

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

	INDIVIDUAL QUARTER THREE MONTHS ENDED			CUMULATIVE PERIOD SIX MONTHS ENDED		
	30 SEPT 2024	30 SEPT 2023	Variance %	30 SEPT 2024	30 SEPT 2023	Variance %
	RM'000 Unaudited	RM'000 Unaudited		RM'000 Unaudited	RM'000 Unaudited	
Revenue	15,955	26,881	(40.6)	33,763	51,904	(35.0)
Cost of sales	(7,837)	(10,046)	(22.0)	(14,663)	(23,092)	(36.5)
Gross profit	8,118	16,835	(51.8)	19,100	28,812	(33.7)
Other income	2,549	887	NA	2,913	7,740	(62.4)
Other operating expenses	(14,882)	(16,752)	(11.2)	(26,923)	(36,367)	(26.0)
Finance costs	(4,010)	(4,678)	(14.3)	(8,221)	(9,911)	(17.1)
Share of results of associates, net of tax	(2,123)	(1,390)	52.7	(4,509)	(311)	NA
Profit/ (Loss) before tax from continuing operations	(10,348)	(5,098)	NA	(17,640)	(10,037)	75.7
Taxation	(38)	(402)	(90.5)	(109)	(611)	(82.2)
(Loss)/ profit for the financial period	(10,386)	(5,500)	88.8	(17,749)	(10,648)	66.7
Other comprehensive income, net of tax						
Items that may be reclassified subsequently to profit or loss:						
- Foreign currency translation differences for foreign operations	-	425	NA	-	77	NA
- Share of other comprehensive loss of associates	191	(212)	NA	191	(251)	NA
Other comprehensive loss, net of tax	191	213	(10.3)	191	(174)	NA
Total comprehensive (loss) / income	(10,195)	(5,287)	92.8	(17,558)	(10,822)	62.2
(Loss)/ profit attributable to:-						
Owners of the Parent	(9,450)	(5,986)	57.9	(16,847)	(11,224)	50.1
Non-controlling interests	(936)	486	NA	(902)	576	NA
(Loss)/ profit for the financial period	(10,386)	(5,500)	88.8	(17,749)	(10,648)	66.7
Total comprehensive (loss)/ income attributable to:-						
Owners of the Parent	(9,259)	(5,772)	60.4	(16,656)	(11,397)	46.1
Non-controlling interests	(936)	485	NA	(902)	575	NA
Total comprehensive (loss) / income	(10,195)	(5,287)	92.8	(17,558)	(10,822)	62.2
(Loss)/ profit per ordinary share (sen)						
- Basic and diluted	(1.75)	(1.11)		(3.12)	(2.08)	

(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 2024.)

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024**

	As at 30 SEPT 2024 RM'000 Unaudited	As at 31 MAR 2024 RM'000 Audited
ASSETS		
Non-Current Assets		
Right-of-Use assets	34,743	43,449
Property, plant and equipment	1,034	1,122
Investment in associates	7,218	11,688
Other intangible assets	83,613	84,543
Other investments	2,006	2,129
Investment properties	645	654
Goodwill on consolidation	3,562	3,562
Deferred tax assets	528	528
	133,349	147,675
Current Assets		
Inventories	8,571	10,826
Trade receivables	4,727	23,622
Other receivables, deposits and prepayments	9,104	9,037
Contract assets	682	1,025
Amount due from related parties	9,646	9,036
Amounts owing by associates	435	793
Amount owing by a jointly-controlled entity	198	374
Current tax assets	1,860	1,406
Cash and cash equivalents	26,535	31,785
	61,758	87,904
Non-current Assets Held for Sale	102,475	112,571
TOTAL ASSETS	297,582	348,150
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	279,795	279,795
Other reserves	23,381	23,190
Warrant reserves	27,121	27,121
Retained profits/ Accumulated losses	(281,196)	(264,348)
	49,101	65,758
Non-controlling interests	2,010	2,912
TOTAL EQUITY	51,111	68,670
Non-Current Liabilities		
Other payables, deposits & accruals	-	261
Borrowings	443	1,028
Lease liabilities	27,982	28,341
Provision for post employment benefits	116	116
Deferred tax liabilities	2	2
Redeemable Preference shares	97,452	94,628
	125,995	124,376
Current Liabilities		
Trade payables	5,974	10,788
Other payables, deposits and accruals	21,219	22,423
Contract liabilities	24	25
Amount due to related parties	43,859	43,086
Amounts owing to associates	745	761
Amount due to joint venture	11	10
Borrowings	40,965	62,467
Lease liabilities	7,371	15,544
Current tax payables	308	-
	120,476	155,104
TOTAL LIABILITIES	246,471	279,480
TOTAL EQUITY AND LIABILITIES	297,582	348,150
Net assets per share (RM)	0.0908	0.1216

