2015

OMESTI

DISRUPTING CONVENTION

CONTENTS

VOLUME 2:
COMPLIANCE & FINANCIAL STATEMENTS

Statement On Corporate Governance

The Board of Directors (Board) of Omesti Berhad (formerly known as Formis Resources Berhad) (Company) and Management recognise the importance of having and adhering to a strong corporate governance framework in order to enhance shareholder value and to safeguard the interests of its stakeholders.

The Board and Management are committed to ensuring that the Group's business and affairs are in strict adherence to the doctrine and principles of good corporate governance including integrity, transparency, accountability and responsible business conduct. This is evident by the Group's internal standards, processes, guidelines and systems.

The Board has endeavoured to comply with the relevant Principles and Recommendations as set out in the Malaysian Code on Corporate Governance 2012 (MCCG 2012) and the extent of its compliance is set out below.

THE BOARD

ROLES & RESPONSIBILITIES

The Board has the overall responsibility for corporate governance, strategic direction, corporate planning and overseeing the investment and business of the Group. The Board maps out the Group's strategies in addition to its responsibility to review the Management's action plans. The Board's other primary duties are to conduct regular reviews of the Group's business operations and performance and to ensure that effective controls and systems exist to measure and manage the principal risks of the Company's business.

The Board also reviews major strategic initiatives of the Group to determine whether the proposed actions are in accordance with long-term business strategies and shareholder objectives. At the same time, the Board also undertakes the responsibility of safeguarding shareholders' equity interest through optimum utilisation of the capital resources, including issuance of debt and equity securities and setting an appropriate dividend policy.

The Board recognises the importance of attracting and retaining key management personnel and as such has made concerted efforts to identify and groom middle management at all key areas as an integral part of the management succession plan. The plan also includes offering a competitive remuneration package to and providing training and career development opportunities for employees in all key functions of the Group operations.

COMPOSITION AND BOARD BALANCE

The Board comprises nine (9) members:

- 3 INDEPENDENT NON-EXECUTIVE DIRECTORS
- 3 NON-INDEPENDENT NON-EXECUTIVE DIRECTORS INCLUDING THE CHAIRMAN
- 3 EXECUTIVE DIRECTORS

The Board's composition complies with the requirements mandated by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) (Listing Requirements). The Board, through annual review by the Nomination Committee, is of the view that the current Board composition is appropriate in terms of its membership and size.

The Board is well-represented by individuals with diverse professional backgrounds and experience in the areas of finance, accounting, economics and law. The diversity of skill, experience and knowledge of its members in various disciplines and professions allows the Board to address and/or to resolve the various issues in an effective and efficient manner. There is also a balance in the Board with the presence of Independent Non-Executive Directors of the necessary calibre and experience to carry sufficient weight in Board decisions. Although all the Directors have equal responsibility for the Group's operations, the role of the Independent Non-Executive Directors is particularly important in providing an independent view, advice and judgment to take into account the interests of the Group, shareholders, employees and communities in which the Group conducts its businesses. The Profiles of the Directors are presented on pages 23 to 27 of Volume 1 of this Annual Report.

BOARD COMMITTEES

The Board delegates certain responsibilities to the respective Committees of the Board which operate within clearly defined terms of reference. The Chairmen of the various Committees inform the Directors at Board meetings of matters and recommendations which the respective Committees deem should be highlighted to the Board.

Standing Committees of the Board include the Audit & Risk Management Committee, the Executive Committee, the Long-Term Incentive Plan Committee, the Remuneration Committee and the Nomination Committee (collectively referred to as Board Committees). The current composition of the Board Committees is set out on page 22 of Volume 1 of this Annual Report.

BOARD CHARTER

The Board has established a Board Charter as a key point of reference to clarify the roles and responsibilities of the Board. The Board Charter is periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. The Board assumes the six principal responsibilities specified in the MCCG 2012 when discharging its leadership and control responsibilities. The Board Charter is available for reference at the Company's website www.omesti.com.

DIRECTORS' CODE OF ETHICS

The Board observes a code of ethics in accordance with the code of conduct expected of Directors as set out in the Company's Directors' Code of Ethics established by the Companies Commission of Malaysia. In line with good governance and transparency, a Whistleblowing Policy has been adopted by the Company which sets out the principle and grievance procedures for employees to raise genuine concerns of possible improprieties perpetrated within the Group.

Both the Code of Ethics and the Whistleblowing Policy are available for reference at the Company's website www.omesti.com.

SUSTAINABILITY

The Board believes that sustainable corporate success requires the highest standard of corporate behavior including measuring up to public expectations on environmental and social responsibilities. Good corporate governance through the practice of accountability, honesty and transparency coupled with effective adoption of corporate social responsibility (CSR) will ensure the Group's sustainability in the competitive corporate world and have a positive influence on the Group's business strategy and performance in the short-term and long-term. The Group emphasises CSR in four (4) key areas, namely the workplace, the community, the environment and the marketplace. Our sustainability strategy aims to deliver lasting value for our shareholders and stakeholders.

Details of our CSR initiatives for the year under review are included in the Chairman's Statement and Chief Executive's Report on pages 10 to 11 and page 18 respectively of Volume 1 of this Annual Report.

SUPPLY OF INFORMATION & COMPANY SECRETARY

The Board has full and unrestricted access to all information within the Company and the Group as well as the advice and services of senior management and the Company Secretary in carrying out their duties.

The Company Secretary plays an advisory role to the Board on matters pertaining to compliance of procedures, rules and regulatory requirements. Deliberations at meetings on issues discussed and decisions made, are properly recorded and kept.

The Board may consult with other Group employees and seek additional information where appropriate. Likewise, the Directors have access to independent professional advice whenever such services are needed to assist them in carrying out their duties, at the Company's expense. Any such requests shall be forwarded to the Chairman for approval.

STRENGTHEN COMPOSITION

NOMINATION COMMITTEE

The Nomination Committee (NC) is comprised entirely of Non-Executive Directors, the majority of whom are Independent. The NC established by the Board is responsible for screening, evaluating and recommending suitable candidates to the Board, for appointment as Directors as well as filling the vacant seats of the Board Committees. Meetings of the NC are held as and when required, and at least once a year. The current NC Chairman is independent and able to contribute effectively to the NC in view of his extensive boardroom experience. In evaluating the suitability of candidates, the NC considers the following factors before recommending to the Board for appointment:

- skills, knowledge, expertise and experience;
- time commitment to effectively discharge his/her role as a director;
- character, integrity and competence; and
- in the case of candidates for the position of Independent Non-Executive Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities / functions as are expected from Independent Non-Executive Directors.

The NC has a formal assessment mechanism to assess the effectiveness of the Board as a whole and the contribution of each individual director.

During the financial year ended 31 March 2015, two (2) NC meetings were held. The NC, in discharging its functions and duties, carried out the following activities:

- assessed the size, composition and effectiveness of the Board Committees and each of its members
- reviewed the overall composition of the Board in terms of appropriate size, required mix of skills, experience, core competencies and effectiveness as well as adequacy of balance between Executive Directors and Independent Non-Executive Directors
- evaluated each Director's performance and ensured no conflict of interest
- assessed and confirmed the independence of the Independent Directors

Based on the annual review carried out, the NC is satisfied that:

- the Board Committees have carried out their functions in accordance with their respective terms of reference and on the overall, the members of the committees have attended to their responsibilities effectively
- the size and composition of the Board was optimum with a good balance of Executive Directors and Independent Non-Executive Directors
- the current Board has the right mix of skills and experience which are relevant for the Board to carry out its responsibilities in an effective and competent manner as well as independently and objectively in the interest of the investors and shareholders of the Company
- the Directors understand their roles, powers, duties and responsibilities and the activities carried out by the Company
- the Independent Directors are independent

The current composition of the NC is as set out on page 22 of Volume 1 of this Annual Report.

The Board acknowledges the need for gender diversity for good governance practice and to enhance the efficient functioning of the Board. The Board believes the appointment of new members is guided by the skills, experience, competency and knowledge of the individual candidate and it shall review any potential candidate wherever reasonably possible. In line with this, a Board Diversity Policy has been adopted by the Company. Gender quota and target will be considered when vacancies arise and suitable candidates are identified. The diversity of the Board is shown below:

The Board currently is 89% male and 11% female, with 78% being Chinese and 22% Malay. In terms of age, 11% are aged 31-40 and 41-50 respectively, while 33% are aged between 51 and 60 years old and the remaining 45% are 61 to 70 years old.

RE-ELECTION

In accordance with the Company's Articles of Association, one third (1/3) of the Directors for the time being shall retire from office and be eligible for re-election, provided always that all Directors shall retire from office once at least three (3) years but shall be eligible for re-election. The Directors to retire every year shall be those who have been longest in office since their last election.

The Articles of Association of the Company further provide that Directors who are appointed by the Board to fill a casual vacancy or as an addition to the existing Board are subject to re-election by the shareholders at the next Annual General Meeting (AGM) following their appointment.

Pursuant to Section 129 of the Companies Act, 1965, the office of a director of or over the age of 70 years becomes vacant at every AGM unless he is re-appointed by a resolution passed at such an AGM of which no shorter notice than that required for the AGM has been given and the majority by which such resolution is passed is not less than three-fourths of all members present and voting at such AGM.

REMUNERATION COMMITTEE

The Remuneration Committee (RC) comprises mainly of Non-Executive Directors. The RC is entrusted under its Terms of Reference to assist the Board, amongst others, to carry out an annual review of salaries, incentive arrangements and other employment conditions of the Executive Directors. Meetings of the RC are held as and when required, and at least once a year. The RC met once during the financial year ended 31 March 2015 to review the remuneration of the Executive Directors.

The current composition of the RC is as set out on page 22 of Volume 1 of this Annual Report.

REMUNERATION POLICY & PROCEDURE

The objective of the Company's policy on Directors' remuneration is to attract and retain Directors of the calibre needed to lead the Group successfully.

The remuneration of the Executive Directors is structured so as to link rewards to corporate and individual performance. In the case of the Non-Executive Directors, the level of remuneration reflects the experience, expertise and level of responsibilities undertaken by the particular Non-Executive Director concerned.

The RC reviews and recommends to the Board the remuneration package of each of the Executive Directors. It is the responsibility of the entire Board to approve the remuneration of these Directors. The determination of the remuneration of the Non-Executive Directors is a matter for the Board as a whole. The Executive and Non-Executive Directors play no part in decisions on their own remuneration.

The fees of the Directors are subject to approval of shareholders at the AGM. The Non-Executive Directors are also paid a meeting attendance allowance for each Board meeting, Board Committee meeting and Shareholders' meeting that they attend.

The remuneration of the Executive and Non-Executive Directors paid/payable by the Group for the financial year under review is as set out in the accompanying table:

	Directors' Fees (RM)	Directors' Salaries & Other Emoluments (RM)	Total (RM)
Executive Directors			
Dato' Gan Nyap Liou @ Gan Nyap Liow	-	1,538,000	1,538,000
Mah Xian-Zhen	-	773,200	773,200
Monteiro Gerard Clair	71,250 [(1)]	787,200	858,450
Non-Executive Directors			
Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas	120,000	24,325	144,325
Dato' Mah Siew Kwok	264,000 [(2)]	302,721 [(3)]	566,721
Ahmad Bin Khalid	156,000 [(4)]	25,000 [(5)]	181,000
Dato' Sri Thong Kok Khee	60,000	7,000	67,000
Tai Keat Chai	171,000 [(4)]	31,000 [(5)]	202,000
Mah Yong Sun	65,918 [(4)]	9,000	74,918

(1) Fee paid/payable by a subsidiary company for acting as a Non-Independent Non-Executive Director
(2) Fees paid/payable by the Company and subsidiary company for acting as a Non-Independent Non-Executive Director
(3) Salaries and other emoluments paid by subsidiary companies for acting as Director
(4) Fees paid/payable by the Company and subsidiary company for acting as an Independent Non-Executive Director
(5) Other emoluments paid by subsidiary companies for acting as an Independent Non-Executive Director

REINFORCE INDEPENDENCE

ANNUAL ASSESSMENT OF INDEPENDENT DIRECTORS

The NC is responsible for assessing the independence of Independent Directors annually based on their independent and constructive views, deliberations and contributions during the Board meetings. The criteria for assessing independence developed by the NC will be applied upon admission, annually and when any new interest or relationship develops.

The NC and the Board have upon their assessment, concluded that the Independent Non-Executive Directors continue to demonstrate conduct and behaviour that are essential indicators of independence, and that they continue to fulfill the definition of independence as set out in the Listing Requirements.

TENURE OF INDEPENDENT DIRECTORS AND SHAREHOLDERS' APPROVAL FOR RETAINING INDEPENDENT DIRECTOR WHO HAS SERVED FOR MORE THAN NINE (9) YEARS

One of the recommendations of the MCCG 2012 states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. However, the NC and the Board have determined at the assessment carried out that En Ahmad Bin Khalid, who has served on the Board for more than nine (9) years cumulatively, remains objective and independent in expressing his views and in participating in deliberations and decision-making of the Board and Board Committees. The length of his service on the Board does not in any way interfere with his exercise of independent judgment and ability to act in the best interests of the Company.

POSITIONS OF CHAIRMAN, VICE CHAIRMAN AND EXECUTIVE DIRECTORS

The Non-Executive Chairman presides over all meetings of the Board. The roles and responsibilities of the Non-Executive Chairman, the Non-Executive Vice Chairman, the Group Chief Executive Officer / Managing Director and of the Executive Directors are clearly established, each having separate and clearly defined scopes of responsibilities and authority. The division of roles and responsibilities ensures that there is no excessive concentration of power in these positions.

The Group Chief Executive Officer / Managing Director and the Executive Directors have overall responsibility for the operational and business units, organisational effectiveness and implementation of Board policies, directives, strategies and decisions. The Non-Executive Chairman is responsible for the leadership of the Board, ensuring its effectiveness and ensuring that proper strategy and business conduct are proposed to the Board for deliberation. He is constantly in touch with and maintains regular dialogue with the Non-Executive Vice Chairman, the Group Chief Executive Officer / Managing Director and the Executive Directors.

The Chairman of the Board is not an independent director. Notwithstanding that the Board does not comprise a majority of Independent Directors where the Chairman is not an Independent Director as recommended in the MCCG 2012, the Independent Directors are able to exercise strong independent judgment and provide independent views and advice to all Board deliberations. This represents a satisfactory alternative to the requirement of the recommended best practice of having the majority of Board members to be Independent Directors where the Chairman of the Board is non-independent, with appropriate representations of minority interest through the Independent Non-Executive Directors. In addition, the Board believes that the Chairman is competent to act on behalf of shareholders in their best interests and does not recommend the necessity of nominating an Independent Non-Executive Chairman at this time.

FOSTER COMMITMENT

TIME COMMITMENT

The Board holds at least four (4) scheduled quarterly meetings with additional meetings being convened as and when necessary. Prior to each meeting, every Director is provided with the complete agenda and a set of Board papers well in advance to give him/her ample time to review matters to be deliberated at the meeting and so facilitate informed decision-making.

Senior management may be invited to attend these meetings to explain and clarify matters being tabled.

A formal schedule of matters is adopted which includes strategy and policy issues, major investments, financial decisions and the annual business plan. All deliberations by the Board, including issues discussed and decisions made are recorded by the Company Secretary in the minutes of meetings which are properly kept and produced for inspection, if required.

During the financial year ended 31 March 2015, the Board met seven (7) times during which it reviewed and approved various issues including the quarterly financial results of the Group for announcement to Bursa Securities, business plan and strategy, major investments and strategic decisions, as well as the performance of the Group. The Board also reviewed the adequacy of the Group's internal control system.

The attendance record of the Directors at the Board meetings during the period under review is provided below:

DIRECTOR	TOTAL MEETINGS ATTENDED
Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas	7/7
Dato' Mah Siew Kwok	6/7
Dato' Gan Nyap Liou @ Gan Nyap Liow	5/7
Mah Xian-Zhen	7/7
Monteiro Gerard Clair	7/7
Dato' Sri Thong Kok Khee	7/7
Ahmad Bin Khalid	6/7
Tai Keat Chai	7/7
Mah Yong Sun	6/7

All Directors have complied with the minimum 50 percent attendance requirement at Board meetings during the financial year ended 31 March 2015 as stipulated by the Listing Requirements. As such, the Board is satisfied with the level of time commitment given by the Directors of the Company towards fulfilling their duties and responsibilities.

The Directors observe the recommendation of the MCCG 2012 that they are required to notify the Chairman of the Board before accepting any new directorships and to indicate the time expected to be spent on the new appointment. Generally, Directors are at liberty to accept other Board appointments so long as such appointments are not in conflict with the business of the Company and do not adversely affect the Director's performance as a member of the Board.

DIRECTORS' TRAINING

The Company recognises the importance of continuous professional development and training for its Directors. The Directors are mindful of the need for continuous training to keep abreast of new developments and are encouraged to attend forums, seminars, workshops and conferences facilitated by external professionals in accordance with their respective needs in discharging their duties as Directors. All the Directors of the Company have attended and successfully completed the Mandatory Accreditation Programme prescribed under the Listing Requirements.

The training/courses attended by the Directors during the financial year ended 31 March 2015 are as follows:-

DIRECTOR	TRAINING ATTENDED
Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas	• Director's Duties and Governance Update 2014 Conference • "Creating Value From Risk Management" on PETRONAS Risk Open Day • To address Asian Metropolitan City Summit • To address Urban Public Transportation 2014 Seminar • 4th Annual Information Security Summit • EO Forum "Malaysia: Surviving The Next Global Financial Crisis" • MICG & FPLC's Annual ASEAN Corporation Governance Summit 2014 • Bursa's Board Chairman Series "The Role Of The Board Chairman" • The Power of Partnerships • 4th Annual Procurement & Integrity Forum for Public & Private Sector
Dato' Mah Siew Kwok	• Executive Briefing on GST for Property & Construction • National Seminar on Anti-Money Laundering and Anti-Terrorism Financing 2014
Dato' Gan Nyap Liou @ Gan Nyap Liow	• FIDE Forum – BNM Engagement with Nominating Committees • Bursa Training – Corporate Governance

DIRECTOR	TRAINING ATTENDED
Mah Xian-Zhen	• BDO GST Workshop Training
Tai Keat Chai	• Sweating the Right Stuff – Risk for Profitable Growth
Mah Yong Sun	• Corporate Compliance: Focusing on Directors' Duties, Liabilities & Expectations • GST Briefing

Mr Monteiro Gerard Clair, Dato' Sri Thong Kok Khee and En Ahmad Bin Khalid, who spent a substantial amount of time travelling on business engagements, did not attend additional training during the financial period under review. In addition, Directors continuously receive briefings and updates on the Group's businesses and operations, risk management activities, corporate governance, finance, new developments in the business environment, new regulations and statutory requirements. The Board will continue to evaluate and determine the training needs of its Directors to enhance their skills and knowledge.

UPHOLD INTEGRITY IN FINANCIAL REPORTING

The Board acknowledges its responsibility for ensuring that the Company's and the Group's financial statements present a true and fair view of the state of affairs and are prepared in accordance with the Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965.

The Board is also committed to providing the highest level of disclosure possible to ensure integrity and consistency of the financial reports. In preparing the financial statements, the Board considers that the Group had used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates.

The Board has established an Audit & Risk Management Committee (ARMC), comprising wholly Non-Executive Directors, the majority of whom are Independent. One of the key responsibilities of the ARMC is to ensure that the financial statements of the Company comply with the Financial Reporting Standards in Malaysia. Such financial statements comprise the quarterly financial reports announced to Bursa Securities and the annual statutory financial statements.

The Board upholds the integrity of financial reporting by the Company. As such, it has established procedures, in assessing the suitability and independence of the External Auditors. The ARMC undertakes an annual assessment of the suitability and independence of the External Auditors in accordance with the Board's Auditor Independence Policy. Having satisfied itself with their performance and fulfillment of criteria as set out in the policy, the ARMC will recommend their re-appointment to the Board, after which the shareholders' approval will be sought at the AGM.

In this regard, in May 2015, the ARMC assessed the independence of Messrs BDO (BDO) as External Auditors of the Company and reviewed the level of non-audit services rendered by BDO to the Company for the financial year ended 31 March 2015. The ARMC was satisfied with BDO's technical competency and audit independence.

The External Auditors continue to report to members of the Company on their findings from the audit on statutory financial statements which are included as part of the Company's financial reports. The Company has always maintained a formal and transparent relationship with the External Auditors in seeking their professional advice and towards ensuring compliance with the accounting standards. It is the policy of the ARMC to meet with the External Auditors at least twice a year to discuss their audit plan, audit findings and the Group's financial statements. These meetings are held without the presence of the Executive Directors.

A summary of the activities of the ARMC during the financial year are set out in the ARMC Report on page 18 of Volume 2 of this Annual Report.

