56.1)
Healthcare Services	(578)	164	NA	(578)	164	NA
Others	(786)	43,800	NA	(786)	43,800	NA
	<u>(6,304)</u>	<u>39,498</u>	NA	<u>(6,304)</u>	<u>39,498</u>	NA
Less : Elimination	1,365	(50,053)		1,365	(50,053)	
(Loss)/ profit before tax from continuing operations	<u>(4,939)</u>	<u>(10,555)</u>	(53.2)	<u>(4,939)</u>	<u>(10,555)</u>	(53.2)
Discontinued Operations						
Business Performance Services	-	11,343	NA	-	11,343	NA
Trading & Distribution Services	-	(223)	NA	-	(223)	NA
	-	11,120	NA	-	11,120	NA
Less : Elimination	-	(209)		-	(209)	
Profit before tax from discontinued operations	-	10,911	NA	-	10,911	NA
Total (Loss)/ Profit before tax	<u>(4,939)</u>	<u>356</u>	NA	<u>(4,939)</u>	<u>356</u>	NA

The Group posted a loss before tax of RM4.9 million for the current financial quarter as compared to loss before tax of RM0.356 million recorded in the previous corresponding quarter. The significant increase in loss is mainly due cease of contribution of profit from Microlink group following its change of status from subsidiary to associate on 18th July 2022.

Additional information required by Bursa Securities Listing Requirements
For the First Quarter Ended 30 June 2023

2 Variation of results against preceding quarter

	THREE MONTHS ENDED		Variance %
	30 JUNE 2023 RM'000	31 MAR 2023 RM'000	
<u>Continuing Operations</u>			
Revenue	<u>25,023</u>	<u>23,692</u>	5.6
(Loss)/ Profit before tax	<u>(4,939)</u>	<u>(29,819)</u>	(83.4)
<u>Discontinued Operations</u>			
Revenue	<u>-</u>	<u>-</u>	NA
Loss before tax	<u>-</u>	<u>-</u>	NA
Total Revenue	<u>25,023</u>	<u>23,692</u>	5.6
Total (Loss)/ Profit before tax	<u>(4,939)</u>	<u>(29,819)</u>	(83.4)

The Group's revenue for the current quarter under review has decreased to RM23.69 million, representing a increase of 5.6% as compared to the immediate preceding quarter mainly due to high order fulfilments and progress billing in the Business Performance Services.

The Group has registered a lower loss before tax for the current quarter as compared to the immediate preceding quarter due to impairment of investment in an associate and impairment of a certain intangible asset during immediate preceding quarter.

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

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

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

4 Profit forecast

Not applicable.

5 Taxation

	INDIVIDUAL QUARTER THREE MONTHS ENDED		CUMULATIVE PERIOD THREE MONTHS ENDED	
	30 JUNE 2023 RM'000 Unaudited	30 JUNE 2022 RM'000 Unaudited	30 JUNE 2023 RM'000 Unaudited	30 JUNE 2022 RM'000 Unaudited
<u>Continuing Operations</u>				
Current tax expense				
- Malaysian taxation	210	-	210	-
Under/ (over) provision in prior periods				
- Malaysian taxation	-	-	-	-
	<u>210</u>	<u>-</u>	<u>210</u>	<u>-</u>
Deferred taxation				
- origination and reversal of temporary differences				
- Malaysian taxation	(1)	-	(1)	-
Under provision in prior periods				
- Malaysian taxation	-	-	-	-
	<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
	<u>209</u>	<u>-</u>	<u>209</u>	<u>-</u>
<u>Discontinued Operations</u>				
Current tax expense				
- Malaysian taxation	-	1,020	-	1,020
Under/ (over) provision in prior periods				
- Malaysian taxation	-	-	-	-
	<u>-</u>	<u>1,020</u>	<u>-</u>	<u>1,020</u>
Deferred taxation				
- origination and reversal of temporary differences				
- Malaysian taxation	-	-	-	-
Under provision in prior periods				
- Malaysian taxation	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>1,020</u>	<u>-</u>	<u>1,020</u>
Total Group Taxation	<u>209</u>	<u>1,020</u>	<u>209</u>	<u>1,020</u>

The Group has incurred a current tax expense of RM0.2 million in the current quarter under review for certain subsidiaries.

6 Status of corporate proposals

There were no other corporate proposals announced or outstanding as at the date of this announcement.

7 Borrowings and debt securities

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

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

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

1) Foster Moore International Limited ("the Plaintiff") vs. Formis Network Services Sdn. Bhd. ("FNS") and Omesti Berhad ("Omesti")

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

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

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

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

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

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

The suit is presently fixed for case management on 29 August 2023 for parties to finalise pre-trial documents and update the court on the settlement negotiations and is also fixed for trial on 5, 6 and 7 February 2024.

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

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

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

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

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

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

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

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

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

FNS filed and served its reply to CCM's defence and counterclaim on 12 May 2021 denying and disputing CCM's defence and counterclaim. Apart from the writ and statement of claim filed by FNS against CCM, FNS had subsequently filed a sealing application to ensure all documents in relation to FNS's confidential information and intellectual properties including works created and/or products designed and/or developed by FNS in performing its obligations under the Outsourcing Agreement are sealed and shall only be privy to parties named in the Suit and the Court. A Consent Order for the sealing application was recorded on 23 November 2021. Discovery Applications filed by both parties are scheduled for continued hearing on 28 and 29 August 2023, and trial dates have been fixed for this matter on 18 and 19 September 2023 & 2, 3 and 7 November 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 THREE MONTHS ENDED	
	30 JUNE 2023	30 JUNE 2022	30 JUNE 2023	30 JUNE 2022
	Unaudited	Unaudited	Unaudited	Unaudited
(Loss)/ profit after tax and non-controlling interests (RM'000) from continuing operations	(5,238)	(8,822)	(5,238)	(8,822)
(Loss)/ profit after tax and non-controlling interests (RM'000) from discontinued operations	-	4,866	-	4,866
(Loss)/ profit after tax and non-controlling interests (RM'000)	<u>(5,238)</u>	<u>(3,956)</u>	<u>(5,238)</u>	<u>(3,956)</u>
Number of shares in issue as at beginning of the period ('000)	540,673	534,190	540,673	534,190
Effect of issuance of ESGP ('000)	-	-	-	-
WA number of ordinary shares in issue ('000)	<u>540,673</u>	<u>534,190</u>	<u>540,673</u>	<u>534,190</u>
Basic / diluted (loss)/ earnings per ordinary share (sen) from continuing operations	(0.97)	(1.65)	(0.97)	(1.65)
Basic / diluted (loss)/ earnings per ordinary share (sen) from discontinued operations	-	0.91	-	0.91
Basic / diluted (loss)/ earnings per ordinary share (sen)	<u>(0.97)</u>	<u>(0.74)</u>	<u>(0.97)</u>	<u>(0.74)</u>