(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 2024.)

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

	----- 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								
Six Months Financial Period Ended 30 SEPTEMBER 2024								
Balance as at 1 APRIL 2024	279,795	24,663	27,121	(1,473)	(264,348)	65,758	2,912	68,670
Profit after tax for the financial period	-	-	-	-	(16,847)	(16,847)	(902)	(17,749)
Foreign currency translation for foreign operations, net of tax				-		-		-
Share of other comprehensive loss of associates, net of tax				191	-	191		191
Total comprehensive profit for the financial period	-	-	-	191	(16,847)	(16,656)	(902)	(17,558)
Transactions with owners								
Arising from decreation of equity interests in subsidiaries					(1)	(1)	-	(1)
Total transactions with owners	-	-	-	-	(1)	(1)	-	(1)
Balance as at 30 SEPTEMBER 2024	<u>279,795</u>	<u>24,663</u>	<u>27,121</u>	<u>(1,282)</u>	<u>(281,196)</u>	<u>49,101</u>	<u>2,010</u>	<u>51,111</u>

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (continued)**

	----- Non-distributable -----							
	Share capital RM'000	Capital reserve RM'000	Warrant reserve RM'000	Exchange translation reserve RM'000	Accumulated losses RM'000	Total attributable to owners of the parent RM'000	Non- controlling interests RM'000	Total equity RM'000
Unaudited								
Six Months Financial Period Ended 30 SEPTEMBER 2023								
Balance as at 1 APRIL 2023	279,795	24,663	27,121	(1,240)	442	330,781	(4,115)	326,666
(Loss) / profit after tax for the financial period	-	-	-	-	(11,224)	(11,224)	576	(10,648)
Foreign currency translation for foreign operations, net of tax	-	-	-	78	-	78	(1)	77
Share of other comprehensive loss of associates, net of tax	-	-	-	-	(251)	(251)	-	(251)
Total comprehensive (loss) / profit for the financial period	-	-	-	78	(11,475)	(11,397)	575	(10,822)
Transactions with owners								
Shares issued pursuant to Employee Share Grant Plan ("ESGP")	-	-	-	-	-	-	-	-
Effects from dilution of a subsidiary	-	-	-	-	-	-	-	-
Effects arising from disposal of subsidiaries	-	-	-	-	-	-	-	-
Arising from accretion of equity interests in subsidiaries	-	-	-	-	(9,479)	(9,479)	9,479	-
Arising from dilution of equity interests in subsidiaries	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	(9,479)	(9,479)	9,479	-
Balance as at 30 SEPTEMBER 2023	<u>279,795</u>	<u>24,663</u>	<u>27,121</u>	<u>(1,162)</u>	<u>(20,512)</u>	<u>309,905</u>	<u>5,939</u>	<u>315,844</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 2024.)