RECOGNISE AND MANAGE RISKS

RISK FRAMEWORK

The Board acknowledges its responsibilities for setting up and maintaining an effective system in ensuring a proper risk management environment. In achieving this, the Board has ensured that the system of internal control has taken into account the process of identifying key risks, the likelihood of occurrence and materiality. The Board believes that the internal control systems and procedures provide reasonable but not absolute assurance that assets are safeguarded, transactions are authorised and recorded properly and that material errors and irregularities are either detected or minimised to prevent recurrence.

INTERNAL AUDIT FUNCTION

The Company has outsourced the internal audit function to Ernst & Young Advisory Services Sdn Bhd, an independent professional firm. The outsourced Internal Auditors perform their functions with impartiality, proficiency and due professional care. They undertake regular monitoring of the Group's key controls and procedures, which is an integral part of the Group's system of internal control.

The internal audit reports are presented to the ARMC for review and deliberation. The ARMC is briefed on the progress made in respect of each recommendation, and of each corrective measure taken as recommended by the audit findings. The Internal Auditors report directly to the ARMC to ensure independence.

Details of the Group's internal control systems and the state of internal controls are further elaborated under the Statement on Risk Management & Internal Control, which has been reviewed by the Company's External Auditors, provided separately on pages 14 to 16 of Volume 2 of this Annual Report.

ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Board recognises the importance of communication and proper dissemination of information to its shareholders and investors. Through extensive disclosures of appropriate and relevant information, the Company aims to effectively provide shareholders and investors with information to fulfill transparency and accountability. In this respect, the Company keeps shareholders informed via announcements and timely release of quarterly financial reports, press releases, annual reports and circulars to shareholders.

Shareholders and members of the public may also obtain information on the Group's operations and activities, as well as press releases, announcements and financial information, etc. from the corporate website www.omesti.com.

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

The AGM and other meetings of the shareholders, including any Extraordinary General Meeting of the Company, are the principal forums for dialogue and interaction with shareholders. At such meetings, individual shareholders may raise questions or concerns with regard to the Company as a whole. Shareholders are also encouraged to participate in question and answer sessions. The Board, senior Management and relevant advisors are on hand to answer questions raised and provide clarifications as required. Where appropriate, the Board will undertake to provide written answers to any questions that cannot be readily answered at the meeting.

The Board will also ensure that each item of special business included in the notice of meeting is accompanied by a full explanation of the effects of a proposed resolution to facilitate understanding and evaluation of the issues involved.

COMPLIANCE STATEMENT

This statement on the Company's corporate governance practices is made in compliance with the Listing Requirements.

This Statement was approved by the Board on 10 July 2015.

Statement on Risk Management & Internal Control

The Malaysian Code on Corporate Governance requires the Board of Directors (Board) to maintain a sound system of risk management and internal control to safeguard shareholders' investments and the Group's assets. The Board of Omesti Berhad (formerly known as Formis Resources Berhad) is committed to maintaining a sound system of internal control and effective risk management as part of its ongoing efforts to practise good corporate governance.

This Statement of Risk Management & Internal Control is prepared in accordance with paragraph 15.26(b) of the Main Market Listing Requirements (MMLR) and Practice Note 9 of Bursa Malaysia Securities Berhad (Bursa Securities). It has been approved by the Board and reviewed by the external auditors as required under paragraph 15.23 of the MMLR.

BOARD RESPONSIBILITIES

The Board affirms its responsibilities for the Group's system of internal control, which includes the establishment of an effective control environment and appropriate internal control framework as well as review of its adequacy and integrity. This system is designed to identify and manage risks facing the business and covers financial, organisational, operational and compliance controls to safeguard shareholder investment and the Group's assets.

The system of internal control covers areas of corporate governance, risk management procedures, operational, financial and compliance controls as well as contingency plans, if required. The Board is aware that the control system is designed to manage, rather than to eliminate the risk of failure of the Group's business objectives in view of limitations that are inherent in any system of internal control. Accordingly, this system can only provide reasonable, but not absolute assurance against material misstatement, losses or fraud.

The system of internal control mainly applies to its operating companies and does not cover associates, inactive companies and dormant companies

SYSTEM OF INTERNAL CONTROL

KEY FRAMEWORK

The Group's risk management framework is constantly monitored and reviewed to ensure risks and controls are updated to reflect current situations and ensure relevance at any given time. In keeping with good governance, Management takes seriously the responsibility of ensuring that the Group is always alert to any situation that might affect its assets, income and ultimately, profits. Management has also the responsibility for managing risks and setting internal controls associated with the Group's operations, ensuring compliance with applicable laws and regulations.

For the financial year under review, one High Level Risk Assessment (HLRA) for the Omesti Group and internal audit reviews over operating units have been performed. The results of these reviews have been reported at the Group's quarterly Audit & Risk Management Committee (ARMC) and Board meetings for discussion and deliberation. Resolution and actions with set timelines were agreed upon to mitigate any risks identified.

Other key elements of the Group's internal control system include:

- Organisation and definition of the management structure of the Group including areas of responsibility, segregation of authorities and limits. Discretional authority limits and operational authorities are established and reviewed periodically.
- Clearly defined delegation of responsibilities to Board Committees and to the Management of Head Office and companies within the Group, including authorisation levels for all aspects of the businesses.
- Standard Operating Procedures defined for selected key processes of the Group, which are extended to all operating units. These processes are reviewed periodically to reflect changing risks and/or to resolve any operational deficiencies and to promote efficiency and accountability.

- Segregation of duties to reduce the scope for error and to prevent collusion. Key functions such as accounting, finance and treasury, legal, human resource and regulatory related matters are controlled centrally.
- An established strategic business plan and budgeting process, where all operating units prepare budgets every year, for approval at company level, before being discussed and reviewed by the Executive Committee and/or the Board.
- The Executive Committee of the Board implements the strategies and policies of the Group, ensures the strategic intent of the Group is achieved, and directs and monitors performance processes within the Group.
- Regular departmental meetings at operating units where operational and financial issues are deliberated.
- Presentation to the Board of timely information on performance of the Group through quarterly Board documents as well as reports from various Committees and subsidiaries. Quarterly performance reports, benchmarked against budgets and objectives, are provided to directors and discussed at the ARMC and/or board meetings.
- Periodic reviews by the outsourced internal auditor to assess the adequacy of internal controls, integrity of financial information provided and the extent of compliance with established procedures and advising management on areas of improvement.

GOVERNANCE MECHANISM

Individual Heads of Operating Units meet with the Senior Management/Executive Committee to review/discuss/revisit business objectives and strategies for the coming year's business plan. Once the plan has been agreed upon, the business plan of the respective subsidiaries for the new financial year is presented to the Board of Directors for their review and adoption.

Senior Management/Executive Committee will conduct monthly/quarterly review by assessing each company's progress against the budgeted business plan and financial budget. This review provides a forum for all to raise their concerns and suggestions, for periodical monitoring of performance and for major variances to be followed up.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Group has in place a risk management framework which incorporates, amongst others, a structured process for identifying, evaluating and prioritising risks as well as clearly defining the risk responsibilities and escalation process of significant risks and an Enterprise Risk management oversight framework.

The Board's primary objective and direction in managing the Group's risks are focused on the achievement of the Group's business objectives. From time to time, the framework is reviewed to ensure risks and controls are updated to reflect current situations and ensure relevance at any given time.

The Group defines risk as any event which may affect the Group and/or operating unit in meeting its objectives including economic, reputation and compliance objectives. The risk is measured in terms of likelihood and impact. The policy is to identify, evaluate and respond appropriately to risks identified so as to protect the Group from loss, uncertainty and lost opportunity.

HLRA has been conducted as part of continued activity to create awareness of, understand and update current key risks into the enterprise risks. Risk implications due to any changes in business models, strategies and business operations are identified, assessed and documented. This assessment serves as a basis for management to take stock of the risks faced by the enlarged Group and put in place action plans to manage those risks. The results of the HLRA are incorporated in the reporting to the ARMC.

Quarterly monitoring reports are presented to the ARMC and thereafter to the Board for the required review and approvals.

ASSURANCE MECHANISM

The ARMC is empowered by the Board with responsibilities relating to the Group's accounting and reporting practices. The ARMC is also responsible for reviewing and monitoring the effectiveness and adequacy of the Group's system of internal controls and to ensure that an appropriate mix of techniques is used to obtain the level of assurance required by the Board.

The ARMC periodically receives and assesses reports from the independent assurance functions of the Group. The Internal Audit function provides the ARMC with an assessment on the adequacy and integrity of the Group's system of internal control via reports from visits conducted at various operating units.

The external auditors provide assurance in the form of their annual statutory audit of the financial statements. Areas for improvement identified during the course of the statutory audit by the external auditors are brought to the attention of the ARMC through management letters, or are articulated at the ARMC meetings.

The ARMC has met with external auditors twice during the financial year without the presence of Executive Directors.

Convening at the very minimum on a quarterly basis, the ARMC monitors and reviews the implementation of safeguards as well as the implementation and progress of any remedial action recommended to ensure that the appropriate risk management and control processes are always in place.

INTERNAL AUDIT FUNCTION

The Group has outsourced the internal audit function to a professional firm for which, during the year, a fee of RM220,000 was incurred. The internal audit function provides the ARMC and the Board with reasonable assurance regarding the adequacy and integrity of the system of internal control.

The Internal Auditors report to the ARMC with principal responsibility for performing regular and systematic reviews of the system of internal control, risk management and governance processes to provide reasonable assurance that the system operates satisfactorily and effectively within the respective subsidiaries as well as across the Group.

The internal audit strategy and a detailed Internal Audit Plan is presented to the ARMC for approval by the Internal Auditors who adopt a risk-based approach and prepare their audit strategy and plan based on the risk assessment conducted on major operating units of the Group.

The Internal Audit Plan for the year is developed based on the HLRA and also taking into consideration past audit findings, improvement opportunities and other key factors. Accordingly, the Internal Audit Plan is reassessed periodically to ensure that it remains relevant and aligned with the Group's business objectives/strategies which change in response to the dynamics of its operating environment.

COMMENTARY ON ADEQUACY & EFFECTIVENESS

The risk management and internal control systems described above have been in place for the year under review and up to the approval of this statement for inclusion in the Annual Report.

In making this statement, the Board has received assurance from the Executive Directors and Chief Financial Officer that the risk management and internal control systems are operating adequately and effectively in all material aspects for the reporting.

For the financial year under review, the Board is of the opinion that the above monitoring and reporting processes provide an adequate form of checks and balances and constitute a sufficient platform for timely and continuous identification of the Group's principal risks. These processes are adequate and sound to provide reasonable assurance in safeguarding shareholders' investments, the interests of customers, regulators and employees, the Group's assets and other stakeholders' interests, as well as in addressing key risks impacting the business operations of the Group.

There was no major internal control weakness identified that may result in any material loss or uncertainty that would require disclosure in the Annual Report. The Group will continue to take measures to strengthen the internal control and risk management environment.

Audit & Risk Management Committee Report

The Audit & Risk Management Committee (ARMC) operates to assist the Board of Directors (Board) in ensuring the integrity of the Group's financial procedures and internal control systems. Its terms of reference have been tabled and adopted by the Board.

The current composition of the ARMC is as follows:

Tai Keat Chai – Independent Non-Executive Director (Chairman)

Ahmad Bin Khalid – Independent Non-Executive Director

Dato' Mah Siew Kwok – Non-Executive Vice Chairman

TERMS OF REFERENCE

In performing its duties and discharging its responsibilities, the ARMC is guided by its Terms of Reference.

ROLES & RESPONSIBILITIES

Key responsibilities include:

- Consider the appointment of the External Auditors, the audit fee and any questions of resignation or dismissal;
- Discuss with the External Auditors before the audit commences, the nature and scope of audit, and ensure coordination where more than one audit firm is involved;
- Review the quarterly and year-end financial statements of the Group focusing particularly on any changes in or implementation of major accounting policies and practices, significant adjustments arising from audit conducted, the going concern assumption and compliance with applicable approved accounting standards and other legal and regulatory requirements;
- Discuss problems and reservations arising from the interim and final audit, and any matter the Auditors may wish to discuss (in the absence of Management where necessary);
- Review the External Auditors' reports and the Management's responses;
- Carry out the following with respect to the internal audit function:
  - Review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
  - Review the internal audit programme and results of the internal audit process, and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;
  - Review any appraisal or assessment of the performance of members of the internal audit function;
  - Approve any appointment or termination of senior staff members responsible for the internal audit function and to provide the opportunity for the resigning staff member to submit his/her reasons for resigning. In the event where the internal audit function is outsourced, to approve the appointment and termination of the third party service provider; and
  - Ensure coordination between the Internal and External Auditors.
- Consider any related party transactions and conflict of interest situations that may arise within the Company or the Group including any transactions, procedures or course of conduct that raise questions on the integrity of the Management (if any);
- Consider the major findings of internal investigations and the Management's responses;
- Report to the Board its activities, significant results and findings;
- Promptly report to Bursa Malaysia Securities Berhad on matters reported by it to the Board that have not been satisfactorily resolved, resulting in a breach of the Listing Requirements; and
- Consider other topics as defined by the Board.

MEETINGS

During the year under review, the ARMC held a total of five (5) meetings. The attendance record of the respective members is as follows:

COMMITTEE MEMBER	TOTAL MEETINGS ATTENDED
Tai Keat Chai	5/5
Ahmad Bin Khalid	5/5
Dato' Mah Siew Kwok	5/5

SUMMARY OF ACTIVITIES

During the financial year under review, the ARMC carried out the following:

- Reviewed and recommended the quarterly financial results and the annual audited financial statements of the Group to the Board for consideration and approval;
- Reviewed the Internal Auditors' scope of work, audit plans and fees for the Group;
- Reviewed and recommended the appointment of the External Auditors, Messrs BDO, to the Board for consideration;
- Reviewed with the External Auditors the scope of work, audit plan and fees for the statutory audit and thereafter recommended them to the Board for approval;
- Reviewed the status report and recommendations for corrective action plans submitted by the Internal Auditors and received regular updates on the implementation by the Group;
- Reviewed related party transactions entered into within the Company or the Group, including any transaction, procedure or course of conduct that raises questions of Management integrity;
- Reviewed with the External and Internal Auditors issues affecting the operations of the Group as well as the necessary remedial actions and thereafter reported the same to the Board;
- Reported to the Board on its activities and any significant issues and results; and
- Reviewed and verified the allocation of share options pursuant to the Long-Term Incentive Plan (LTIP) for the financial year ended 31 March 2015 in accordance with the criteria set out in the By-Laws of the Company's LTIP.

STATEMENT VERIFYING ALLOCATION OF SHARE OPTIONS PURSUANT TO THE LTIP

The ARMC has reviewed and verified that the allocation of share options pursuant to the LTIP for the financial year ended 31 March 2015 had been made in accordance with the eligibility and entitlement criteria determined by the LTIP Committee and the share options have been granted in accordance with the By-Laws of the Company's LTIP.

INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to Ernst & Young Advisory Services Sdn Bhd and the selected internal audit team is independent of the activities audited by them and the External Auditors.

The principal responsibility of the internal audit function is to evaluate the effectiveness of risk management, control and governance processes. The Internal Auditors undertake internal audits based on the audit plan that is reviewed and approved by the ARMC. They report directly to the ARMC.

During the financial year ended 31 March 2015, the Internal Auditors conducted internal control reviews on certain operating subsidiaries' functions and procedures and recommended action plans for improvement by the Management. The final audit reports containing audit findings and recommendations together with the Management's responses thereto were circulated to all members of the ARMC.

Areas of improvement identified were communicated to the Management for further action. All internal audit reports were reviewed and discussed at the ARMC meetings. Follow-up reviews will subsequently be performed to ascertain the extent of implementation of the recommended corrective action for improvements. The ARMC continuously monitors the state of internal control of the Group and reports to the Board on a regular basis.

Further details of the Group Internal Audit function are set out in the section on the Statement on Risk Management & Internal Control on pages 14 to 16 of Volume 2 of this Annual Report.

Statement on Directors' Responsibility For Preparing The Financial Statements

The Directors are responsible for ensuring that the annual audited financial statements of the Group and of the Company are drawn up in accordance with the provisions of the Companies Act, 1965, the Main Market Listing Requirements and the requirements of the applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board.

The Directors are also responsible for ensuring that the annual audited financial statements of the Group and of the Company present a true and fair view of the state of affairs of the Group and of the Company as at the financial year end and of their financial performance and cash flows for the financial year then ended.

In preparing the audited financial statements of the Group and of the Company for the financial year ended 31 March 2015, the Directors have ensured that appropriate and relevant accounting policies have been adopted and consistently applied, reasonable and prudent estimates have been exercised and going concern basis adopted.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act, 1965, the Main Market Listing Requirements and the requirements of the applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board.

The Directors have overall responsibility for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.

FINANCIAL STATEMENTS

Directors' Report

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities and the provision of management services. The principal activities of the subsidiaries are disclosed in Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

CHANGE OF NAME

On 22 September 2014, the Company changed its name from Formis Resources Berhad to Omesti Berhad.

RESULTS

	GROUP RM	COMPANY RM
Profit for the financial year	272,422	32,695,110
Attributable to:		
Owners of the parent	(138,772)	32,695,110
Non-controlling interests	411,194	-
	272,422	32,695,110

DIVIDEND

No dividend has been proposed, declared or paid by the Company since the end of the previous financial year. The Directors do not recommend any payment of dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up share capital of the Company was increased from RM193,692,587 comprising 387,385,174 shares of RM0.50 each to RM193,742,587 comprising 387,485,174 shares of RM0.50 each by way of issuance of 100,000 new ordinary shares of RM0.50 each at RM0.80 pursuant to the Long-Term Incentive Plan (LTIP) to an eligible employee on 1 April 2014 as disclosed in Note 22 to the financial statements.

The newly issued ordinary shares rank pari passu in all respects with the existing shares of the Company. There were no other issues of shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

LONG-TERM INCENTIVES PLAN (LTIP)

At an Extraordinary General Meeting held on 24 September 2013, the Directors were authorised to proceed with the establishment and administration of the LTIP, which comprises an Employee Share Option Scheme (ESOS) and an Employee Share Grant Plan (ESGP) and is administered by the LTIP Committee appointed by the Board of Directors, in accordance with the By-Laws of the LTIP. The LTIP shall be in force for a period of 5 years from 16 October 2013, unless extended further. The main features of the LTIP are disclosed in Note 36 to the financial statements.

During the financial year, the Company has granted 100,000 ordinary shares under ESGP to the eligible executive employees of the Company.

Details of the options over the ordinary shares of the Company under ESOS are as follows:

	NUMBER OF OPTIONS OVER ORDINARY SHARES OF RM0.50 EACH					
	Option price RM	Outstanding as at 1.4.2014	Movements during the financial year			Outstanding as at 31.3.2015
			Granted	Exercised	Lapsed	
DATE OF OFFER						
6 January 2014	0.66	10,666,800	-	-	(692,400)	9,974,400

The Company has been granted exemption by the Companies Commission of Malaysia vide its letter dated 19 May 2015 from having to disclose the list of option holders together with the details of their holdings pursuant to Section 169(11) of the Companies Act, 1965 in Malaysia except for information of employees who were granted 200,000 options and above.

Other than the Directors' interests, the names of option holders who were granted 200,000 options and above as at the financial year end are as follows:

Name	Number of ESOS options
Chia Yong Wei	666,600
Voon Siew Moon	533,400
Neo Poh Lian	433,400
Navrita Preet Kaur A/P Kavil Singh	200,000
Lim Shook Nyee	200,000
Steven Pun Siew Hung	200,000
Mohamed Maharoof BinVaheed	200,000
Megat Mohamed Najib Bin Megat Abd Rahman	200,000

WARRANTS

As at 31 March 2015, the unexercised warrants of the Company are as follows:

Warrants	Date issued	Exercise price	Number of warrants over ordinary shares of RM0.50 each	Warrant expiry date
Warrants 2011/2016	20 April 2011	RM0.96	106,516,733	19 April 2016
Warrants 2013/2018	31 May 2013	RM0.50	83,142,487	30 May 2018

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The Directors who have held office since the date of the last report are:

Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas
Dato' Mah Siew Kwok
Dato' Gan Nyap Liou @ Gan Nyap Liow
Mah Xian-Zhen
Monteiro Gerard Clair
Dato' Sri Thong Kok Khee
Ahmad Bin Khalid
Tai Keat Chai
Mah Yong Sun

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia were as follows:

	NUMBER OF ORDINARY SHARES OF RM0.50 EACH			
SHARES IN THE COMPANY	Balance as at 1.4.2014	Bought	Sold	Balance as at 31.3.2015
DIRECT INTERESTS				
Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas	51,088,555	30,000	-	51,118,555
Dato' Mah Siew Kwok	63,714,024	500,000	-	64,214,024
Ahmad Bin Khalid	50,001	-	-	50,001
Dato' Gan Nyap Liou @ Gan Nyap Liow	15,120,000	275,600	-	15,395,600
Mah Yong Sun	4,621,300	-	-	4,621,300
Monteiro Gerard Clair	41,000	1,147,900	-	1,188,900
Mah Xian-Zhen	-	13,900	-	13,900
INDIRECT INTERESTS				
Dato' Mah Siew Kwok[∞]	-	13,900	-	13,900
Dato' Sri Thong Kok Khee[^]	46,633,200	410,000	(388,700)	46,654,500
Dato' Gan Nyap Liou @ Gan Nyap Liow[*]	10,663,000	-	-	10,663,000
Monteiro Gerard Clair[#]	77,638,800	-	(3,678,500)	73,960,300

DIRECTORS' INTERESTS (CONTINUED)

WARRANTS 2011/2016 IN THE COMPANY	NUMBER OF WARRANTS 2011/2016 Balance as at 1.4.2014	Bought	Sold	Balance as at 31.3.2015
DIRECT INTERESTS				
Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas	15,426,884	-	-	15,426,884
Dato' Mah Siew Kwok	11,170,569	-	-	11,170,569
Dato' Gan Nyap Liou @ Gan Nyap Liow	6,500,000	-	-	6,500,000
INDIRECT INTERESTS				
Dato' Sri Thong Kok Khee^	2,920,469	-	-	2,920,469

WARRANTS 2013/2018 IN THE COMPANY	NUMBER OF WARRANTS 2013/2018 Balance as at 1.4.2014	Bought	Sold	Balance as at 31.3.2015
DIRECT INTERESTS				
Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas	17,566,633	-	-	17,566,633
Dato' Mah Siew Kwok	15,877,502	-	-	15,877,502
Dato' Gan Nyap Liou @ Gan Nyap Liow	2,016,900	-	-	2,016,900
Mah Yong Sun	750,000	-	-	750,000
Monteiro Gerard Clair	40,000	-	-	40,000
INDIRECT INTERESTS				
Dato' Sri Thong Kok Khee^	8,265,000	-	-	8,265,000
Dato' Gan Nyap Liou @ Gan Nyap Liow*	2,831,500	-	-	2,831,500
Monteiro Gerard Clair#	20,382,500	-	-	20,382,500

DIRECTORS' INTERESTS (CONTINUED)

ESOS IN THE COMPANY	Balance as at 1.4.2014	Granted	Exercised	Lapsed	Balance as at 31.3.2015
	NUMBER OF OPTIONS OVER ORDINARY SHARES OF RM0.50 EACH				
DIRECT INTERESTS					
Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas	166,600	-	-	-	166,600
Dato' Gan Nyap Liou @ Gan Nyap Liow	2,666,600	-	-	-	2,666,600
Monteiro Gerard Clair	1,100,000	-	-	-	1,100,000
Mah Xian-Zhen	1,100,000	-	-	-	1,100,000
Dato' Mah Siew Kwok	100,000	-	-	-	100,000
Ahmad Bin Khalid	100,000	-	-	-	100,000
Tai Keat Chai	100,000	-	-	-	100,000
Mah Yong Sun	100,000	-	-	-	100,000
Dato' Sri Thong Kok Khee	100,000	-	-	-	100,000
INDIRECT INTERESTS					
Dato' Mah Siew Kwok∞	1,100,000	-	-	-	1,100,000

SHARES IN SUBSIDIARIES	Balance as at 1.4.2014	Bought	Sold	Balance as at 31.3.2015
	NUMBER OF ORDINARY SHARES OF RM0.10 EACH			
DIVERSIFIED GATEWAY SOLUTIONS BERHAD				
DIRECT INTERESTS				
Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas	18,424,389	-	(14,807,853)	3,616,536
Dato' Mah Siew Kwok	16,670,092	-	(8,906,200)	7,763,892
Ahmad Bin Khalid	30,001	-	-	30,001
Dato' Gan Nyap Liou @ Gan Nyap Liow	1,694,000	-	(1,694,000)	-
MYATM SDN BHD				
DIRECT INTERESTS				
Dato' Gan Nyap Liou @ Gan Nyap Liow	500,000	-	-	500,000
YAKIMBI SDN BHD				
DIRECT INTERESTS				
Dato' Gan Nyap Liou @ Gan Nyap Liow	250,000	-	-	250,000

DIRECTORS' INTERESTS (CONTINUED)

^ Deemed interest by virtue of his substantial interest in Insas Berhad, pursuant to Section 6A of the Companies Act, 1965 in Malaysia.

* Deemed interest by virtue of his substantial interest in PlanetBiz Investments Limited, pursuant to Section 6A of the Companies Act, 1965 in Malaysia.

Deemed interest by virtue of his substantial interest in Red Zone Development Sdn Bhd, pursuant to Section 6A of the Companies Act, 1965 in Malaysia.

∞ Deemed interest by virtue of shareholding held by his daughter pursuant to Section 134 (12)(c) of the Companies Act, 1965 in Malaysia.

By virtue of their interests in the ordinary shares of the Company, Dato' Mah Siew Kwok and Monteiro Gerard Clair are also deemed to be interested in the shares of all subsidiaries to the extent the Company has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for the outstanding warrants and share options as disclosed in Note 22 and Note 36 to the financial statements respectively.

OTHER STATUTORY INFORMATION REGARDING THE GROUP & THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

OTHER STATUTORY INFORMATION REGARDING THE GROUP & THE COMPANY (CONTINUED)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

(i) which would render the amount of bad debts written off or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant events subsequent to the end of the reporting period are disclosed in Note 44 to the financial statements.

AUDITORS

The auditors, BDO, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors.

MONTEIRO GERARD CLAIR
Director

MAH XIAN-ZHEN
Director

Kuala Lumpur
10 July 2015

Statement by Directors

In the opinion of the Directors, the financial statements as set out on pages 34 to 153 have been drawn up in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2015 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

In the opinion of the Directors, the information as set out in Note 47 to the financial statements on page 154 has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

On behalf of the Board,

MONTEIRO GERARD CLAIR	**MAH XIAN-ZHEN**
Director	Director

Kuala Lumpur
10 July 2015

Statutory Declaration

I, Voon Siew Moon, being the officer primarily responsible for the financial management of Omesti Berhad (formerly known as Formis Resources Berhad), do solemnly and sincerely declare that the financial statements as set out on pages 34 to 154 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
10 July 2015)

VOON SIEW MOON

Before me:

S. IDERAJU (No. W-651)
Commissioner of Oaths

Independent Auditors' Report to the Members of Omesti Berhad (formerly known as Formis Resources Berhad)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Omesti Berhad (formerly known as Formis Resources Berhad), which comprise the statements of financial position as at 31 March 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 34 to 153.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 9 to the financial statements.

(c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 47 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants (MIA Guidance) and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

As disclosed in Note 4 to the financial statements, the Group and the Company changed their accounting framework from Malaysian Financial Reporting Standards to Financial Reporting Standards on 1 April 2014. These Standards were applied retrospectively by the Directors to the comparative information in these financial statements, including the statements of financial position as at 31 March 2014 and 1 April 2013, and the statement of comprehensive income and statement of changes in equity for the financial year ended 31 March 2014 and related disclosures. We were not engaged to report on the restated comparative information, and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the financial year ended 31 March 2015 has, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April 2013 do not contain misstatements that materially affect the financial position as of 31 March 2014 and financial performance and cash flows for the year then ended.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO
AF : 0206
Chartered Accountants

OOI THIAM POH
2495/01/16 (J)
Chartered Accountant

Kuala Lumpur
10 July 2015

Statements of Financial Position
As at 31 March 2015

ASSETS	Note	GROUP 31.03.2015 RM	GROUP 31.03.2014 RM	GROUP 01.04.2013 RM
NON-CURRENT ASSETS				
Property, plant and equipment	8	22,075,575	17,530,780	8,753,889
Investments in associates	10	87,011,101	67,693,528	34,693,848
Other intangible assets	11	23,516,125	26,282,150	-
Other investments	12	14,028,733	18,804,696	2,012,986
Investment property	13	-	-	32,265
Other receivables, deposits and prepayments	14	19,964,296	14,709,605	14,142,696
Goodwill	15	80,298,315	79,917,189	63,348,567
Deferred tax assets	16	1,033,160	780,704	564,013
		247,927,305	225,718,652	123,548,264
CURRENT ASSETS				
Other investments	12	1,250,321	16,617,689	6,383,710
Inventories	17	34,980,219	26,754,226	18,024,862
Trade receivables	18	92,952,086	79,301,839	65,648,650
Other receivables, deposits and prepayments	14	78,006,029	63,425,099	71,175,039
Amounts owing by associates	20	1,398,394	-	414,163
Current tax assets		3,889,806	4,297,244	2,114,778
Cash and bank balances	21	75,118,471	67,346,931	67,577,802
		287,595,326	257,743,028	231,339,004
TOTAL ASSETS		535,522,631	483,461,680	354,887,268

The accompanying notes form an integral part of the financial statements.

Statements of Financial Position
As at 31 March 2015 (continued)

		GROUP		
EQUITY AND LIABILITIES	**Note**	**31.03.2015 RM**	**31.03.2014 RM**	**01.04.2013 RM**
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT				
Share capital	22	193,742,587	193,692,587	92,950,099
Reserves	23	54,106,387	54,224,916	35,016,484
Retained earnings	23	21,252,614	12,156,305	11,969,724
		269,101,588	260,073,808	139,936,307
Non-controlling interests	9	26,745,921	23,191,323	17,737,146
TOTAL EQUITY		295,847,509	283,265,131	157,673,453
LIABILITIES				
NON-CURRENT LIABILITIES				
Borrowings	24	18,809,660	14,587,482	12,691,080
Provisions	34	5,302,794	1,210,332	190,739
Deferred tax liabilities	16	1,117,476	1,023,822	235,846
		25,229,930	16,821,636	13,117,665
CURRENT LIABILITIES				
Trade payables	27	34,795,465	33,655,828	18,019,367
Other payables, deposits and accruals	28	82,981,324	71,881,493	66,838,778
Amounts owing to associates	20	25,414	-	-
Borrowings	24	94,883,414	77,804,520	98,289,700
Current tax payable		1,759,575	33,072	948,305
		214,445,192	183,374,913	184,096,150
TOTAL LIABILITIES		239,675,122	200,196,549	197,213,815
TOTAL EQUITY AND LIABILITIES		535,522,631	483,461,680	354,887,268

The accompanying notes form an integral part of the financial statements.

Statements of Financial Position
As at 31 March 2015 (continued)

		COMPANY		
ASSETS	**Note**	**31.03.2015 RM**	**31.03.2014 RM**	**01.04.2013 RM**
NON-CURRENT ASSETS				
Property, plant and equipment	8	985,446	1,184,578	308,132
Investments in subsidiaries	9	160,060,001	180,722,229	180,662,229
Investments in associates	10	24,093,509	19,178,588	-
Other investments	12	26,265,997	3,076,467	-
Deferred tax assets	16	-	124,332	52,400
		211,404,953	204,286,194	181,022,761
CURRENT ASSETS				
Other receivables, deposits and prepayments	14	36,987,233	14,953,368	20,251,157
Amounts owing by subsidiaries	19	33,739,406	65,238,351	1,208,973
Amount owing by an associate	20	2,113	-	-
Current tax assets		1,366	398,621	510,121
Cash and bank balances	21	5,238,859	533,187	15,098,965
		75,968,977	81,123,527	37,069,216
TOTAL ASSETS		287,373,930	285,409,721	218,091,977

The accompanying notes form an integral part of the financial statements.

Statements of Financial Position
As at 31 March 2015 (continued)

		COMPANY		
EQUITY AND LIABILITIES	**Note**	**31.03.2015 RM**	**31.03.2014 RM**	**01.04.2013 RM**
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT				
Share capital	22	193,742,587	193,692,587	92,950,099
Reserves	23	54,357,402	54,552,680	34,407,542
Retained earnings/(Accumulated losses)	23	9,969,888	(22,842,265)	(361,433)
TOTAL EQUITY		258,069,877	225,403,002	126,996,208
LIABILITIES				
NON-CURRENT LIABILITIES				
Borrowings	24	5,846	73,764	137,551
Provisions	34	746,948	-	-
		752,794	73,764	137,551
CURRENT LIABILITIES				
Other payables, deposits and accruals	28	2,710,734	2,460,311	1,051,388
Amounts owing to subsidiaries	19	25,772,607	57,408,857	59,863,538
Borrowings	24	67,918	63,787	30,043,292
		28,551,259	59,932,955	90,958,218
TOTAL LIABILITIES		29,304,053	60,006,719	91,095,769
TOTAL EQUITY AND LIABILITIES		287,373,930	285,409,721	218,091,977

The accompanying notes form an integral part of the financial statements.

Statements of Profit or Loss & Other Comprehensive Income For the Financial Year Ended 31 March 2015

	Note	GROUP		COMPANY	
		2015 RM	2014 RM	2015 RM	2014 RM
Revenue	30	435,471,141	352,285,962	40,895,400	2,712,000
Changes in inventories		(6,960,048)	9,893,883	-	-
Purchases		(302,602,194)	(256,230,455)	-	-
Direct expenses		(3,261,851)	(4,478,424)	-	-
Other operating income		11,197,228	39,898,347	3,571,353	687,022
Depreciation and amortisation expenses		(7,550,520)	(5,482,829)	(284,956)	(264,772)
Employee benefits	35	(86,540,372)	(70,905,643)	(7,889,846)	(9,256,388)
Other operating expenses		(34,576,487)	(29,153,119)	(3,461,761)	(4,937,583)
Finance costs		(8,563,843)	(6,591,718)	(10,748)	(437,731)
Share of profit of associates, net of tax	10	9,628,856	6,977,057	-	-
Profit/(Loss) before tax	31	6,241,910	36,213,061	32,819,442	(11,497,452)
Taxation	32	(5,969,488)	(3,449,188)	(124,332)	323,998
Profit/(Loss) for the financial year		272,422	32,763,873	32,695,110	(11,173,454)
OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translations for foreign operations, net of tax		145,236	16,885	-	-
Share of other comprehensive income/(loss) of associates, net of tax	10	33,956	(1,171,609)	-	-
Total other comprehensive income/(loss)		179,192	(1,154,724)	-	-
Total comprehensive income/(loss)		451,614	31,609,149	32,695,110	(11,173,454)

The accompanying notes form an integral part of the financial statements.

Statements of Profit or Loss & Other Comprehensive Income For the Financial Year Ended 31 March 2015 (continued)

	Note	GROUP 2015 RM	GROUP 2014 RM	COMPANY 2015 RM	COMPANY 2014 RM
Profit/(loss) attributable to:					
Owners of the parent		(138,772)	31,965,528	32,695,110	(11,173,454)
Non-controlling interests	9	411,194	798,345	-	-
		272,422	32,763,873	32,695,110	(11,173,454)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		(62,023)	31,028,822	32,695,110	(11,173,454)
Non-controlling interests		513,637	580,327	-	-
		451,614	31,609,149	32,695,110	(11,173,454)
(Loss)/Earnings per ordinary share attributable to owners of the parent:					
Basic (sen)	33	(0.04)	9.38		
Diluted (sen)	33	(0.04)	8.70		

The accompanying notes form an integral part of the financial statements.

Consolidated Statements of Changes in Equity
For the Financial Year Ended 31 March 2015

GROUP	Note		Non-distributable					Distributable			
		Share capital RM	Share premium RM	Capital reserve RM	Warrant reserve RM	Equity compensation reserve RM	Exchange translation reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
Balance as at 1 April 2013		92,950,099	9,744,296	24,663,246	-	-	608,942	11,350,068	139,316,651	17,737,146	157,053,797
Effects of adoption of FRS	46	-	-	-	-	-	-	619,656	619,656	-	619,656
Restated balance as at 1 April 2013		92,950,099	9,744,296	24,663,246	-	-	608,942	11,969,724	139,936,307	17,737,146	157,673,453
Profit for the financial year		-	-	-	-	-	-	31,965,528	31,965,528	798,345	32,763,873
Foreign currency translations for foreign operations, net of tax		-	-	-	-	-	234,903	-	234,903	(218,018)	16,885
Share of other comprehensive loss of associates, net of tax		-	-	-	-	-	(1,171,609)	-	(1,171,609)	-	(1,171,609)
Total comprehensive (loss)/income		-	-	-	-	-	(936,706)	31,965,528	31,028,822	580,327	31,609,149

The accompanying notes form an integral part of the financial statements.

Consolidated Statements of Changes in Equity
For the Financial Year Ended 31 March 2015 (continued)

GROUP	Note	Share capital RM	Share premium RM	Capital reserve RM	Warrant reserve RM	Equity compensation reserve RM	Exchange translation reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non-Controlling Interests RM	Total equity RM
			Non-distributable					Distributable			
TRANSACTIONS WITH OWNERS											
Shares issued pursuant to the rights issue with warrants	22	83,142,488	-	-	11,307,378	-	-	(11,307,378)	83,142,488	-	83,142,488
Ordinary shares issued pursuant to private placement	22	17,600,000	5,829,388	-	-	-	-	-	23,429,388	-	23,429,388
Effects arising from acquisition of subsidiaries	37	-	-	-	-	-	-	-	-	25,384,341	25,384,341
Arising from accretion of equity interests in subsidiaries	38	-	-	-	-	-	-	(15,142,270)	(15,142,270)	(21,253,974)	(36,396,244)
Arising from dilution of equity interests in subsidiaries	39	-	-	-	-	-	-	(632,150)	(632,150)	734,190	102,040
Share-based payment transactions	23	-	-	-	-	3,008,372	-	60,615	3,068,987	9,293	3,078,280
Dividends paid to non-controlling interests of a subsidiary		-	-	-	-	-	-	(946,472)	(946,472)	-	(946,472)
Share of other changes in equity of associates	10	-	-	-	-	-	-	(3,811,292)	(3,811,292)	-	(3,811,292)
Total transactions with owners		100,742,488	5,829,388	-	11,307,378	3,008,372	-	(31,778,947)	89,108,679	4,873,850	93,982,529
Balance as at 31 March 2014		193,692,587	15,573,684	24,663,246	11,307,378	3,008,372	(327,764)	12,156,305	260,073,808	23,191,323	283,265,131

The accompanying notes form an integral part of the financial statements.

Consolidated Statements of Changes in Equity
For the Financial Year Ended 31 March 2015 (continued)

GROUP	Note		Non-distributable					Distributable			
		Share capital RM	Share premium RM	Capital reserve RM	Warrant reserve RM	Equity compensation reserve RM	Exchange translation reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non-Controlling Interests RM	Total equity RM
Balance as at 1 April 2014		193,692,587	15,573,684	24,663,246	11,307,378	3,008,372	(327,764)	9,059,387	256,976,890	23,766,517	280,743,407
Remeasurement period adjustment	45	-	-	-	-	-	-	-	-	(575,194)	(575,194)
Effects of adoption of FRS	46	-	-	-	-	-	-	3,096,918	3,096,918	-	3,096,918
Restated balance as at 1 April 2014		193,692,587	15,573,684	24,663,246	11,307,378	3,008,372	(327,764)	12,156,305	260,073,808	23,191,323	283,265,131
(Loss)/Profit for the financial year		-	-	-	-	-	-	(138,772)	(138,772)	411,194	272,422
Foreign currency translations for foreign operations, net of tax		-	-	-	-	-	42,793	-	42,793	102,443	145,236
Share of other comprehensive income of associates, net of tax		-	-	-	-	-	33,956	-	33,956	-	33,956
Total comprehensive income/(loss)		-	-	-	-	-	76,749	(138,772)	(62,023)	513,637	451,614

The accompanying notes form an integral part of the financial statements.

Consolidated Statements of Changes in Equity
For the Financial Year Ended 31 March 2015 (continued)

			Non-distributable					Distributable			
GROUP	Note	Share capital RM	Share premium RM	Capital reserve RM	Warrant reserve RM	Equity compensation reserve RM	Exchange translation reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non-Controlling Interests RM	Total equity RM
TRANSACTIONS WITH OWNERS											
Shares issued pursuant to LTIP	22	50,000	30,000	-	-	-	-	-	80,000	-	80,000
Arising from dilution of equity interests in subsidiaries	39	-	-	-	-	-	-	8,978,477	8,978,477	3,034,051	12,012,528
ESOS lapsed		-	-	-	-	(195,278)	-	188,368	(6,910)	6,910	-
Share issue expenses		-	(30,000)	-	-	-	-	-	(30,000)	-	(30,000)
Share of other changes in equity of associates	10	-	-	-	-	-	-	68,236	68,236	-	68,236
Total transactions with owners		50,000	-	-	-	(195,278)	-	9,235,081	9,089,803	3,040,961	12,130,764
Balance as at 31 March 2015		193,742,587	15,573,684	24,663,246	11,307,378	2,813,094	(251,015)	21,252,614	269,101,588	26,745,921	295,847,509

The accompanying notes form an integral part of the financial statements.