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	SIX MONTHS ENDED	
	30 SEPT 2024 RM'000 Unaudited	30 SEPT 2023 RM'000 Unaudited
CASH FLOW USED IN OPERATING ACTIVITIES		
(Loss) / profit before tax from operations	(17,640)	(10,037)
	(17,640)	(10,037)
Adjustments for:		
Bad debts recovered		-
Allowance for Diminution in Value no longer required		-
Depreciation and amortisation	11,681	15,187
Bad debts written off	5	-
Impairment loss on trade receivables	626	-
Interest expense	8,175	8,885
Interest income	(242)	(314)
Net gain on disposal of quoted investment	(21)	(10)
Net gain on disposal of subsidiaries	-	3,617
Crystallisation of impairment of an amount due from a disposed subsidiary	-	(3,672)
Loss on dilution of shares in associates	2,182	-
Impairment losses on trade receivables	-	(7)
Impairment loss on joint venture	-	100
Gain on disposal of a related party	-	-
Gain on disposal of Right-of-Use assets	(102)	-
Net gain on disposal of property, plant and equipment	(16)	-
Unrealised gain on foreign currency	29	-
Net gain on disposal of other investments	-	(1,901)
Provision of doubtful Debts no longer required	(8)	-
Share of (gain)/ loss results of associates	4,509	311
Operating profit before working capital changes	9,178	12,159
Net changes in assets	16,746	(651)
Net changes in liabilities	(8,053)	(6)
Net cash from / (used in) operations	17,871	11,502
Tax paid	(422)	(987)
Tax refunded	166	99
Net cash from operating activities	17,615	10,614
CASH FLOWS USED IN INVESTING ACTIVITIES		
Net disposal/(acquisition) of interest in associates	154	21,654
Addition of Right-of-Use assets	(202)	-
Disposal of interest in subsidiaries	856	-
Interest received	241	314
Acquisition of assets of property, plant and equipment	(82)	(40,834)
Net proceeds from disposal of quoted securities	143	1,048
Net cash (used in) / from investing activities	1,110	(17,818)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayment)/ drawdown of borrowings	(10,027)	(17,649)
Net proceeds from hire purchase and lease creditors	(10,738)	19,560
Interest paid	(2,682)	(8,886)
Net cash (used in) / from financing activities	(23,447)	(6,975)
Net decrease in cash and cash equivalents	(4,722)	(14,179)
Cash and cash equivalents at 1 APRIL 2023/2022*	(820)	20,697
Effect of foreign exchange on opening balance	17	95
Cash and cash equivalents at 31 March 2024/2023*	(5,525)	6,613

* 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 2024.)

OMESTI BERHAD (200001028094 (530701 - T))

Incorporated in Malaysia

Notes to the Interim Financial Report

For the Second Quarter Ended 30 September 2024

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 2024. 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 2024.

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 31 MARCH 2024:

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

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements

Amendments to MFRS 121 Lack of Exchangeability

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures (Amendments to Classification and Measurement of Financial Instruments)

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 19 Subsidiaries without Public Accountability: Disclosures

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 2024 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
Six Months Financial Period Ended 30 SEPTEMBER 2024							
Unaudited							
External revenue	20,638	-	28	12,596	501	-	33,763
Inter segment revenue	4,698	-	-	-	79	(4,777)	-
Total Revenue	25,336	-	28	12,596	580	(4,777)	33,763
Segment results	(2,917)	-	(79)	(566)	4,973	(6,609)	(5,197)
Share of results of associates	-	-	-	-	(4,509)	-	(4,509)
Share of results of a jointly-controlled entity	-	-	-	-	-	-	-
Interest expense	(6,428)	-	-	(106)	(1,641)	-	(8,175)
Interest Income	150	-	-	0	91	-	242
(Loss)/ profit before tax	(9,194)	-	(79)	(672)	(1,086)	(6,609)	(17,640)
Segment assets	373,842	-	2,035	15,321	253,952	(347,568)	297,582

Six Months Financial Period Ended 30 SEPTEMBER 2023
Unaudited

External revenue	40,300	-	28	11,054	522	-	51,904
Inter segment revenue	4,675	-	-	-	93	(4,768)	-
Total Revenue	44,975	-	28	11,054	615	(4,768)	51,904
Segment results	736	-	(115)	(1,058)	(13)	(705)	(1,155)
Share of results of associates	-	-	-	-	(311)	-	(311)
Interest expense	(6,637)	-	(4)	(99)	(2,145)	-	(8,885)
Interest Income	223	-	-	-	91	-	314
(Loss)/ profit before tax	(5,678)	-	(119)	(1,157)	(2,378)	(705)	(10,037)
Segment assets	595,633	-	2,793	23,514	333,101	(356,634)	598,407