Consolidated Statements of Changes in Equity For the Financial Year Ended 31 March 2015 (continued)

COMPANY	Note		Non-distributable					
		Share capital RM	Share premium RM	Capital reserve RM	Warrant reserve RM	Equity compensation reserve RM	Accumulated losses RM	Total equity RM
Balance as at 1 April 2013		92,950,099	9,744,296	24,663,246	-	-	(361,433)	126,996,208
Loss for the financial year		-	-	-	-	-	(11,173,454)	(11,173,454)
Other comprehensive income, net of tax		-	-	-	-	-	-	-
Total comprehensive loss		-	-	-	-	-	(11,173,454)	(11,173,454)
TRANSACTIONS WITH OWNERS								
Shares issued pursuant to the rights issue with warrants	22	83,142,488	-	-	11,307,378	-	(11,307,378)	83,142,488
Ordinary shares issued pursuant to private placement	22	17,600,000	5,829,388	-	-	-	-	23,429,388
Share-based payment transactions	23	-	-	-	-	3,008,372	-	3,008,372
Total transactions with owners		100,742,488	5,829,388	-	11,307,378	3,008,372	(11,307,378)	109,580,248
Balance as at 31 March 2014		193,692,587	15,573,684	24,663,246	11,307,378	3,008,372	(22,842,265)	225,403,002

The accompanying notes form an integral part of the financial statements.

Consolidated Statements of Changes in Equity
For the Financial Year Ended 31 March 2015 (continued)

COMPANY	Note		Non-distributable					
		Share capital RM	Share premium RM	Capital reserve RM	Warrant reserve RM	Equity compensation reserve RM	(Accumulated losses)/ Retained earnings RM	Total equity RM
Balance as at 1 April 2014		193,692,587	15,573,684	24,663,246	11,307,378	3,008,372	(22,842,265)	225,403,002
Profit for the financial year		-	-	-	-	-	32,695,110	32,695,110
Other comprehensive income, net of tax		-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	-	32,695,110	32,695,110
TRANSACTIONS WITH OWNERS								
Shares issued pursuant to LTIP	22	50,000	30,000	-	-	-	-	80,000
ESOS lapsed		-	-	-	-	(195,278)	117,043	(78,235)
Share issue expenses		-	(30,000)	-	-	-	-	(30,000)
Total transactions with owners		50,000	-	-	-	(195,278)	117,043	(28,235)
Balance as at 31 March 2015		193,742,587	15,573,684	24,663,246	11,307,378	2,813,094	9,969,888	258,069,877

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows
For the Financial Year Ended 31 March 2015

CASH FLOWS FROM OPERATING ACTIVITIES	Note	GROUP 2015 RM	GROUP 2014 RM	COMPANY 2015 RM	COMPANY 2014 RM
Profit/(Loss) before tax		6,241,910	36,213,061	32,819,442	(11,497,452)
Adjustments for:-					
Amortisation of:					
- software development costs	11	3,408,845	2,284,039	-	-
- license agreement	11	719,496	479,662	-	-
Bad debts written off		82,409	119,983	57,960	-
Depreciation of property, plant and equipment	8	3,422,179	2,719,128	284,956	264,772
Dividend income from:					
- other investments		(124,452)	(91,490)	-	-
- an associate		-	(1,212,900)	-	-
- subsidiaries		-	-	(38,181,000)	-
Equity settled share-based payment expense	35	80,000	3,078,280	80,000	2,267,532
Gain on dilution of equity interest in associates		(6,900,196)	(11,819,518)	-	-
Net loss/(gain) on fair value adjustments on other investments	12	4,271,779	(13,977,714)	-	-
Net gain on re-measurement arising on a business combination achieved in stages		-	(4,163,200)	-	-
Net (gain)/loss on disposal of:					
- associate		(90,000)	-	-	-
- other investments		(392)	-	-	-
- property, plant and equipment		5,035	(14,000)	-	-
- subsidiaries		-	-	(2,527,302)	-
Impairment losses on:					
- goodwill	15	805,000	650,000	-	-
- investment property	13	-	32,265	-	-
- trade receivables	18	1,019,288	685,512	-	-
Interest expense		8,200,886	6,127,800	6,713	434,599
Interest income		(1,400,690)	(1,535,707)	(216,751)	(230,152)
Inventories written down		141,090	39,517	-	-
Inventories written off		1,339,008	1,218,093	-	-
Property, plant and equipment written off	8	47,891	534,878	-	-
Provision for gratuity obligations	34(b)	3,539,576	-	746,948	-
Provision for post-employment benefits	34(a)	354,396	1,042,804	-	-
Reversal of impairment loss on:					
- property, plant and equipment	8	(109,346)	(109,346)	-	-
- trade receivables	18	(643,688)	(836,562)	-	-
- amounts owing by subsidiaries		-	-	(672,500)	(302,001)
Share of profit of associates		(9,628,856)	(6,977,057)	-	-
Net unrealised (gain)/loss on foreign currency exchange		(459,623)	836,034	-	-
Operating profit/(loss) before changes in working capital		14,321,545	15,323,562	(7,601,534)	(9,062,702)

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows
For the Financial Year Ended 31 March 2015 (continued)

		GROUP		COMPANY	
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)	**Note**	**2015 RM**	**2014 RM**	**2015 RM**	**2014 RM**
Increase in inventories		(9,706,091)	(9,971,177)	-	-
Increase in trade receivables		(13,670,858)	(7,934,620)	-	-
(Increase)/Decrease in other receivables, deposits and prepayments		(20,235,331)	9,592,769	(756,019)	5,297,788
Decrease in amount owing by associate		-	414,163	-	-
Increase in trade payables		241,306	12,474,929	-	-
Increase/(Decrease) in other payables, deposits and accruals		12,321,375	(3,607,788)	250,423	1,408,924
Cash (used in)/generated from operations		(16,728,054)	16,291,838	(8,107,130)	(2,355,990)
Tax paid		(5,243,152)	(6,863,086)	-	(8,497)
Tax refunded		1,403,777	1,058,365	397,255	120,000
Net cash (used in)/from operating activities		(20,567,429)	10,487,117	(7,709,875)	(2,244,487)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of associates	10	(7,111,431)	(40,579,140)	(4,914,921)	(19,178,588)
Acquisition of subsidiaries, net of cash acquired	37	(1,184,161)	(11,904,372)	-	-
Acquisition of additional interest in subsidiary		-	-	-	(60,000)
Acquisition of non-controlling interests		-	(36,396,244)	-	-
Addition of software development	11	(1,362,316)	(2,002,236)	-	-
Advances to associates		(1,372,980)	-	-	-
Disposal of subsidiary, net of cash		-	6	-	-
Disposal of interest in a subsidiary		11,905,407	-	-	-
Dividends received					
- other investments		124,452	90,561	-	-
- an associate		-	2,384,438	-	-
- subsidiaries		-	-	16,815,194	-
Interest received		1,400,690	1,535,707	216,751	230,152
Net advances to associate		-	-	(2,113)	-
Net repayment from/(advances to) subsidiaries		-	-	456,960	(65,189,155)
Proceeds from disposal of an associate	10	4,515,000	-	-	-
Proceeds from disposal of other investments		22,370,575	9,352,535	-	-
Proceeds from disposal of property, plant and equipment		109,679	145,533	-	2,405
Purchase of other investments		(6,498,632)	(4,096,467)	-	(3,076,466)
Purchase of property, plant and equipment	8(a)	(3,567,231)	(5,446,028)	(85,824)	(1,143,624)
(Withdrawal)/Placement of deposits pledged to banks		(2,485,229)	7,947,781	-	15,000,000
Net cash from/(used in) investing activities		16,843,823	(78,967,926)	12,486,047	(73,415,276)

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows For the Financial Year Ended 31 March 2015 (continued)

		GROUP		COMPANY	
CASH FLOWS FROM FINANCING ACTIVITIES	**Note**	**2015 RM**	**2014 RM**	**2015 RM**	**2014 RM**
Dividend paid to non-controlling interests of the subsidiary		-	(946,472)	-	-
Ordinary share capital contributed by non-controlling interests of a subsidiary		107,121	102,034	-	-
Net drawdown/(Repayments) of:					
- bankers' acceptance, trust receipts and term loans		11,824,550	13,122,538	-	-
- hire purchase and lease creditors		1,823,015	(3,781,955)	(63,787)	(59,656)
Interest paid		(8,200,886)	(6,127,800)	(6,713)	(434,599)
Proceeds from issue of shares pursuant to Rights Issue	22	-	83,142,488	-	83,142,488
Proceeds from issue of shares pursuant to Private Placement	22	-	23,429,388	-	23,429,388
Net cash from/(used in) financing activities		5,553,800	108,940,221	(70,500)	106,077,621
Net increase in cash and cash equivalents		1,830,194	40,459,412	4,705,672	30,417,858
Cash and cash equivalents at beginning of financial year					
As previously reported		37,397,243	(3,475,658)	533,187	(29,884,671)
Effect of changes in exchange rates		209,906	413,489	-	-
		37,607,149	(3,062,169)	533,187	(29,884,671)
Cash and cash equivalents at end of financial year	21(c)	39,437,343	37,397,243	5,238,859	533,187

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements
31 March 2015

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company is located at 16th Floor, KH Tower, 8 Lorong P. Ramlee, 50250 Kuala Lumpur.

The financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 10 July 2015.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities and the provision of management services. The principal activities of the subsidiaries are disclosed in Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. CHANGE OF NAME

On 22 September 2014, the Company changed its name from Formis Resources Berhad to Omesti Berhad.

4. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards (FRSs) and the provisions of the Companies Act, 1965 in Malaysia. However, Note 47 to the financial statements has been prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants (MIA Guidance) and the directive of Bursa Malaysia Securities Berhad.

The financial statements of the Group and the Company in the previous financial year were prepared in accordance with Malaysian Financial Reporting Standards (MFRSs), International Financial Reporting Standards (IFRSs) and the provisions of the Companies Act, 1965 in Malaysia. In view of the Directors' decision to continue to participate in the property development activities via its investment in an associate, the Group and the Company are classified as transitioning entities as defined by the Malaysian Accounting Standards Board. Accordingly, the Group and the Company reverted their accounting framework to FRSs and adopted FRS 1 *First-time Adoption of Financial Reporting Standards*.

Comparative information for the financial year ended 31 March 2014 and 1 April 2013 in these financial statements have been restated to give effect to these changes, and Note 46 to the financial statements discloses the impact of the transition to FRS on the Group's reported financial position and financial performance for the financial year then ended.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 BASIS OF ACCOUNTING

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of these financial statements in conformity with FRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 7 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

5.2 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) power over the investee;

(b) exposure, or rights, to variable returns from its involvement with the investee; and

(c) the ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual agreements; and

(c) the voting rights of the Group and potential voting rights.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions with the associates are eliminated against the investment to the extent of the interest of the Group in the associates. Unrealised losses are eliminated in the same way as unrealised gain, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of the subsidiaries are changed to ensure consistency with the policies adopted by the other entities in the Group.

Non-controlling interests represent equity in subsidiaries that are not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.2 BASIS OF CONSOLIDATION (CONTINUED)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the financial year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

If the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed off. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 *Financial Instruments: Recognition and Measurement* or, where applicable, the cost on initial recognition of an investment in associate.

5.3 BUSINESS COMBINATIONS

Business combinations are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

(a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 112 *Income Taxes* and FRS 119 *Employee Benefits* respectively;

(b) liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with FRS 2 *Share-based Payment* at the acquisition date; and

(c) assets (or disposal groups) that are classified as held for sale in accordance with FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.3 BUSINESS COMBINATIONS (CONTINUED)

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

(a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.

(b) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of FRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with FRS 139. All other subsequent changes are recognised in profit or loss.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at fair value. All other components of non-controlling interests should be measured at their acquisition-date fair values, unless another measurement basis is required by FRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the previously held equity interest of the Group in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the consolidated statement of financial position.

The accounting policy for goodwill is set out in Note 5.8(a) to the financial statements. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

5.4 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefit associated with the assets would flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.4 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION (CONTINUED)

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods and its annual rates are as follows:

Leasehold land and building	44 years
Computer equipment and software	20% to 33.3%
Office equipment, furniture, fittings and renovation	10% to 20%
Motor vehicles	20%

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 5.9 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

5.5 LEASE AND HIRE PURCHASE

(a) Finance lease and hire purchase

Assets acquired under finance leases and hire purchase which transfer substantially all the risks and rewards of ownership to the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the incremental borrowing rate of the Group is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between finance charges and the reduction of the outstanding liability. The finance charges are recognised in profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire purchase liabilities.

(b) Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.5 LEASE AND HIRE PURCHASE (CONTINUED)

(c) Leases of land and buildings

For leases of land and buildings, the land and buildings elements are considered separately for the purpose of lease classification and these leases are classified as operating or finance leases in the same way as leases of other assets.

The minimum lease payments including any lump-sum upfront payments made to acquire the interest in the land and buildings are allocated between the land and the buildings elements in proportion to the relative fair values of the leasehold interests in the land element and the buildings element of the lease at the inception of the lease.

For a lease of land and buildings in which the amount that would initially be recognised for the land element is immaterial, the land and buildings are treated as a single unit for the purpose of lease classification and is accordingly classified as a finance or operating lease. In such a case, the economic life of the buildings is regarded as the economic life of the entire leased asset.

5.6 INVESTMENT PROPERTIES

Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties are initially measured at cost, including transaction costs. After initial recognition, investment properties are stated at cost less any accumulated depreciation and impairment losses, if any. Freehold land is not depreciated.

Investment properties are derecognised when either they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement or disposal.

5.7 INVESTMENTS

(a) Subsidiaries

A subsidiary is an entity in which the Group and the Company are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost. Put options written over non-controlling interests on the acquisition of subsidiary should be included as part of the cost of investment in the separate financial statements of the Company. Subsequent changes in the fair value of the written put options over non-controlling interests should be recognised in profit or loss. Investments accounted for at cost should be accounted for in accordance with FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with FRS 5.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.7 INVESTMENTS (CONTINUED)

(b) Associates

An associate is an entity over which the Group and the Company have significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is neither control nor joint control over those policies.

In the separate financial statements of the Company, investments in associates are stated at cost less impairment losses.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. The investments in associates in the consolidated statement of financial position are initially recognised at cost and adjusted thereafter for the post acquisition change in the share of net assets of the investments of the Group.

The interest in the associates are the carrying amount of the investments in the associates under the equity method together with any long-term interest that, in substance, form part of the net investments in the associates of the Group.

The share of the profit or loss of the associates by the Group during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associates reduce the carrying amount of the investments. Adjustments to the carrying amount could also be necessary for changes in the proportionate interest of the Group in the associates arising from changes in the associates' equity that have not been recognised in the associates' profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The share of those changes by the Group is recognised directly in equity of the Group.

When the share of losses of the Group in the associates equals to or exceeds its interest in the associates, the carrying amount of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the associates are used by the Group in applying the equity method. When the end of the reporting periods of the financial statements are not coterminous, the share of results is arrived at using the latest financial statements for which the difference in its reporting year end is no more than three (3) months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening periods.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed off and the carrying amount of the investment at the date when equity method is discontinued is recognised in profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.7 INVESTMENTS (CONTINUED)

(b) Associates (continued)

When the interest of the Group in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

5.8 INTANGIBLE ASSETS

(a) Goodwill

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the entity (if any) over the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. If, after reassessment, the interest of the Group in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill arising on acquisition of an associate is the excess of cost of investment over the net fair value of net assets of the associate's identifiable assets and liabilities by the Group at the date of acquisition.

Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised. The excess of the share of the net fair value of the associate's identifiable assets and liabilities by the Group over the cost of investment is included as income in the determination of the share of the associate's profit or loss by the Group in the period in which the investment is acquired.

(b) Other intangible assets

(i) Software development costs

Software development costs comprise salaries of personnel involved in development projects. Software development costs are charged to the profit or loss in the financial year in which it is incurred except for that relating to specific projects intended for commercial exploitation where it is expected to generate future economic benefits and can reasonably be recovered from related future revenue. Such development expenditure is amortised on a straight-line method over a period of four (4) to ten (10) years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.8 INTANGIBLE ASSETS (CONTINUED)

(b) Other intangible assets (continued)

(ii) Licence agreement

Licence agreement is measured at cost less any accumulated impairment losses and accumulated amortisation. License agreement is amortised on a straight-line basis over a period of nine (9) years. In the event that the expected future economic benefits are no longer probable of being recovered, the license agreement is written down to its recoverable amount.

5.9 IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries and associates), inventories and deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Goodwill and intangible assets that have an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill or intangible asset might be impaired.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit (CGU) to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the CGU or groups of CGU of the Group that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Goodwill acquired in a business combination should be tested for impairment as part of the impairment testing of CGU to which it relates. The CGU to which goodwill is allocated should represent the lowest level within the Group at which the goodwill is monitored for internal management purposes and not larger than an operating segment determined in accordance with FRS 8 *Operating Segments*.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill or intangible asset, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in the profit or loss immediately.

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.9 IMPAIRMENT OF NON-FINANCIAL ASSETS (CONTINUED)

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in profit or loss.

5.10 INVENTORIES

Inventories are stated at the lower of cost and net realisable value.

Cost of computer hardware, software and spare parts are determined on a specific identification basis while costs of other inventories are determined on the first-in-first-out basis. The cost comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

5.11 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised on the statements of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristic and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

(a) Financial assets

A financial asset is classified into the following four (4) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.11 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial assets (continued)

(i) Financial assets at fair value through profit or loss (continued)

Subsequent to initial recognition, financial assets classified as fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

However, derivatives that are linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iii) Loans and receivables

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as loans and receivables are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-forsale equity instruments are recognised in profit or loss when the right of the Group to receive payment is established.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.11 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial assets (continued)

Cash and cash equivalents include cash and bank balances, bank overdrafts, deposits and other short term, highly liquid investments with original maturities of three (3) months or less, which are readily convertible to cash and are subject to insignificant risk of changes in value.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income should be recognised in profit or loss.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention.

A regular way purchase or sale of financial assets should be recognised and derecognised, as applicable, using trade date accounting.

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two (2) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.11 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial liabilities (continued)

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in FRS 4 *Insurance Contracts.* The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At the end of each reporting period, the Group assesses whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency should be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statements of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

(c) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.11 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Equity (continued)

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

The Group measures a liability to distribute non-cash assets as a dividend to owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at the end of each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

When the Group repurchases its own shares, the shares repurchased would be accounted for using the treasury stock method.

When the treasury stock method is applied, the shares repurchased and held as treasury shares should be measured and carried at the cost of repurchase on initial recognition. It should not be revalued for subsequent changes in the fair value or market price of the shares.

The carrying amount of the treasury shares should be offset against equity in the statements of financial position. To the extent that the carrying amount of the treasury shares exceeds the share premium account, it should be considered as a reduction of other reserves as may be permitted by the Companies Act, 1965 in Malaysia.

5.12 IMPAIRMENT OF FINANCIAL ASSETS

The Group assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

(a) Loans and receivables

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable, and default or significant delay in payments by the receivable to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of loans and receivables are reduced through use of an allowance account.

If in a subsequent period, the amount of the impairment loss decreases and it objectively relates to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of impairment loss reversed is recognised in profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.12 IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

(b) Available-for-sale financial assets

The Group collectively considers factors such as significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market as objective evidence that available-for-sale financial assets are impaired.

If any such objective evidence exists, an amount comprising the difference between the financial asset's cost (net of any principal payment and amortisation) and current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Instead, any increase in the fair value subsequent to the impairment loss is recognised in other comprehensive income.

5.13 BORROWING COSTS

Borrowing costs on non-qualifying assets are recognised in profit or loss in the period in which they are incurred.

5.14 INCOME TAXES

Income taxes include all domestic and foreign taxes on taxable profit. Income taxes also include other taxes, such as withholding taxes, which are payable by a foreign subsidiary, or an associate on distributions to the Group and Company, and real property gains taxes payable on disposal of properties.

Taxes in the statement of profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits (including withholding taxes payable by foreign subsidiaries on distribution of retained earnings to companies in the Group), and real property gains taxes payable on disposal of properties.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statements of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.14 INCOME TAXES (CONTINUED)

(b) Deferred tax (continued)

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits could be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profit would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

(i) The same taxable entity; or

(ii) Different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

5.15 PROVISIONS

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract should be recognised and measured as a provision.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.16 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

5.17 EMPLOYEE BENEFITS

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees have rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund and its foreign subsidiaries make contributions to their respective countries' statutory pension schemes. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

(c) Share-based payments

The Group operates an equity-settled, share-based compensation plan, whereby shares or options to subscribe for shares of the Company are granted to eligible Directors and employees of the Group based on certain financial and performance criteria and such conditions as it may deem fit. The cost of the equity-settled transactions is recognised as an expense with a corresponding increase in equity.

The total amount to be expensed is determined by reference to the fair value of the options at the date of the grant and the number of share options to be vested by the vesting date.

The equity amount is recognised in equity compensation reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained earnings.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.17 EMPLOYEE BENEFITS (CONTINUED)

(c) Share-based payments (continued)

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

(d) Long term employee benefits

The Group operates an unfunded defined benefit plan for eligible employees of the Group.

The amount recognised as a liability in respect of the defined benefit plan is the present value of the defined benefit obligations at the end of the reporting period adjusted for unrecognised actuarial gains and losses and unrecognised past services cost.

The Group determines the present value of the defined benefit obligations with sufficient regularity such as the amounts recognised in the financial statements do not differ materially from the amount that would be determined at the end of the reporting period.

The present value of the defined benefit obligations and the related current services cost and past services cost are determined using the projected unit credit method. The rate used to discount the obligations is based on market yields at the end of the reporting period of government securities which have currency and terms consistent with the currency and estimated terms of the obligations.

Actuarial gains and losses may result from changes in the present value of the defined benefits obligations. They are recognised under other comprehensive income over the expected average remaining working lives of the employees participating in that plan when the net cumulative unrecognised actuarial gains and losses exceed the 10% of the present value of the defined benefits obligations at that date.

5.18 FOREIGN CURRENCIES

(a) Functional and presentation currency

Items included in the financial statements of each of the entities of the Group are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Ringgit Malaysia, which is the functional and presentation currency of the Company.

(b) Foreign currency translations and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of each reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.18 FOREIGN CURRENCIES (CONTINUED)

(c) Foreign operations

Financial statements of foreign operations are translated at the end of the reporting period exchange rates with respect to the assets and liabilities, and at exchange rates at the dates of the transactions with respect to the statements of profit or loss and other comprehensive income. All resulting translation differences are recognised as a separate component of equity.

In the consolidated financial statements, exchange differences arising from the translation of net investment in foreign operations are taken to equity. When a foreign operation is partially disposed off or sold, exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on disposal.

Exchange differences arising on a monetary item that forms part of the net investment of the Company in a foreign operation should be recognised in profit or loss in the separate financial statements of the Company or the foreign operation, as appropriate. In the consolidated financial statements, such exchange differences should be recognised initially as a separate component of equity and recognised in profit or loss upon disposal of the net investment.

Goodwill and fair value adjustments to the assets and liabilities arising from the acquisition of a foreign operation are treated as assets and liabilities of the acquired entity and translated at the exchange rate ruling at the end of each reporting period.

5.19 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivables, net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction would flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the activities of the Group as follows:

(a) Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the customer and where the Group does not have continuing managerial involvement over the goods, which coincides with delivery of goods and acceptance by customers.

(b) Contract works

Revenue from and expenses of contracts that are of longer duration are recognised by reference to the stage of completion of the contract activity. Contract costs consist of costs that relate directly to the specific project, costs that are attributable to contract activity in general and can be allocated to the project and such other costs as are specifically chargeable to the customer under the terms of the contract. Allowances for estimated losses on uncompleted contracts are made in the period in which such losses are determined.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.19 REVENUE RECOGNITION (CONTINUED)

(c) Services

Revenue from maintenance and software support contract is allocated evenly throughout the period of contracts. Income for the expired period is recognised in the profit or loss on accrual basis and income relating to the unexpired period is carried forward as unearned revenue.

(d) Rental income and management fees

Rental income and management fees are recognised on an accrual basis unless collectibility is in doubt.

(e) Dividend income

Dividend income is recognised when the right to receive payment is established.

(f) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(g) Management fees

Management fees are recognised when services are rendered.

(h) Consultancy services

Revenue from provision management consultancy services is allocated evenly throughout the period of contracts. Income for the expired period is recognised in the profit or loss on accrual basis and income relating to the unexpired period is carried forward as unearned revenue.

5.20 OPERATING SEGMENTS

Operating segments are defined as components of the Group that:

(a) Engages in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) Whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) For which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten per cent (10%) or more of the combined revenue, internal and external, of all operating segments.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.20 OPERATING SEGMENTS (CONTINUED)

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds: (continued)

(b) The absolute amount of its reported profit or loss is ten per cent (10%) or more of the greater, in absolute amount of:

(i) the combined reported profit of all operating segments that did not report a loss; and

(ii) the combined reported loss of all operating segments that reported a loss.

(c) Its assets are ten per cent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments should constitute at least seventy five percent (75%) of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

5.21 EARNINGS PER SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

5.22 FAIR VALUE MEASUREMENTS

The fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

(a) The condition and location of the assets; and

(b) Restrictions, if any, on the sale or use of the asset.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.22 FAIR VALUE MEASUREMENTS (CONTINUED)

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

6. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs

6.1 NEW FRSs ADOPTED DURING THE CURRENT FINANCIAL YEAR

The Group and the Company adopted the following Amendments of the FRS Framework that were issued by the Malaysian Accounting Standards Board (MASB) during the financial year.

TITLE

Amendments to FRS 10 *Consolidated Financial Statements: Investment Entities*
Amendments to FRS 12 *Disclosure of Interest in Other Entities: Investment Entities*
Amendments to FRS 127 *Separate Financial Statements (2011): Investment Entities*
Amendments to FRS 132 *Offsetting Financial Assets and Financial Liabilities*
Amendments to FRS 136 *Recoverable Amount Disclosures for Non-Financial Assets*
Amendments to FRS 139 *Novation of Derivatives and Continuation of Hedge Accounting*

(a) Amendments to FRS 10, FRS 12 and FRS 127 are mandatory for annual periods beginning on or after 1 January 2014.

These Amendments introduce an exception to the consolidation principle in FRS 10 for investment entities. These Amendments define an investment entity and require a parent that is an investment entity to measure its investments in subsidiaries at fair value through profit or loss in accordance with FRS 9 *Financial Instruments* (or FRS 139, if FRS 9 has not yet been adopted) instead of consolidating those subsidiaries in its consolidated financial statements.

There is no material impact upon the adoption of these Amendments during the financial year.

(b) Amendments to FRS 132 *Offsetting Financial Assets and Financial Liabilities* are mandatory for annual periods beginning on or after 1 January 2014.

These Amendments provide application guidance for criteria to offset financial assets and financial liabilities.

There is no material impact upon the adoption of these Amendments during the financial year.

6. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (CONTINUED)

6.1 NEW FRSs ADOPTED DURING THE CURRENT FINANCIAL YEAR (CONTINUED)

(c) Amendments to FRS 136 *Recoverable Amount Disclosures for Non-Financial Assets* are mandatory for annual periods beginning on or after 1 January 2014.

The Amendments clarify that recoverable amount (determined based on fair value less costs of disposal) of any cash-generating unit with a significant carrying amount of goodwill or tangible assets with indefinite useful lives is required to be disclosed only when an impairment loss is recognised or reversed. In addition, there are new disclosure requirements about fair value measurement when impairment or reversal of impairment is recognised.

There is no material impact upon the adoption of these Amendments during the financial year.

(d) Amendments to FRS 139 *Novation of Derivatives and Continuation of Hedge Accounting* are mandatory for annual periods beginning on or after 1 January 2014.

These Amendments provide relief from discontinuing hedge accounting in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met.

There is no material impact upon the adoption of these Amendments during the financial year.

6.2 NEW FRSs THAT HAVE BEEN ISSUED, BUT ONLY EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER 1 JANUARY 2015

The following are standards and amendments of the FRS Framework that have been issued by the MASB but have not been early adopted by the Group and Company.

TITLE	EFFECTIVE DATE
Amendments to FRS 119 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Amendments to FRSs *Annual Improvements 2010 - 2012 Cycle*	1 July 2014
Amendments to FRSs *Annual Improvements 2011 - 2013 Cycle*	1 July 2014
FRS 14 *Regulatory Deferral Accounts*	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
Amendments to FRS 101 *Presentation of Financial Statements Disclosure Initiative*	1 January 2016
Amendments to FRS 10 and FRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	1 January 2016
Amendments to FRS 116 and FRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 11 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Amendments to FRS 127 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRSs *Annual Improvements 2012 - 2014 Cycle*	1 January 2016
FRS 9 *Financial Instruments (IFRS as issued by IASB in July 2014)*	1 January 2018

The Group is in the process of assessing the impact of implementing these standards and amendments, as the effects would only be observable in future financial years.

6. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (CONTINUED)

6.3 NEW MALAYSIAN FINANCIAL REPORTING STANDARDS (MFRSs) THAT HAVE BEEN ISSUED, BUT HAVE YET TO BE ADOPTED DURING THE CURRENT FINANCIAL YEAR

Based on the MASB announcement on 2 September 2014, the effective date for the adoption of MFRS Framework by transitioning entities (i.e. entities affected by MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for Construction of Real Estate) was deferred from annual periods beginning on or after 1 January 2015 to annual periods beginning on or after 1 January 2017.

Accordingly, as a transitioning entity as defined by the MASB, the Group and the Company have elected to continue to apply the FRS Framework up till its financial year ending 31 March 2017 and will adopt the following Standards of the MFRS Framework that were issued by the MASB during the financial year ending 31 March 2018.

TITLE

MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*
Amendments to MFRS 1 *Government Loans*
MFRS 2 *Share-based Payment*
MFRS 3 *Business Combinations*
MFRS 4 *Insurance Contracts*
MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*
MFRS 6 *Exploration for and Evaluation of Mineral Resources*
MFRS 7 *Financial Instruments: Disclosures*
Amendments to MFRS 7 *Disclosures - Offsetting Financial Assets and Financial Liabilities*
MFRS 8 *Operating Segments*
Mandatory Effective Date of MFRS 9 and Transition Disclosures
MFRS 9 *Financial Instruments*
MFRS 9 *Financial Instruments (Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139)*
MFRS 10 *Consolidated Financial Statements*
MFRS 11 *Joint Arrangements*
Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*
MFRS 12 *Disclosure of Interests in Other Entities*
MFRS 13 *Fair Value Measurement*
MFRS 14 *Regulatory Deferral Accounts*
MFRS 15 *Revenue from Contracts with Customers*
Amendments to MFRS 10, MFRS 11 and MFRS 12 *Consolidated Financial Statements, Joint Arrangement and Disclosure of Interests in Other Entities: Transition Guidance*
Amendments to MFRS 10, MFRS 12 and MFRS 127 *Investment Entities*
MFRS 101 *Presentation of Financial Statements*
Amendments to MFRS 101 *Presentation of Items of Other Comprehensive Income*
MFRS 102 *Inventories*
MFRS 107 *Statement of Cash Flows*
MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*
MFRS 110 *Events After the Reporting Period*
MFRS 112 *Income Taxes*
MFRS 116 *Property, Plant and Equipment*
Amendments to MFRS 116 *Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*
MFRS 117 *Leases*
MFRS 119 *Employee Benefits*
MFRS 119 *Employee Benefits (revised)*
Amendments to MFRS 119 *Defined Benefit Plans: Employee Contributions*

6. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (CONTINUED)

6.3 NEW MALAYSIAN FINANCIAL REPORTING STANDARDS (MFRSs) THAT HAVE BEEN ISSUED, BUT HAVE YET TO BE ADOPTED DURING THE CURRENT FINANCIAL YEAR (CONTINUED)

TITLE

MFRS 120 *Accounting for Government Grants and Disclosure of Government Assistance*
MFRS 121 *The Effects of Changes in Foreign Exchange Rates*
MFRS 123 *Borrowing Costs*
MFRS 124 *Related Party Disclosures*
MFRS 126 *Accounting and Reporting by Retirement Benefit Plans*
MFRS 127 *Separate Financial Statements*
MFRS 128 *Investments in Associates and Joint Ventures*
MFRS 129 *Financial Reporting in Hyperinflationary Economies*
MFRS 132 *Financial Instruments: Presentation*
Amendments to MFRS 132 *Offsetting Financial Assets and Financial Liabilities*
MFRS 133 *Earnings Per Share*
MFRS 134 *Interim Financial Reporting*
MFRS 136 *Impairment of Assets*
Amendments to MFRS 136 *Recoverable Amount Disclosures for Non-Financial Assets*
MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*
MFRS 138 *Intangible Assets*
Amendments to MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*
MFRS 139 *Financial Instruments: Recognition and Measurement*
Amendments to MFRS 139 *Novation of Derivatives and Continuation of Hedge Accounting*
MFRS 140 *Investment Property*
MFRS 141 *Agriculture*
Amendments to MFRSs Annual Improvements 2009 - 2011 Cycle
Annual Improvements to MFRSs 2010 - 2012 Cycle
Annual Improvements to MFRSs 2011 - 2013 Cycle
Improvements to MFRSs (2008)
Improvements to MFRSs (2009)
Improvements to MFRSs (2010)
IC Interpretation 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*
IC Interpretation 2 *Members' Shares in Co-operative Entities and Similar Instruments*
IC Interpretation 4 *Determining Whether an Arrangement Contains a Lease*
IC Interpretation 5 *Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*
IC Interpretation 6 *Liabilities Arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment*
IC Interpretation 7 *Applying the Restatement Approach under MFRS 129 Financial Reporting in Hyper inflationary Economies*
IC Interpretation 9 *Reassessment of Embedded Derivatives*
IC Interpretation 10 *Interim Financial Reporting and Impairment*
IC Interpretation 12 *Service Concession Arrangements*
IC interpretation 14 MFRS 119 - *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction*
IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation*
IC Interpretation 17 *Distributions of Non-cash Assets to Owners*
IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*
IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*
IC Interpretation 21 *Levies*
IC Interpretation 107 *Introduction of the Euro*

6. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (CONTINUED)

6.3 NEW MALAYSIAN FINANCIAL REPORTING STANDARDS (MFRSs) THAT HAVE BEEN ISSUED, BUT HAVE YET TO BE ADOPTED DURING THE CURRENT FINANCIAL YEAR (CONTINUED)

TITLE
IC Interpretation 110 *Government Assistance - No Specific Relation to Operating Activities*
IC Interpretation 115 *Operating Leases - Incentives*
IC Interpretation 125 *Income Taxes - Changes in the Tax Status of an Entity or its Shareholders*
IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*
IC Interpretation 129 *Service Concession Arrangements: Disclosures*
IC Interpretation 132 *Intangible Assets - Web Site Costs*

The Group and the Company are in the process of assessing the impact of implementing these Standards as the effects would only be observable in the financial year ending 31 March 2018.

7. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

7.1 CHANGES IN ESTIMATES

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors are of the opinion that there are no significant changes in estimates at the end of the reporting period.

7.2 CRITICAL JUDGEMENTS MADE IN APPLYING ACCOUNTING POLICIES

The following are judgements made by management in the process of applying the accounting policies of the Group that have the most significant effect on the amount recognised in the financial statements:

(a) Contingent liabilities

The determination and treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies, after consulting legal counsel for litigation cases and internal and external experts to the Company for matters in the ordinary course of business.

(b) Contingent liabilities on corporate guarantees

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote.

7.3 KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(a) Impairment of goodwill on consolidation

The Group determines whether goodwill on consolidation is impaired at least on an annual basis. This requires an estimation of the value-in-use of the subsidiaries to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Further details are disclosed in Note 15 to the financial statements.

7. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

7.3 KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(b) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment to be within the period as disclosed in Note 5.4 to the financial statements. These are common life expectancies applied in the industry in which the Group operates. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(c) Deferred tax assets

Deferred tax assets are recognised for unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit would be available against which the tax losses and capital allowances could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based upon the likely timing and extent of future taxable profits together with future tax planning strategies.

(d) Impairment of non-financial assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(e) Impairment of investments

The investments in subsidiaries and associates are assessed for impairment when there is an indication of impairment. Such assessment requires the Directors to make estimates of the recoverable amounts. Impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's fair value less cost to sell and its value in use. The Directors believe that the estimates of the recoverable amounts are reasonable.

(f) Write down for obsolete or slow moving inventories

The Group writes down its obsolete or slow moving inventories based on assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts could not be recovered. Management specifically analyses sales trend and current economic trends when making this judgement to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amount of inventories.

(g) Fair values of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. Sensitivity analysis of the effects of interest rate risk has been disclosed in Note 43 to the financial statements.

7. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

7.3 KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(h) Impairment of receivables

The Group makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amount may not be recoverable. Management specifically analyses historical bad debt, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences would impact the carrying amount of the receivables.

(i) Software development costs

The software development costs are carried at cost less amortisation and are assessed for any indication that the asset may be impaired. This requires an estimation of the value-in-use of the software development costs. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the software development and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Impairment loss would be recognised in profit or loss when the estimated value-in-use is lower than the carrying amount of the software development costs.

(j) Fair value measurement

The financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree to which the fair value inputs are observable.

(i) Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3: fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

7. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

7.3 KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(k) Significant influence

Significant influence is presumed to exist (not exist) when an entity holds twenty percent (20%) or more (less than 20%) of the voting rights of another entity, unless it can be clearly demonstrated otherwise.

Interest in Ho Hup Construction Company Berhad (Ho Hup)

The Group holds 15.0% interest in Ho Hup for which the Group has determined that it holds significant influence over Ho Hup as the Group has two (2) representations on the Board of Directors of Ho Hup, who are able to participate in policy-making processes, including participation in decisions about dividends or other distributions.

Interest in Bancore A/S

The Group holds 18.6% interest in Bancore A/S for which the Group has determined that it holds significant influence over Bancore A/S as:

(i) The Group owns ICPS of Bancore A/S which are convertible into ordinary shares to give the Group additional voting power over the financial and operating policies of Bancore A/S. The potential conversion of ICPS would bring the shareholding of the Group in Bancore A/S to 31.6% of the total issued and paid-up share capital of Bancore A/S as at the end of the reporting period; and

(ii) The Group has two (2) representations on the Board of Directors of Bancore A/S, who are able to participate in policy-making processes, including participation in decisions about dividends or other distributions.

Based on the above, the Group considers that it has the power to exercise significant influence and has treated its interests in Ho Hup and Bancore A/S as investments in associates.