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 13,000,000 ordinary shares in Microlink Solutions Berhad ("Microlink") for a total cash consideration of RM2,210,000.00. Following these transactions, OHB now holds 28.105 % 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 SEPT 2024	As at 30 SEPT 2023
	RM'000	RM'000
Cash and bank balances	4,471	16,585
Fixed deposits with licensed financial institutions	<u>22,064</u>	<u>21,436</u>
	26,535	38,021
Less: Fixed deposits pledged with licensed banks	(22,064)	(21,436)
Less: Bank overdraft	<u>(9,996)</u>	<u>(9,972)</u>
	<u>(5,525)</u>	<u>6,613</u>

**Additional information required by Bursa Securities Listing Requirements
For the Second Quarter Ended 30 September 2024**
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 SEPT 2024	30 SEPT 2023	Variance	30 SEPT 2024	30 SEPT 2023	Variance
	Unaudited	Unaudited		Unaudited	Unaudited	
Business Performance Services	10,930	23,280	(53.0)	25,336	44,975	(43.7)
Trading & Distribution Services	-	-	NA	-	-	NA
Digital & Infrastructure Services	14	13	7.7	28	28	-
Healthcare Services	6,753	5,752	17.4	12,596	11,054	13.9
Others	284	280	1.4	580	615	(5.7)
	17,981	29,325	(38.7)	38,540	56,672	(32.0)
Less : Inter Segment Revenue	(2,026)	(2,444)		(4,777)	(4,768)	
Group Revenue from continuing operations	<u>15,955</u>	<u>26,881</u>	(40.6)	<u>33,763</u>	<u>51,904</u>	(35.0)
Total Group Revenue	<u>15,955</u>	<u>26,881</u>	(40.6)	<u>33,763</u>	<u>51,904</u>	(35.0)

The Group's revenue for the current quarter under review has decreased to RM15.955 million, representing a decreases of 40.6 % as compared to the corresponding quarter of the preceding financial period mainly due to lower order fulfilments and progress billing in Business Performance 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 SEPT 2024	30 SEPT 2023	Variance	30 SEPT 2024	30 SEPT 2023	Variance
	RM'000 Unaudited	RM'000 Unaudited	%	RM'000 Unaudited	RM'000 Audited	%
Business Performance Services	(5,728)	(812)	(605.4)	(9,194)	(5,678)	61.9
Trading & Distribution Services	-	-	NA	-	-	NA
Digital & Infrastructure Services	(40)	(45)	(10.2)	(79)	(119)	(33.2)
Healthcare Services	(243)	(579)	(58.0)	(672)	(1,157)	(41.9)
Others	(114)	(1,592)	(92.9)	(1,086)	(2,378)	(54.3)
	(6,125)	(3,028)	102.3	(11,031)	(9,332)	18.2
Less : Elimination	(4,223)	(2,070)		(6,609)	(705)	
Total (Loss)/ Profit before tax	<u>(10,348)</u>	<u>(5,098)</u>	(103.0)	<u>(17,640)</u>	<u>(10,037)</u>	75.8

The Group posted a loss before tax of RM10.348 million for the current financial quarter as compared to loss before tax of RM5.098 million recorded in the previous corresponding quarter. The significant increase of loss is mainly due to loss on disposal of shares in an associates.

**Additional information required by Bursa Securities Listing Requirements
For the Second Quarter Ended 30 September 2024**
2 Variation of results against preceding quarter

	THREE MONTHS ENDED		Variance
	30 SEPT 2024 RM'000	30 JUNE 2024 RM'000	
Revenue	<u>15,955</u>	<u>17,808</u>	(10.4)
Total (Loss)/ Profit before tax	<u>(10,348)</u>	<u>(7,292)</u>	41.9

The Group's revenue for the current quarter under review has decreased to RM15.955 million, representing a decrease of 10.4% as compared to the immediate preceding quarter mainly due to low order fulfilment and progress billing from business performance services.