8. PROPERTY, PLANT & EQUIPMENT

GROUP 2015	Balance as at 1.4.2014 RM	Additions RM	Acquisition of subsidiaries (Note 37) RM	Write off RM	Disposals RM	Depreciation charge for the financial year RM	Reversal of impairment losses RM	Translation adjustments RM	Balance as at 31.3.2015 RM
CARRYING AMOUNT									
Leasehold land and building	3,500,000	-	-	-	-	(109,346)	109,346	-	3,500,000
Computer equipment and software	5,453,933	1,354,608	504	(37,417)	(7,939)	(1,993,099)	-	45,570	4,816,160
Office equipment, furniture, fittings and renovation	2,675,540	805,653	23,565	(10,474)	(16,268)	(850,454)	-	2,160	2,629,722
Motor vehicles	1,321,297	176,263	-	-	(90,507)	(469,280)	-	-	937,773
Work-in-progress	4,580,010	5,611,910	-	-	-	-	-	-	10,191,920
	17,530,780	7,948,434	24,069	(47,891)	(114,714)	(3,422,179)	109,346	47,730	22,075,575

AS AT 31.3.2015

	Cost RM	Accumulated depreciation RM	Accumulated impairment losses RM	Carrying amount RM
Leasehold land and building	6,451,691	(2,624,584)	(327,107)	3,500,000
Computer equipment and software	18,926,160	(14,110,000)	-	4,816,160
Office equipment, furniture, fittings and renovation	8,346,022	(5,716,300)	-	2,629,722
Motor vehicles	2,758,728	(1,820,955)	-	937,773
Work-in-progress	10,191,920	-	-	10,191,920
	46,674,521	(24,271,839)	(327,107)	22,075,575

8. PROPERTY, PLANT & EQUIPMENT (CONTINUED)

GROUP 2014	Balance as at 1.4.2013 RM	Additions RM	Acquisition of subsidiaries (Note 37) RM	Write off RM	Disposals RM	Depreciation charge for the financial year RM	Reversal of impairment losses RM	Translation adjustments RM	Balance as at 31.3.2014 RM
CARRYING AMOUNT									
Leasehold land and building	3,500,000	-	-	-	-	(109,346)	109,346	-	3,500,000
Computer equipment and software	3,237,243	2,708,750	1,229,467	(69,861)	(1,960)	(1,639,046)	-	(10,660)	5,453,933
Office equipment, furniture, fittings and renovation	953,389	1,329,068	1,123,339	(96,965)	(114,399)	(516,178)	-	(2,714)	2,675,540
Motor vehicles	1,063,257	855,964	239,860	(368,052)	(15,174)	(454,558)	-	-	1,321,297
Work-in-progress	-	2,033,077	2,546,933	-	-	-	-	-	4,580,010
	8,753,889	6,926,859	5,139,599	(534,878)	(131,533)	(2,719,128)	109,346	(13,374)	17,530,780

AS AT 31.3.2014

	Cost RM	Accumulated depreciation RM	Accumulated impairment losses RM	Carrying amount RM
Leasehold land and building	6,451,691	(2,515,238)	(436,453)	3,500,000
Computer equipment and software	19,776,163	(14,322,230)	-	5,453,933
Office equipment, furniture, fittings and renovation	8,007,671	(5,332,131)	-	2,675,540
Motor vehicles	2,882,444	(1,561,147)	-	1,321,297
Work-in-progress	4,580,010	-	-	4,580,010
	41,697,979	(23,730,746)	(436,453)	17,530,780

8. PROPERTY, PLANT & EQUIPMENT (CONTINUED)

COMPANY 2015	Balance as at 1.4.2014 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.3.2015 RM
CARRYING AMOUNT				
Computer equipment and software	101,719	63,946	(36,451)	129,214
Office equipment, furniture and fittings	889,129	21,878	(157,234)	753,773
Motor vehicles	193,730	-	(91,271)	102,459
	1,184,578	85,824	(284,956)	985,446

	AS AT 31.3.2015		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Computer equipment and software	296,239	(167,025)	129,214
Office equipment, furniture and fittings	1,323,370	(569,597)	753,773
Motor vehicles	430,000	(327,541)	102,459
	2,049,609	(1,064,163)	985,446

COMPANY 2014	Balance as at 1.4.2013 RM	Additions RM	Disposal RM	Depreciation charge for the financial year RM	Balance as at 31.3.2014 RM
CARRYING AMOUNT					
Computer equipment and software	8,726	115,318	(2,406)	(19,919)	101,719
Office equipment, furniture and fittings	14,406	1,028,306	-	(153,583)	889,129
Motor vehicles	285,000	-	-	(91,270)	193,730
	308,132	1,143,624	(2,406)	(264,772)	1,184,578

	AS AT 31.3.2014		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Computer equipment and software	232,293	(130,574)	101,719
Office equipment, furniture and fittings	1,301,492	(412,363)	889,129
Motor vehicles	430,000	(236,270)	193,730
	1,963,785	(779,207)	1,184,578

8. PROPERTY, PLANT & EQUIPMENT (CONTINUED)

(a) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Purchase of property, plant and equipment	7,948,434	6,926,859	85,824	1,143,624
Financed by hire purchase and lease arrangements	(4,381,203)	(1,480,831)	-	-
Cash payments on purchase of property, plant and equipment	3,567,231	5,446,028	85,824	1,143,624

(b) Included in property, plant and equipment of the Group and the Company are assets acquired under hire purchase and lease arrangements with a carrying amount of RM4,918,711 and RM102,461 (2014: RM6,101,066 and RM193,730) respectively.

(c) As at the end of the reporting period, a leasehold land and building with a carrying amount of RM3,500,000 (2014: RM3,500,000) are pledged to a bank for credit facilities granted to the Group. The bank has agreed that the term loan is non-interest bearing.

9. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2015 RM	2014 RM
Unquoted shares, at cost	186,174,149	227,957,205
Less: Accumulated impairment losses	(26,114,148)	(47,234,976)
	160,060,001	180,722,229

Details of the subsidiaries are as follows:

		INTEREST IN EQUITY HELD BY				
		Company		Subsidiary		
Name of Company	Country of Incorporation	2015 %	2014 %	2015 %	2014 %	Principal Activities
Applied Business Systems Sdn Bhd (ABS)	Malaysia	-	100	-	-	Distribution and maintenance of computer equipment and software
Man Yau Holdings Berhad (MYHB)	Malaysia	100	100	-	-	Investment holding
Continuous Network Advisers Sdn Bhd (CNA)	Malaysia	100	100	-	-	Investment holding
Omesti Holdings Berhad (formerly known as Formis Holdings Bhd) (OHB)	Malaysia	100	100	-	-	Investment holding

9. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued):

Name of Company	Country of Incorporation	INTEREST IN EQUITY HELD BY Company 2015 %	Company 2014 %	Subsidiary 2015 %	Subsidiary 2014 %	Principal Activities
Formis Systems & Technology Sdn Bhd (FST)	Malaysia	-	100	-	-	Distribution and maintenance of computer hardware and software
Dynamic Concept Resources Sdn Bhd (DCR)	Malaysia	100	100	-	-	Dormant
Continuous Network Services Sdn Bhd (CNS)	Malaysia	100	100	-	-	Provision of corporate secretarial, accounting and payroll services
Formis Research and Development Sdn Bhd (FRDEV)	Malaysia	100	100	-	-	Development of application software, system integration services and the provision of hardware and software maintenance services
SUBSIDIARIES OF CNA						
MYATM Sdn Bhd (MYATM)	Malaysia	-	-	60	60	Manufacturing, trading and servicing of banking equipment and providing outsource related services
Yakimbi Sdn Bhd (Yakimbi)	Malaysia	-	-	66.7	66.7	Designing and development of website and software, and providing of maintenance services and related services
† Formis Labs Singapore Pte Ltd (FLS)	Republic of Singapore	-	-	100	100	Dormant
† Bancore Asia Pte Ltd (BAP)	Republic of Singapore	-	-	66.7	66.7	Business of mobile remittance for Asia Pacific region
Chelsea Apps Factory Bangsar Sdn Bhd (CAFB)	Malaysia	-	-	80	80	Designing and development of software for mobile phone devices
† Omesti Innovation Lab Singapore Pte Ltd (formerly known as Chelsea Apps Factory Singapore Pte Ltd) (OILS)	Republic of Singapore	-	-	100	100	Dormant
Fiber At Home City Networks Sdn Bhd (FIBER)	Malaysia	-	-	52.6	52.6	Spearheading of information communication technology development in the areas of infrastructure, content and application and trading of computer equipment
Omesti Actify Sdn Bhd (formerly known as Ohana Business Specialist Sdn Bhd) (OAS)	Malaysia	-	-	100	-	Distribution, marketing, implementing and maintenance of accounting, inventory and goods and services tax accounting software to small and medium sized enterprise in Malaysia
SUBSIDIARY OF YAKIMBI						
Yakimbi ICT Sdn Bhd (Yakimbi ICT)	Malaysia	-	-	100	100	Designing and development of website and software, and providing of maintenance services and other related services

9. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued):

Name of Company	Country of Incorporation	Interest in Equity Held By: Company 2015 %	Company 2014 %	Subsidiary 2015 %	Subsidiary 2014 %	Principal Activities
SUBSIDIARIES OF BAP						
Bancore Sdn Bhd (BANCORE)	Malaysia	-	-	100	100	Inactive
# Bancore Vietname Company Limited (Bancore-V)	Socialist Republic of Vietnam	-	-	100	-	Inactive
SUBSIDIARIES OF MYHB						
Formis e Solutions Sdn Bhd (FES)	Malaysia	-	-	100	100	Inactive
Formis Software & Technologies Sdn Bhd (FSTECH)	Malaysia	-	-	100	100	Development of application software, system integration services and the provision of hardware and software maintenance services
Nostalgic Properties Sdn Bhd (NPSB)	Malaysia	-	-	100	100	Investment holding and development of application software, system integration services and the provision of hardware and software maintenance services
Channel Legacy Sdn Bhd (CLSB)	Malaysia	-	-	60	60	Inactive
Formis Advanced Systems Sdn Bhd (FAS)	Malaysia	-	-	-	60	Provision of information technology services in terms of hardware, software, consultancy and maintenance
SUBSIDIARY OF NPSB						
† PDAC Formis Sdn Bhd (PDAC)	Brunei	-	-	70	70	Dormant
SUBSIDIARIES OF OHB						
Formis Computer Services Sdn Bhd (FCS)	Malaysia	-	-	-	100	Provision of computer technology and maintenance of computer hardware and software
†@ Diversified Gateway Solutions Berhad (DGSB)	Malaysia	-	-	53	60	Investment holding
Formis Media Teknologi Sdn Bhd (FMT)	Malaysia	-	-	65	65	Provision of solutions and services to multimedia industry focusing on the broadcasting and production industry
# PT Formis Solusi Indonesia (PTFSI)	Republic of Indonesia	-	-	100	100	Inactive

9. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued):

Name of Company	Country of Incorporation	INTEREST IN EQUITY HELD BY Company 2015 %	Company 2014 %	Subsidiary 2015 %	Subsidiary 2014 %	Principal Activities
SUBSIDIARIES OF OHB (CONT'D)						
First Solution Sdn Bhd (FIRST)	Malaysia	-	-	-	100	Distribution and maintenance of computer hardware and software
Omesti Innovation Lab (Malaysia) Sdn Bhd (formerly known as Formis Software Dynamics Sdn Bhd) (OIL)	Malaysia	-	-	-	100	Development of information technology and software development, consulting and outsourcing services
Ohana Communications Sdn Bhd (formerly known as Formis Development Sdn Bhd) (OCS)	Malaysia	-	-	100	100	Provision of network connectivity and bandwidth services in Malaysia and project management services in relation to telecommunications
Formis International Limited (FIL)	Federal Territory of Labuan	-	-	100	100	Inactive
Com-Line Systems Sdn Bhd (CLS)	Malaysia	-	-	85	85	Development of standard application packages and the provision of turnkey solution development services
^ Microlink Solutions Berhad (Microlink)	Malaysia	-	-	88.3	88.5	Investment holding and provision of research and development on information technology solutions to the financial services industry
Formis Network Services Sdn Bhd (FNS)	Malaysia	-	-	51	-	Provision of information technology services in terms of hardware, software, consultancy and maintenance to telecommunication, oil and gas and government sectors
Formis Automation Sdn Bhd (FASB)	Malaysia	-	-	100	-	Automation, installation and maintenance of computer hardware and software and other automated related projects
SUBSIDIARY OF FNS						
Formis Niaga Solusi Sdn Bhd (FNSi)	Malaysia	-	-	60	60	Dormant
SUBSIDIARY OF OCS						
Omesti Actify Sdn. Bhd. (formerly known as Ohana Business Specialist Sdn Bhd) (OAS)	Malaysia	-	-	-	100	Distribution, marketing, implementing and maintenance of accounting, inventory and goods and services tax accounting software to small and medium sized enterprise in Malaysia
SUBSIDIARY OF CLS						
Comline Dotcom Sdn Bhd (CDC)	Malaysia	-	-	100	100	Inactive

9. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued):

		INTEREST IN EQUITY HELD BY				
		Company		Subsidiary		
Name of Company	Country of Incorporation	2015 %	2014 %	2015 %	2014 %	Principal Activities
SUBSIDIARIES OF DGSB						
† Diversified Gateway Berhad (DGB)	Malaysia	-	-	100	100	Provision of computer networking solutions and system integration
† ISS Consulting (Malaysia) Sdn Bhd (ISS(M))	Malaysia	-	-	100	100	Provisions of computer networking and digital media solutions and services
† ISS Consulting (S) Pte Ltd (ISS(S))	Republic of Singapore	-	-	100	100	Advisers and consultants for computer software solutions
† ISS Consulting (Thailand) Ltd (ISS(T))	Thailand	-	-	*100	*100	Advisers and consultants for computer software solutions
† PT ISS Consulting Indonesia (PTISS)	Republic of Indonesia	-	-	100	100	Inactive
† Ledge Consulting Pte Ltd (LEDGE)	Republic of Singapore	-	-	100	100	Inactive
† Cogent Consulting Sdn Bhd (COGENT(M))	Malaysia	-	-	70	70	Inactive
† Cogent Business Solutions (S) Pte Ltd (COGENT(S))	Republic of Singapore	-	-	100	100	Inactive
† Rangkaian Ringkas Sdn Bhd (RRSB)	Malaysia	-	-	100	100	Distribution and maintenance of computer networking, network security, storage and network management solutions
SUBSIDIARIES OF MICROLINK						
Microlink Systems Sdn Bhd (MSSB)	Malaysia	-	-	100	100	Provision of information technology solutions to the financial services industry and dealing in related products
Microlink Worldwide Sdn Bhd (MWSB) (In Liquidation)	Malaysia	-	-	100	100	Provision of information technology solutions to the financial services industry and dealing in related products
CA IT Infrastructure Solutions Sdn Bhd (CAIT)	Malaysia	-	-	100	100	Trading and marketing of computer software programs and products
Microlink Innovation Sdn Bhd (MISB)	Malaysia	-	-	60	60	Provision of research and development for information technology solutions to the financial service industry
Microlink Software Sdn Bhd (MSB)	Malaysia	-	-	51	51	Provision consultancy services in supporting and modifying banking software
CSA Servis (M) Sdn Bhd (CSAS)	Malaysia	-	-	100	-	Provision of computer repair and maintenance service, supply of computer parts, accessories, computers and peripherals.
Omesti Innovation Lab (Malaysia) Sdn Bhd (formerly known as Software Dynamics Sdn Bhd) (OIL)	Malaysia	-	-	100	-	Development of information technology and software development, consulting and outsourcing services.

9. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued):

		INTEREST IN EQUITY HELD BY				
		Company		Subsidiary		
Name of Company	**Country of Incorporation**	**2015 %**	**2014 %**	**2015 %**	**2014 %**	**Principal Activities**
SUBSIDIARIES OF CSAS						
Applied Business Systems Sdn Bhd (ABS)	Malaysia	-	-	100	-	Distribution and maintenance of computer equipment and software
Formis Systems & Technology Sdn Bhd (FST)	Malaysia	-	-	100	-	Distribution and maintenance of computer hardware and software
Formis Advanced Systems Sdn Bhd (FAS)	Malaysia	-	-	60	-	Provision of information technology services in terms of hardware, software, consultancy and maintenance
Formis Computer Services Sdn Bhd (FCS)	Malaysia	-	-	100	-	Provision of computer technology and maintenance of computer hardware and software
First Solution Sdn Bhd (FIRST)	Malaysia	-	-	100	-	Distribution and maintenance of computer hardware and software
SUBSIDIARY OF MICROLINK, MWSB AND MSSB						
† PT Microlink Indonesia (PTMI)	Republic of Indonesia	-	-	100	100	Provision of information technology solutions to the financial services industry and dealing in related products
SUBSIDIARIES OF FCS						
Formis Network Services Sdn Bhd (FNS)	Malaysia	-	-	-	51	Provision of information technology services in terms of hardware, software, consultancy and maintenance to telecommunication, oil and gas and government sectors
Formis Automation Sdn Bhd (FASB)	Malaysia	-	-	-	100	Automation, installation and maintenance of computer hardware and software and other automated related projects

\# Subsidiary audited by BDO Member Firm.

† Subsidiaries not audited by BDO.

9. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

* In accordance with the Memorandum and Articles of Association of ISS(T), one voting right is attached to every one ordinary share and one voting right is attached to every five preference shares. Based on the existing total issued and paid-up share capital of ISS(T) of 24,500 ordinary shares of THB100 each and 25,500 preference shares of THB100 each, the total voting rights are 29,600 comprising 24,500 voting rights for ordinary shares and 5,100 voting rights for preference shares. DGSB holds 24,500 ordinary shares which carry an equivalent of 24,500 voting rights or 82.8% of the total voting rights in ISS(T). Accordingly, DGSB has control over ISS(T) and the financial statements of ISS(T) are consolidated into the Group's financial statements. Based on the Group's equity interest in the ordinary shares of ISS(T), the Group's share in the results of ISS(T) is 100%.

@ 508,282,409 (2014: 500,000,000) shares in DGSB with a carrying amount of RM38,095,241 (2014: RM37,416,543) have been pledged to a company related to a Director of the Company for credit facilities granted to the Group.

^ 30,794,700 shares in Microlink with a carrying amount of RM15,937,564 have been pledged to a company related to a Director of the Company for credit facilities granted to the Group.

(i) Other details of investments in subsidiaries:

a) Newly incorporated subsidiaries

Current Financial Year

On 25 July 2014, BAP incorporated a wholly-owned subsidiary company known as Bancore-V in Socialist Republic of Vietnam with a charter capital of VND2,103,600,000, equivalent to USD100,000.

Previous Financial Year

On 21 March 2014, CNA incorporated CAFS, a wholly-owned subsidiary in the Republic of Singapore with issued and fully paid-up share capital of SGD100 comprising 100 ordinary shares of SGD1.00 each. CAFS has yet to commence business as at the end of the previous reporting period.

On 30 October 2013, CNA incorporated FLS, a wholly-owned subsidiary in the Republic of Singapore with issued and fully paid-up share capital of SGD100 comprising 100 ordinary shares of SGD1.00 each. FLS has yet to commence business as at the end of the reporting period.

On 30 October 2013, CNA incorporated BAP, a wholly-owned subsidiary in the Republic of Singapore with issued and fully paid-up share capital of SGD100 comprising 100 ordinary shares of SGD1.00 each. BAP commenced its business operations to carry on the business of mobile remittance for the Asia Pacific region. Subsequently on 12 December 2013, BAP increased its share capital to SGD300 comprising 300 ordinary shares of SGD1.00 each which had been fully subscribed and paid by CNA on even date.

On 22 July 2013, NPSB, a wholly-owned subsidiary of the Group, acquired 70% equity interest in PDAC, a newly incorporated company in Brunei Darussalam for a cash consideration of RM2,563,170. PDAC has yet to commence business as at the end of the reporting period.

On 26 June 2013, OCS, a wholly-owned subsidiary of the Group, incorporated OAS, a wholly-owned subsidiary with issued and fully paid-up share capital of RM2.00 comprising 2 ordinary shares of RM1.00 each.

9. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(i) Other details of investments in subsidiaries (continued):

b) Internal re-organisation

Current Financial Year

On 28 October 2014, FCS, a wholly-owned subsidiary of OHB transferred to OHB 1,020,000 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of FNS, a 51% owned subsidiary of FCS, and 1,000,000 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of FASB, a wholly-owned subsidiary of FCS for a total cash consideration of RM4,920,000 and RM1,000,000 respectively.

On 28 November 2014, the Company, OHB and MYHB completed the conditional Share Sale Agreement (SSA) with Microlink for the disposal of their respective shareholdings in the following subsidiary companies for a total disposal consideration of RM43,193,044, which was settled by cash of RM8,000,000 and the balance of RM35,193,044 via issuance of 35,193,044 RPS on 24 December 2014.

(i) 100% equity interest in ABS held by the Company;
(ii) 100% equity interest in FST held by the Company;
(iii) 100% equity interest in FCS held by OHB;
(iv) 100% equity interest in FIRST held by OHB;
(v) 60% equity interest in FAS held by MYHB.

On 3 December 2014, the OHB completed a Shares Sale Agreement with Microlink for the disposal of its entire holding of 1,000,000 ordinary shares of RM1.00 each, representing 100% of the issued and paid-up share capital of OIL to Microlink, a 88.3% owned subsidiary of OHB, for a total cash consideration of RM1.00 only.

On 15 January 2015, OCS, a wholly-owned subsidiary of OHB, transferred 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of OAS to CNA for cash consideration of RM2.00.

Previous Financial Year

On 28 February 2014, OHB transferred 380,000 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Bancore, a wholly-owned subsidiary of OHB, to BAP for a total cash consideration of RM380,000 (Re-Organisation). The Re-Organisation is part of the Group's intention to streamline and realign its businesses to achieve greater operational efficiency.

c) Details on acquisition of subsidiaries are as disclosed in Note 37 to the financial statements.

d) Details on accretion of equity interests in subsidiaries are as disclosed in Note 38 to the financial statements.

e) Details on dilution of equity interests in subsidiaries are as disclosed in Note 39 to the financial statements.

9. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(ii) The subsidiaries of the Group that have material non-controlling interests (NCI) are as follows:

2015	MYATM	YAKIMBI	FIBER	CLS	MICROLINK	DGSB	FNS	Other individual immaterial subsidiaries	Total
NCI percentage of ownership interest and voting interest	40.0%	33.3%	47.4%	15.0%	11.7%	47.0%	49.0%	-	-
Carrying amount of NCI (RM)	(1,677,391)	659,775	(178,231)	462,835	5,126,232	20,302,810	2,821,850	(771,959)	26,745,921
(Loss)/ Profit allocated to NCI (RM)	(1,035,233)	(42,652)	(1,404,232)	6,043	234,377	2,112,263	943,155	(402,527)	411,194
2014									
NCI percentage of ownership interest and voting interest	40.0%	33.3%	47.4%	15.0%	11.5%	40.0%	49.0%	-	-
Carrying amount of NCI (RM)	(642,158)	702,427	1,225,999	456,793	4,738,110	15,157,450	1,898,092	(345,390)	23,191,323
(Loss)/Profit allocated to NCI (RM) *	(1,064,556)	(9,368)	-	23,264	252,152	643,213	1,144,509	(190,869)	798,345

* Results for Yakimbi is from the acquisition date, 1 November 2013 to 31 March 2014 and for Microlink is from the acquisition date, 1 August 2013 to 31 March 2014.

9. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(iii) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follow:

2015	MYATM RM	YAKIMBI RM	FIBER RM	CLS RM	MICROLINK RM	DGSB RM	FNS RM
ASSETS & LIABILITIES							
Non-current assets	7,137,423	2,293,095	6,332,240	7,704	33,846,264	9,497,181	20,222,974
Current assets	522,828	137,748	2,581,592	3,802,360	108,327,256	74,375,664	72,158,690
Non-current liabilities	(2,018,183)	(10,987)	(2,298,623)	(278)	(37,765,106)	(2,089,816)	(15,464,734)
Current liabilities	(9,835,545)	(440,530)	(6,991,475)	(724,224)	(55,592,148)	(38,653,279)	(71,133,357)
Net (liabilities)/assets	(4,193,477)	1,979,326	(376,266)	3,085,562	48,816,266	43,129,750	5,783,573
RESULTS							
Revenue	310,230	120,400	4,979,827	44,882	127,367,107	101,872,115	141,797,615
(Loss)/Profit for the financial year	(2,588,082)	(127,955)	(2,964,490)	40,280	7,799,324	5,141,586	1,928,669
Total comprehensive (loss)/income	(2,588,082)	(127,955)	(2,964,490)	40,280	7,771,229	5,183,368	1,928,669
Cash flows (used in)/from operating activities	(1,418,728)	(97,879)	(2,921,433)	(354,383)	4,317,202	4,072,568	(6,889,033)
Cash flows from/(used in) investing activities	2,417,336	119,644	(2,126,008)	71,582	3,852,685	(2,553,746)	507,808
Cash flows (used in)/from financing activities	(994,297)	-	5,158,937	-	(4,688,002)	(2,794,757)	5,235,812
Net increase/(decrease) in cash and cash equivalents	4,311	21,765	111,496	(282,801)	3,481,885	(1,275,935)	(1,145,413)

9. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(iii) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follow (continued):

2014	FAS RM	MYATM RM	YAKIMBI RM	FIBER RM	CLS RM	MICROLINK RM	DGSB RM	FNS RM
ASSETS & LIABILITIES								
Non-current assets	55,581	4,036,410	2,300,157	3,032,321	18,761	24,914,446	10,075,756	14,871,303
Current assets	1,889,814	275,249	223,867	3,565,668	3,764,452	37,104,335	65,592,380	58,932,317
Non-current liabilities	-	(2,617,317)	-	(471,949)	-	(499,204)	(1,714,904)	(10,735,960)
Current liabilities	(1,647,228)	(3,299,738)	(416,744)	(3,537,817)	(737,931)	(12,795,109)	(36,063,983)	(59,221,808)
Net assets/(liabilities)	298,167	(1,605,396)	2,107,280	2,588,223	3,045,282	48,724,468	37,889,249	3,845,852
RESULTS								
Revenue	4,298,606	302,889	179,736	-	2,773,729	32,830,442	76,287,000	84,023,404
Profit/(Loss) for the financial year	100,511	(2,661,391)	(28,104)	-	155,092	8,181,786	1,605,389	2,339,259
Total comprehensive income/(loss)	100,511	(2,661,391)	(28,104)	-	155,092	8,151,602	1,602,884	2,339,259
Cash flows from/(used in) operating activities	57,168	(80,330)	(2,729,423)	-	2,609,828	3,415,301	5,204,928	4,715,886
Cash flows (used in)/from investing activities	(18,623)	(2,194,182)	8,765	-	44,565	6,733,415	(2,703,536)	25,924,658
Cash flows (used in)/from financing activities	(6,247)	2,248,920	2,658,611	-	(697,706)	(8,178,245)	(2,382,598)	(30,103,053)
Net increase/(decrease) in cash and cash equivalents	32,298	(25,592)	(62,047)	-	1,956,687	1,970,471	118,794	537,491

* Results for Yakimbi is from the acquisition date, 1 November 2013 to 31 March 2014 and for Microlink is from the acquisition date, 1 August 2013 to 31 March 2014.

10. INVESTMENTS IN ASSOCIATES

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
At cost:				
Quoted equity shares in Malaysia	35,987,570	34,691,060	-	-
Unquoted equity shares	24,993,509	19,268,588	24,093,509	19,178,588
Share of post-acquisition results	26,030,022	9,308,880	-	-
	87,011,101	63,268,528	24,093,509	19,178,588
Redeemable preference shares (RPS), at cost	-	4,425,000	-	-
	87,011,101	67,693,528	24,093,509	19,178,588
Market value: Quoted equity shares in Malaysia	70,967,880	73,737,420	-	-

Details of the associates are as follows:

		INTEREST IN EQUITY HELD BY				
		Company		Subsidiary		
Name of Company	Country of Incorporation	2015 %	2014 %	2015 %	2014 %	Principal Activities
# @ Ho Hup Construction Company Berhad (Ho Hup) (i)	Malaysia	-	-	15.0	12.8	Foundation engineering, civil engineering, building contracting works and hire of plant and machinery
^ Montprimo Sdn Bhd (Montprimo)	Malaysia	-	-	-	30	Property development
MIHCM Asia Sdn Bhd (MIHCM) (ii)	Malaysia	-	-	33.3	-	Distribution, marketing, implementing and maintenance and of human capital management software solutions and services in Asia.
# Bancore A/S(iii)	Denmark	18.6	18.6	-	-	Development of proprietary technology and remittance system

All the above associates are accounted for using the equity method in the consolidated financial statements.

@ 23,115,000 (2014: 23,115,000) ordinary shares of RM0.50 each and Nil (2014: 23,115,000) irredeemable convertible preference shares of RM0.01 each (ICPS) in Ho Hup with a total carrying amount of RM16,180,500 (2014: RM34,691,060) have been pledged to a company related to a Director of the Company for credit facilities granted to the Group.

The associates have a different financial year end from the Group. In applying the equity method of accounting, the financial statements of the associates for the financial year ended 31 December 2014 have been used and appropriate adjustments have been made for the effects of significant transactions between 1 January 2015 and 31 March 2015.

10. INVESTMENTS IN ASSOCIATES (CONTINUED)

^ On 10 February 2015, NPSB, a wholly-owned subsidiary of MYHB, completed the Shares Sale Agreement (SSA) with Ikatan Gelombang Sdn. Bhd. (IGSB) for the disposal of 90,000 ordinary shares of RM1.00 each, representing 30% of the total issued and paid-up ordinary share capital and 4,425,000 redeemable preference shares (RPS) of RM0.01 each in Montprimo for a total cash consideration of RM5,727,900 comprising:

(a) RM4,515,000 only for the share sale; and

(b) RM1,212,900 only for the cumulative dividends arising from the RPS in Montprimo accruing to NPSB.

Montprimo ceased to be an associate of NPSB during the financial year.

(i) In 2014, OHB acquired a total of 1,355,000 ordinary shares of RM0.50 each in Ho Hup for a total consideration of RM1,129,178 and 4,246,000 redeemable convertible preference shares of RM0.01 each (RCPS) in Ho Hup for a total cash consideration of RM4,708,874. On 27 January 2014, FHB converted all 4,246,000 RCPS in Ho Hup to ordinary shares of RM0.50 each and consequently the Company's equity interest in Ho Hup was increased from 21.3% to 22.7%.

As at 31 March 2014, OHB's equity interest in Ho Hup was diluted from 22.7% to 12.8% resulting from the conversion of Ho Hup's ICPS and RCPS to ordinary shares of Ho Hup by other ICPS and RCPS's holders of Ho Hup.

During the financial year, OHB acquired a total of 950,000 ordinary shares of RM0.50 each in Ho Hup for a total consideration of RM1,296,518. On 29 May 2014, OHB converted all 23,115,000 ICPS in Ho Hup to ordinary shares of RM0.50 each and consequently the Company's equity interest in Ho Hup was increased to 16.8%.

As at 31 March 2015, OHB's equity interest in Ho Hup was diluted from 16.8% to 15.0% resulting from the conversion of Ho Hup's ICPS and RCPS to ordinary shares of Ho Hup by other ICPS and RCPS's holders of Ho Hup. However, OHB still regards Ho Hup as its associate as disclosed in Note 7.3(k) to the financial statements.

(ii) During the financial year, CNA, a wholly-owned subsidiary of the Company, acquired 50,000 ordinary shares representing 33.3% of the issued and paid-up share capital of MIHCM for a total cash consideration of USD1,000,000 (equivalent to approximately RM3,300,000).

CNA entered into the following agreements:

(a) An Investment and Option Agreement with Microimage (Private) Ltd (Microimage) and MIHCM for the subscription of a total of 100,001 ordinary shares of RM0.10 each (Subscription Shares) in MIHCM to be divided into two (2) tranches as follows:

1. Allotment of 50,000 ordinary shares in MIHCM, representing 33.3% of the enlarged issued and paid-up share capital of MIHCM to CNA for USD One Million (USD1,000,000) or RM3.3 million.

2. Call option granted by MHCM to the Company, to require MIHCM to issue and allot 50,001 ordinary shares or 16.67% stake in MIHCM, for additional total cash consideration of USD One Million (USD1,000,000) or RM3.3 million exercisable anytime during the call option period commencing from the date of completion of the 1st tranche subscription shares and ending by 31 December 2017.

10. INVESTMENTS IN ASSOCIATES (CONTINUED)

CNA entered into the following agreements (continued):

(b) A Shareholders' Agreement with Microimage to record their certain commitments and otherwise regulate their rights as shareholders of MIHCM and in respect of the management of MIHCM concerning the business of distribution, marketing, implementing and maintenance of human capital management software in Asia.

On 13 October 2014, the subscription for the 1st Tranche Subscription Shares by CNA has been completed. Accordingly, MIHCM is now a 33% owned associated company of CNA.

(iii) In 2014, the Company acquired 362,551 ordinary shares representing 8.8% of the issued and paid-up share capital of Bancore A/S from an existing shareholder of Bancore A/S for a total cash consideration of USD480,334 (equivalent to approximately RM1,541,872).

The Company also completed agreements to subscribe for:

1. 501,253 new ordinary shares of par value Danish Krone (DKK) 1.00 each (Shares) in the capital of Bancore A/S (Subscription Shares) for a total cash consideration of EURO (EUR) 2,000,000 [equivalent to approximately RM8,800,000] (Shares Subscription Price);

2. 250,627 new Irredeemable Convertible Preference Shares of par value DKK1.00 each (ICPS) in the capital of Bancore A/S (Subscription ICPS) for a total cash consideration of EUR1,000,000 [equivalent to approximately RM4,282,840]; and

3. 627,005 warrants (Warrants) in the capital of Bancore A/S (Subscription Warrants) at no cost wherein the Subscription Warrants carry a right to subscribe for 627,005 new ICPS of par value DKK1.00 each for a total cash consideration of EUR2,500,000 [equivalent to approximately RM10,812,000] (Warrants Exercise Price).

The Company regards Bancore A/S as its associate as disclosed in Note 7.3 (k) to the financial statements.

10. INVESTMENTS IN ASSOCIATES (CONTINUED)

(iv) The reconciliation of net assets of the associates to the carrying amount of the investments in associates is as follows:

2015	Ho Hup RM	Other individually immaterial associates RM	Total RM
Share of net assets of the Group	28,040,222	3,687,061	31,727,283
Share of other reserve	(3,743,160)	-	(3,743,160)
Goodwill	40,340,993	18,685,985	59,026,978
Carrying amount in the statement of financial position	64,638,055	22,373,046	87,011,101
SHARE OF RESULTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015			
Share of profit/(loss) of the Group	11,754,714	(2,125,858)	9,628,856
Share of other comprehensive income of the Group	33,956	-	33,956
Share of total comprehensive income/(loss) of the Group	11,788,670	(2,125,858)	9,662,812

2014	Ho Hup RM	Other individually immaterial associates RM	Total RM
Share of net assets of the Group	4,133,576	595,009	4,728,585
Share of other reserve	(3,811,292)	-	(3,811,292)
ICPS/RPS	11,557,501	4,425,000	15,982,501
Goodwill	32,704,760	18,088,974	50,793,734
Carrying amount in the statement of financial position	44,584,545	23,108,983	67,693,528
SHARE OF RESULTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014			
Share of profit of the Group	6,172,431	804,626	6,977,057
Share of other comprehensive (loss)/ income of the Group	(1,175,644)	4,035	(1,171,609)
Share of total comprehensive income of the Group	4,996,787	808,661	5,805,448

10. INVESTMENTS IN ASSOCIATES (CONTINUED)

(v) The summarised financial information of the associates are as follows:

2015	Ho Hup RM	Other individually immaterial associates RM	Total RM
ASSETS & LIABILITIES			
Non-current assets	22,477,158	20,731,934	43,209,092
Current assets	387,805,297	2,940,725	390,746,022
Total assets	410,282,455	23,672,659	433,955,114
Non-current liabilities	31,041,000	673,500	31,714,500
Current liabilities	216,719,080	3,273,932	219,993,012
Total liabilities	247,760,080	3,947,432	251,707,512
RESULTS			
Revenue	346,570,665	1,859,211	348,429,876
Profit/(Loss) for the financial year	75,854,774	(10,945,607)	64,909,167

2014	Ho Hup RM	Other individually immaterial associates RM	Total RM
ASSETS & LIABILITIES			
Non-current assets	91,564,655	1,850,175	93,414,830
Current assets	164,299,539	65,496,887	229,796,426
Total assets	255,864,194	67,347,062	323,211,256
Non-current liabilities	-	46,652	46,652
Current liabilities	215,874,528	53,673,883	269,548,411
Total liabilities	215,874,528	53,720,535	269,595,063
RESULTS			
Revenue	208,500,334	19,328,619	227,828,953
Profit/(Loss) for the financial year	38,237,182	(4,283,990)	33,953,192

11. OTHER INTANGIBLE ASSETS

	GROUP	
	2015 RM	2014 RM
SOFTWARE DEVELOPMENT COSTS		
As at 1 April 2014/2013	20,286,379	-
Add: Acquisition from subsidiaries (Note 37)	-	20,568,182
Add: Addition during the financial year	1,362,316	2,002,236
	21,648,695	22,570,418
Less: Amortised during the financial year	(3,408,845)	(2,284,039)
As at 31 March 2015/2014	18,239,850	20,286,379
LICENSE AGREEMENT		
As at 1 April 2014/2013	5,995,771	-
Add: Acquisition from subsidiaries (Note 37)	-	6,475,433
Less: Amortised during the financial year	(719,496)	(479,662)
As at 31 March 2015/2014	5,276,275	5,995,771
Total other intangible assets	23,516,125	26,282,150

12. OTHER INVESTMENTS

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
NON-CURRENT				
Available-for-sale financial assets				
- Unquoted shares in Malaysia	4,676,466	4,676,466	3,076,467	3,076,467
Financial assets at fair value through profit or loss				
- Quoted shares in Malaysia	9,247,267	14,023,230	-	-
- Redeemable Preference Shares	-	-	23,189,530	-
- Transferable club memberships	105,000	105,000	-	-
	9,352,267	14,128,230	23,189,530	-
Total non-current other investments	14,028,733	18,804,696	26,265,997	3,076,467

12. OTHER INVESTMENTS (CONTINUED)

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
CURRENT				
Financial assets at fair value through profit or loss				
- Quoted shares in Malaysia	-	156,423	-	-
- Quoted income funds in Malaysia	1,250,321	16,461,266	-	-
Total current other investments	1,250,321	16,617,689	-	-
Total other investments	15,279,054	35,422,385	26,265,997	3,076,467

(a) A net fair value loss of RM4,271,779 (2014: net fair value gain of RM13,977,714) was recognised during the financial year due to the appreciation in market value of the other investments. The fair value was determined based on the last transacted price on 31 March 2015.

(b) Included in other investment are detachable free warrants granted by Ho Hup amounting to RM9,246,000 (2014: RM13,522,275) which are pledged as security for credit facilities as disclosed in Note 25 to the financial statements.

(c) On 24 December 2014, the Company had disposed off ABS and FST to Microlink, satisfied by way of 23,189,530 five-year 3.0% to 9.5% redeemable preference shares of RM23,189,530 at nominal value of RM1.00 each.

(d) Information on the fair value hierarchy is disclosed in Note 42 to the financial statements.

13. INVESTMENT PROPERTY

	GROUP	
	2015 RM	2014 RM
Freehold land	32,265	32,265
Less: Impairment loss	(32,265)	(32,265)
	-	-

The freehold land held by the Group is located at Mukim Briah, Daerah Krian for capital appreciation purposes. There are no rental income and operating expenses incurred during both financial years.

In the previous financial year, the investment property of the Group was fully impaired.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
NON-CURRENT ASSETS				
Other receivables	19,964,296	14,709,605	-	-
CURRENT ASSETS				
Other receivables	55,034,319	43,975,294	30,630,436	14,874,256
Staff loan	33,750	49,776	-	-
Deposits	12,278,143	1,868,674	6,342,438	72,057
Prepayments	10,659,817	17,531,355	14,359	7,055
	78,006,029	63,425,099	36,987,233	14,953,368

Included in other receivables are prepaid lease rental for equipment leases, which would be charged out as follows:

	GROUP	
	2015 RM	2014 RM
- not later than one year	22,180,324	17,687,488
- later than one year and not later than five years	19,964,296	14,709,605
	42,144,620	32,397,093

The currency profile of other receivables, deposits and prepayments of the Group and of the Company is in the respective functional currencies of the Group entities except for those amounts disclosed in Note 43 to the financial statements.

15. GOODWILL

	GROUP	
	2015 RM	2014 RM
As at 1 April 2014/2013	79,917,189	63,348,567
Add: Goodwill arising from the acquisition of Subsidiaries (Note 37)	1,186,126	17,218,622
	81,103,315	80,567,189
Less: Impairment losses for the financial year	(805,000)	(650,000)
As at 31 March 2015/2014	80,298,315	79,917,189

Goodwill arising from the business combinations has been allocated to the Group's CGUs which have been identified according to the business segments as follows:

	Business Performance Services RM	Trading and Distribution Services RM	Digital and Infrastructure Services RM	Total RM
31 March 2015	43,897,037	1,767,113	34,634,165	80,298,315
31 March 2014	43,515,911	1,767,113	34,634,165	79,917,189

During the financial year, impairment losses on goodwill amounting to RM805,000 (2014: RM650,000) arose from subsidiaries due to lower recoverable amounts as compared to the carrying amount.

The recoverable amount of goodwill for both financial years was determined based on value-in-use. Value-in-use was determined by discounting the future cash flows to be generated from the continuing use of the CGUs based on the following assumptions:

(i) Cash flow projections on financial budgets approved by the management covering a five- (5) year period;

(ii) Terminal value computed based on the cash flows in the fifth year without incorporating any growth rate;

(iii) Discount rate used for cash flow discounting purposes is based on the weighted average cost of capital of the Group extracted from Bloomberg. The discount rate applied to the cash flow projections was 5.20% (2014: 7.00%) per annum;

(iv) Long-term growth rates ranging from 5.00% to 10.00% are determined based on past performance of the subsidiaries; and

(v) Profit margins are projected based on historical profit margin achieved.

During the financial year, remeasurement period adjustment of RM639,105 has been made to goodwill arising from additional information as disclosed in Note 45 to the financial statements.