The Group has registered an increase of loss before tax for the current quarter as compared to the immediate preceding quarter due to fair value loss of an associate being recognised during immediate preceding quarter.

**Additional information required by Bursa Securities Listing Requirements
For the Second Quarter Ended 30 September 2024**
3 Business prospects

The group has continually reduced its borrowings and will continue to pare down to save on interest costs.

The group is also in the midst of bidding for projects in both the public and private sectors to rebuild its existing businesses.

4 Profit forecast

Not applicable.

5 Taxation

	INDIVIDUAL QUARTER THREE MONTHS ENDED		CUMULATIVE PERIOD SIX MONTHS ENDED	
	30 SEPT 2024	30 SEPT 2023	30 SEPT 2024	30 SEPT 2023
	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited
Current tax expense				
- Malaysian taxation	39	402	110	612
Under/ (over) provision in prior periods				
- Malaysian taxation	-	-	-	-
	39	402	110	612
Deferred taxation				
- origination and reversal of temporary differences				
- Malaysian taxation	(1)	(1)	(1)	(1)
Under provision in prior periods				
- Malaysian taxation	-	-	-	-
Total Group Taxation	38	401	109	611

The Group has incurred an current tax expense of RM0.038 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 Second Quarter Ended 30 September 2024****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 had 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 related 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 sought, 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 claimed for, amongst

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

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

The court was informed, on 25 October 2023, of the ongoing settlement negotiations between the Parties. The Parties have since settled this matter amicably via a consent order which provides that:

- a) all further proceedings in this suit shall be stayed upon the terms set out in the settlement agreement;
- b) either party may be permitted to apply to the Court to enforce the terms of the settlement agreement upon which the suit has been stayed without the need to bring a new claim;
- c) Parties have agreed that any claim for breach of contract arising from an alleged breach of the terms set out in the settlement agreement may, unless the Court orders otherwise, be dealt with by way of an application to the Court without the need to start a new claim; and
- d) there is no order as to costs.

On 26 February 2024, FNS and Omesti were notified that the aforesaid consent order dated 6 February 2024 was approved by the Court.

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

**Additional information required by Bursa Securities Listing Requirements
For the Second Quarter Ended 30 September 2024**
8 Changes in material litigation (cont.)

- 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.

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.

Additionally, the Court heard, on 28 December 2023, the discovery applications filed by both Parties - FNS's application as Enclosure 96 and SSM's application as Enclosure 100. The Court did not grant either application, save for any documents that were voluntarily agreed to be produced. FNS filed an appeal on Enclosure 96 ("Discovery Appeal") on 26 January 2024, based on our solicitor's opinion that the Court did not sufficiently consider the relevance and necessity of Enclosure 96. The Court fixed 14 January 2025 for the Discovery Appeal as yet. Trial dates for this matter have been fixed for 13 to 16 May 2025.

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 SIX MONTHS ENDED	
	30 SEPT 2024	30 SEPT 2023	30 SEPT 2024	30 SEPT 2023
	Unaudited	Unaudited	Unaudited	Unaudited
(Loss)/ profit after tax for owners of the parent (RM'000)	(9,450)	(5,986)	(16,847)	(11,224)
(Loss)/ profit after tax for owners of the parent (RM'000)	<u>(9,450)</u>	<u>(5,986)</u>	<u>(16,847)</u>	<u>(11,224)</u>
Number of shares in issue as at beginning of the period ('000)	540,673	540,673	540,673	540,673
Effect of issuance of ESGP ('000)	-	-	-	-
WA number of ordinary shares in issue ('000)	<u>540,673</u>	<u>540,673</u>	<u>540,673</u>	<u>540,673</u>
Basic / diluted (loss)/ earnings per ordinary share (sen)	(1.75)	(1.11)	(3.12)	(2.08)
Basic / diluted (loss)/ earnings per ordinary share (sen)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Basic / diluted (loss)/ earnings per ordinary share (sen)	<u>(1.75)</u>	<u>(1.11)</u>	<u>(3.12)</u>	<u>(2.08)</u>