16. DEFERRED TAX

(a) The deferred tax (assets) and liabilities are made up of the following:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
As at 1 April 2014/2013	243,118	(328,167)	(124,332)	(52,400)
Acquisition of subsidiaries (Note 37)	-	293,617	-	-
Recognised in profit or loss (Note 32)	(138,327)	272,312	124,332	(71,932)
Translation adjustments	(20,475)	5,356	-	-
As at 31 March 2015/2014	84,316	243,118	-	(124,332)
Presented after appropriate offsetting:				
Deferred tax assets, net	(1,033,160)	(780,704)	(53,742)	(146,168)
Deferred tax liabilities, net	1,117,476	1,023,822	53,742	21,836
	84,316	243,118	-	(124,332)

(b) The components and movements of deferred tax assets and deferred tax liabilities during the financial year prior to offsetting are as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
DEFERRED TAX ASSETS				
As at 1 April 2014/2013				
Recognised in profit or loss:	780,704	564,013	146,168	57,177
Unused tax losses	(71,635)	60,899	-	-
Unabsorbed capital allowances	6,509	47,233	-	-
Others	317,582	108,559	(92,426)	88,991
As at 31 March 2015/2014	1,033,160	780,704	53,742	146,168
DEFERRED TAX LIABILITIES				
As at 1 April 2014/2013				
Recognised in profit or loss:	1,023,822	235,846	21,836	4,777
Property, plant and equipment	43,960	288,772	31,906	17,059
Software development costs	49,694	499,204	-	-
As at 31 March 2015/2014	1,117,476	1,023,822	53,742	21,836

16. DEFERRED TAX (CONTINUED)

(c) The components of deferred tax as at the end of the reporting period comprise tax effect of:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
DEFERRED TAX ASSETS				
Unused tax losses	-	71,635	-	-
Unabsorbed capital allowances	53,742	47,233	-	-
Provisions	781,321	657,308	53,742	146,168
Others	198,097	4,528	-	-
	1,033,160	780,704	53,742	146,168
DEFERRED TAX LIABILITIES				
Property, plant and equipment	568,578	524,618	53,742	21,836
Software development costs	548,898	499,204	-	-
	1,117,476	1,023,822	53,742	21,836

(d) The amount of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Unutilised tax losses	189,820,464	174,031,693	12,132,957	5,890,590
Unabsorbed capital allowances	11,697,471	3,583,061	381,441	162,120
	201,517,935	177,614,754	12,514,398	6,052,710

Deferred tax assets of the Company and certain subsidiaries have not been recognised as it is not probable that taxable profit of the Company and the subsidiaries would be available against which the deductible temporary differences could be utilised.

The deductible temporary differences do not expire under current tax legislation.

17. INVENTORIES

	GROUP	
	2015 RM	2014 RM
AT COST		
Hardware and software	28,203,384	19,839,137
Hardware maintenance parts and spares	6,776,835	6,791,849
	34,980,219	26,630,986
AT NET REALISABLE VALUE		
Hardware and software	-	123,240
	34,980,219	26,754,226

Cost of inventories of the Group recognised as an expense during the financial year amounted to RM294,376,201 (2014: RM247,594,182).

18. TRADE RECEIVABLES

	GROUP	
	2015 RM	2014 RM
Trade receivables	94,052,952	80,331,523
Less: Impairment losses	(1,100,866)	(1,029,684)
	92,952,086	79,301,839

(a) The trade credit terms of trade receivables granted by the Group range from 30 to 90 days (2014: 30 to 90 days) from date of invoice. They are recognised at their original amounts which represent their fair values on initial recognition.

(b) The currency profile of trade receivables of the Group is in the respective functional currencies of the Group entities except for those amounts disclosed in Note 43 to the financial statements.

18. TRADE RECEIVABLES (CONTINUED)

(c) The ageing analysis of trade receivables of the Group are as follows:

	GROUP	
	2015 RM	2014 RM
Neither past due nor impaired	48,754,704	48,947,814
Past due, but not impaired		
31 to 60 days	12,220,758	6,877,079
61 to 90 days	6,183,046	4,965,868
91 to 120 days	9,655,363	8,434,206
121 to 150 days	6,097,437	4,048,883
151 to 180 days	1,746,495	2,344,072
More than 180 days	8,294,283	3,683,917
	44,197,382	30,354,025
Past due and impaired	1,100,866	1,029,684
	94,052,952	80,331,523

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment records with the Group. Majority of the trade receivables of the Group arise from recurring business with the Group, and have never defaulted.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

At the end of the reporting period, majority of the trade receivables of the Group are active corporate customers with healthy business relationship, in which the management is of the view that the amounts are recoverable based on payments history. The trade receivables of the Group that are past due but not impaired are unsecured in nature.

Receivables that are past due and impaired

Trade receivables of the Group that are past due and impaired at the end of the reporting period are as follows:

	GROUP	
GROUP	2015 RM	2014 RM
Trade receivables, gross	1,100,866	1,029,684
Less: Impairment losses	(1,100,866)	(1,029,684)
	-	-

18. TRADE RECEIVABLES (CONTINUED)

(c) The ageing analysis of trade receivables of the Group are as follows (continued):

The movements in accumulated impairment losses are as follows:

	GROUP	
	2015 RM	2014 RM
As at 1 April 2014/2013	1,029,684	5,643,313
Impairment losses charged during the financial year	1,019,288	685,512
Impairment losses written off	(359,578)	(4,372,216)
Impairment losses no longer required	(643,688)	(836,562)
Exchange differences	55,160	(90,363)
As at 31 March 2015/2014	1,100,866	1,029,684

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to those receivables that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(d) Information on financial risks of trade receivables is disclosed in Note 43 to the financial statements.

19. AMOUNTS OWING BY/(TO) SUBSIDIARIES

The amounts owing by/(to) subsidiaries represent management fees and payments made on behalf which are unsecured, interest-free and collectible/payable on demand in cash and cash equivalents.

The amounts owing by/(to) subsidiaries of the Company are denominated in RM.

20. AMOUNTS OWING BY/(TO) ASSOCIATES

The amounts owing by/(to) associates represent trade transactions which are unsecured and interest-free. The credit terms of trade amounts owing by associates granted by the Group is 30 days (2014: 30 days) from date of invoice.

The amounts owing by associates are denominated in RM.

21. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash and bank balances	29,527,954	23,636,058	73,066	110,824
Fixed deposits	24,968,931	21,550,465	-	422,363
Short term money market deposits	20,621,586	22,160,408	5,165,793	-
	75,118,471	67,346,931	5,238,859	533,187

(a) Deposits with licensed banks of the Group amounting to RM23,929,978 (2014: RM21,444,749) are pledged to licensed banks for credit facilities granted to the Company and certain subsidiaries (Note 25 to the financial statements).

(b) Information on financial risks of cash and cash equivalents is disclosed in Note 43 to the financial statements.

(c) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash and bank balances	29,527,954	23,636,058	73,066	110,824
Fixed deposits	24,968,931	21,550,465	-	422,363
Short term money market deposits	20,621,586	22,160,408	5,165,793	-
	75,118,471	67,346,931	5,238,859	533,187
Less: Deposits pledged to licensed banks (Note 25)	(23,929,978)	(21,444,749)	-	-
Less: Bank overdrafts (Note 24)	(11,751,150)	(8,504,939)	-	-
	39,437,343	37,397,243	5,238,859	533,187

(d) The currency profiles of cash and cash equivalents of the Group and of the Company are in the respective functional currencies of the Group entities except for those amounts disclosed in Note 43 to the financial statements.

22. SHARE CAPITAL

Authorised share capital:

	GROUP AND COMPANY			
	NUMBER OF ORDINARY SHARES OF RM0.50 EACH		AMOUNT	
	2015 RM	2014 RM	2015 RM	2014 RM
Ordinary shares of RM0.50 each	1,000,000,000	1,000,000,000	500,000,000	500,000,000

22. SHARE CAPITAL (CONTINUED)

Issued and fully paid-up share capital:

	GROUP AND COMPANY			
	NUMBER OF ORDINARY SHARES OF RM0.50 EACH		AMOUNT	
	2015 RM	2014 RM	2015 RM	2014 RM
Ordinary shares of RM0.50 each:				
As at 1 April 2014/2013	387,385,174	185,900,199	193,692,587	92,950,099
Ordinary shares issued pursuant to Rights Issue with Warrants	-	166,284,975	-	83,142,488
Ordinary shares issued pursuant to Private Placement	-	35,200,000	-	17,600,000
Ordinary shares issued pursuant to Long Term Incentive Plan	100,000	-	50,000	-
Ordinary shares of RM0.50 each:				
As at 31 March 2015/2014	387,485,174	387,385,174	193,742,587	193,692,587

(a) During the financial year, the issued and paid-up share capital of the Company was increased from RM193,692,587 comprising 387,385,174 shares of RM0.50 each to RM193,742,587 comprising 387,485,174 shares of RM0.50 each by way of issuance of 100,000 new ordinary shares of RM0.50 each at RM0.80 per share pursuant to the Long Term Incentive Plan (LTIP) to an eligible employee on 1 April 2014.

(b) During the previous financial year, the issued and paid-up share capital of the Company was increased from RM92,950,099 comprising 185,900,199 shares of RM0.50 each to RM193,692,587 comprising 387,385,174 shares of RM0.50 each by way of:

(i) issuance of 166,284,975 new ordinary shares of RM0.50 each at RM0.50 per share for cash together with issuance of 83,142,487 free detachable warrants (Warrants 2013/2018) on 28 May 2013 pursuant to the Right Issue of Shares with Warrants (Right Issue with Warrants); and

(ii) issuance of 28,200,000 and 7,000,000 new ordinary shares of RM0.50 each at RM0.66 and RM0.725 respectively for cash pursuant to a private placement of shares of the Company.

The new ordinary shares to be issued pursuant to the exercise of the Warrants 2011/2016 and Warrants 2013/2018 should upon allotment and issuance, rank pari passu in all respects with the then existing issued ordinary shares of the Company except that they should not be entitled to any dividends, allotments or other distributions on the entitlement date of which is prior to the date of the allotment of the new shares arising from the exercise of the warrants.

(c) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

23. RESERVES

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Non-distributable:				
Share premium	15,573,684	15,573,684	15,573,684	15,573,684
Capital reserve	24,663,246	24,663,246	24,663,246	24,663,246
Warrant reserve	11,307,378	11,307,378	11,307,378	11,307,378
Equity compensation reserve	2,813,094	3,008,372	2,813,094	3,008,372
Exchange translation reserve	(251,015)	(327,764)	-	-
	54,106,387	54,224,916	54,357,402	54,552,680
Distributable: Retained earnings/(Accumulated losses)	21,252,614	12,156,305	9,969,888	(22,842,265)
	75,359,001	66,381,221	64,327,290	31,710,415

(a) Capital reserve

In the previous financial years, the issued and paid-up share capital of the Company was reduced via the cancellation of RM0.50 from the par value of every existing ordinary share of RM1.00 each of the Company's issued and paid-up share capital pursuant to Section 64 of the Companies Act, 1965, resulting in a reduction of the Company's existing issued and paid-up share capital from RM185,900,199 comprising 185,900,199 ordinary shares of RM1.00 each to RM92,950,099 comprising 185,900,199 shares of RM0.50 each (Par Value Reduction). The Par Value Reduction was confirmed by the High Court of Malaya on 20 February 2013 and effected on 4 March 2013.

The credit of RM92,950,100 arising from the Par Value Reduction has been utilised to eliminate the Company's accumulated losses as at 4 March 2013 of RM68,286,854 and the remaining balance amounting to RM24,663,246 was credited to capital reserve which may be utilised in such manner as the Board of Directors of the Company deems fit and as permitted by the relevant and applicable laws.

(b) Warrant reserve

Warrant reserve represents the fair value assigned to the Warrants 2013/2018 of RM0.136. The fair value was determined using the Black-Scholes-Merton option pricing model. The warrant reserve would be transferred to the share premium account upon the exercise of warrants and the warrant reserve in relation to the unexercised warrants at the expiry of the warrants would be transferred to retained earnings.

For the purpose of arriving at the fair value of the warrants, the following are the inputs assumed by the Company:

Exercise price (RM)	0.500
Share price of the Company at grant date (RM)	0.510
Option life (years)	5
Volatility (%)	35.1
Risk-free rate (%)	3.413

23. RESERVES (CONTINUED)

(c) Equity compensation reserve

The equity compensation reserve represents the effect of equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees for the issue of share options. When options are exercised, the amount from the share options reserve would be transferred to share premium. When the share options expire, the amount from the share options reserve would be transferred to retained earnings.

(d) Exchange translation reserve

The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

24. BORROWINGS

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
CURRENT LIABILITIES				
Bankers' acceptance and factoring loan (Note 25)	5,499,195	7,395,587	-	-
Bank overdrafts (Note 25)	11,751,150	8,504,939	-	-
Hire purchase and lease creditors (Note 26)	18,008,311	16,000,178	67,918	63,787
Trust receipts (Note 25)	7,781,408	4,846,316	-	-
Term loans (Note 25)	51,843,350	41,057,500	-	-
	94,883,414	77,804,520	67,918	63,787
NON-CURRENT LIABILITIES				
Hire purchase and lease creditors (Note 26)	18,809,660	14,587,482	5,846	73,764
	18,809,660	14,587,482	5,846	73,764
	113,693,074	92,392,002	73,764	137,551
TOTAL BORROWINGS				
Bankers' acceptance and factoring loan (Note 25)	5,499,195	7,395,587	-	-
Bank overdrafts (Note 25)	11,751,150	8,504,939	-	-
Hire purchase and lease creditors (Note 26)	36,817,971	30,587,660	73,764	137,551
Trust receipts (Note 25)	7,781,408	4,846,316	-	-
Term loans (Note 25)	51,843,350	41,057,500	-	-
	113,693,074	92,392,002	73,764	137,551

24. BORROWINGS (CONTINUED)

Information on financial risks and remaining maturities of borrowings are disclosed in Note 43 to the financial statements.

The currency profile of borrowings of the Group and of the Company is in the respective functional currencies of the Group's entities.

25. BANK OVERDRAFTS, BANKERS' ACCEPTANCE, FACTORING LOAN, TRUST RECEIPTS AND TERM LOANS

The bankers' acceptance, factoring loan, bank overdrafts, trust receipts and term loans are secured by the following:

(a) Pledge of fixed deposits as disclosed in Note 21 to the financial statements;

(b) First legal charge over 508,282,409 (2014: 500,000,000) shares in DGSB with a carrying amount of RM38,036,340 (2014: RM37,416,543) and 30,794,700 shares in Microlink with carrying amount of RM15,937,563 as disclosed in Note 9 to the financial statements and 23,115,000 (2014: 23,115,000) ordinary shares, Nil (2014: 23,115,000) ICPS, and 11,557,500 (2014: 11,557,500) warrants in Ho Hup as disclosed in Note 10 and Note 12 to the financial statements held by a subsidiary to a company related to a Director of the Company;

(c) Certain Directors' guarantee from certain subsidiaries;

(d) Corporate guarantee from certain subsidiaries and the Company;

(e) Transfer of the right of the claim of collections from certain trade receivables of one of the subsidaries.

Included in term loan of RM51,843,350 are:

(a) an amount of RM38,291,046 (2014: RM37,557,500) owing to a company related to a Director of the Company which bears interest at 12% per annum. The term loan is secured by way of a first legal charge over 508,282,409 (2014: 500,000,000) shares in DGSB and 30,794,700 shares in Microlink with carrying amounts RM38,036,340 (2014: RM37,416,543) and RM15,937,563 respectively as disclosed in Note 9 to the financial statements, and 23,115,000 (2014: 23,115,000) ordinary shares, Nil (2014: 23,115,000) ICPS and 11,557,500 (2014: 11,557,500) warrants in Ho Hup and a corporate guarantee from the Company as disclosed in Note 10 and Note 12 to the financial statements.

The term loan is repayable in full within a year from the end of the current reporting period.

(b) an amount of RM3,500,000 secured by a legal charge over the Group's leasehold land and building and is repayable in full by way of crystallisation of the said property by the bank at a value of RM3,500,000. The bank has agreed that the term loan is non-interest bearing.

26. HIRE PURCHASE & LEASE CREDITORS

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Minimum hire purchase and lease payments:				
- not later than one (1) year	19,712,957	16,901,084	70,500	70,500
- later than one (1) year and not later than five (5) years	18,682,331	14,769,179	5,875	76,375
- later than five (5) years	168,879	78,130	-	-
	38,564,167	31,748,393	76,375	146,875
Less: Future interest charges	(1,746,196)	(1,160,733)	(2,611)	(9,324)
Present value of hire purchase and lease creditors	36,817,971	30,587,660	73,764	137,551
Repayable as follows:				
CURRENT LIABILITIES				
- not later than one (1) year	18,008,311	16,000,178	67,918	63,787
NON-CURRENT LIABILITIES				
- later than one (1) year and not later than five (5) years	18,641,789	14,512,492	5,846	73,764
- later than five (5) years	167,871	74,990	-	-
	36,817,971	30,587,660	73,764	137,551

The hire purchase and lease liabilities are secured by the assets as disclosed under Note 8 to the financial statements and by corporate guarantee from a subsidiary and the Company.

27. TRADE PAYABLES

(a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company range from one (1) month to six (6) months (2014: one (1) month to six (6) months) from date of invoice.

(b) The currency profile of trade payables of the Group is in RM except for those amounts disclosed in Note 43 to the financial statements.

(c) Information on financial risks is disclosed in Note 43 to the financial statements.

28. OTHER PAYABLES, DEPOSITS & ACCRUALS

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Other payables and accruals	58,132,863	42,869,111	2,710,734	2,460,311
Unearned revenue	24,394,597	28,671,953	-	-
Refundable deposits	453,864	340,429	-	-
	82,981,324	71,881,493	2,710,734	2,460,311

Unearned revenue represents advance billings for contracts works and maintenance services.

The currency profile of other payables, deposits and accruals of the Group and of the Company is in the respective functional currencies of the Group entities.

Information on financial risks is disclosed in Note 43 to the financial statements.

29. CONTINGENT LIABILITIES

	COMPANY	
	2015 RM	2014 RM
GUARANTEES		
Corporate guarantees given to financial institutions and leasing corporations for facilities granted to certain subsidiaries		
- Unsecured	63,781,809	52,614,868
- Secured	203,299,000	113,850,000

(a) The Directors are of the view that the chances of the banks to call upon the corporate guarantees are remote. Accordingly, the fair values of the above corporate guarantees given to the subsidiaries for banking facilities are negligible.

(b) Securities for the corporate guarantees where applicable are disclosed in Notes 25 and 26 to the financial statements.

Contingent liabilities not considered remote

Litigations

The Company together with another 12 defendants (collectively the Defendants) have received a Writ of Summons (Writ) filed by Risk Management and Safety Systems Pty Ltd (RMSS) (the Plaintiff) on 18 April 2012.

The claim is in respect of purported allegations by the Plaintiff that the Defendants have directly or indirectly deprived the Plaintiff of the benefits of the Partial Award dated 27 March 2012 (received by the Plaintiff only on 2 April 2012) given under Arbitration Case No: ARB167/10/MXM (to which the Plaintiff and one of the other defendants were parties) by the Arbitral Tribunal under the Arbitration Rules of the Singapore International Arbitration Centre.

29. CONTINGENT LIABILITIES (CONTINUED)

The Judge has made a decision on 17 July 2014 and allowed the Plaintiff's claim against all of the Defendants who were found to be jointly and severally liable. The Judge has consequently awarded the following sums:

(i) USD420,000 together with interest thereon at the rate of 5% per annum from 9 November 2010 to full payment;

(ii) RM319,085 together with interest thereon at the rate of 5% per annum from 16 October 2012 to the date of full payment;

(iii) SGD113,384 together with interest thereon at the rate of 5% per annum from 16 October 2012 to the date of full payment;

(iv) AUD136,010 together with interest thereon at the rate of 5% per annum from 16 October 2012 to the date of full payment;

(v) USD1,276 together with interest thereon at the rate of 5% per annum from 16 October 2012 to the date of full payment;

(vi) USD455,000 together with interest thereon at the rate of 5% per annum from 22 May 2011 to the date of full payment (sum payable for Year 2 under the Software License Agreement between the Plaintiff and the 12th Defendant);

(vii) USD490,000 together with interest thereon at the rate of 5% per annum from 22 May 2012 to the date of full payment (sum payable for Year 3 under the Software License Agreement between the Plaintiff and the 12th Defendant);

(viii) RM5,000 (costs awarded in Originating Summons No. 24NCC (ARB)-28-08/2012);

(ix) S$5,000 (costs awarded by Singapore High Court in Originating Summons No.607 of 2012/V);

(x) S$7,365 (disbursements in respect of Singapore High Court Originating Summons No.607 of 2012/V);

(xi) RM2,000 (costs awarded for Originating Summons No. 24NCC (ARB)-42-10/2012); and

(xii) Costs of RM130,000.

The Court declined to award aggravated or exemplary damages.

The Company has filed an appeal against the Court judgment by way of a Notice of Appeal dated 24 July 2014 and has instructed the legal counsels to file an application for a stay of execution of the judgment following the filing of the appeal. On 12 August 2014, the Judge granted the Company a conditional stay of execution of the Judgment pending the disposal of the Company's appeal to the Court of Appeal. In accordance with the Conditional Stay, the Company has on 26 August 2014 deposited the sum of RM6.3 million which represents judgement sum of RM5.5 million together with related interest with the Plaintiff's solicitors, to be held by them as stakeholders pending the disposal of the Company's Appeal.

The Company's Appeal has been fixed for hearing in the Court of Appeal on 14 July 2015.

There is no operational impact on the Company and the Group. In the event an appeal is unsuccessful, the expected loss is RM5.5 million before interest.

The legal counsels for the matter are of the opinion that the Company has reasonably good prospects in successfully appealing against the decision.

30. REVENUE

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Contract works and sale of computer hardware, software and accessories	302,229,539	259,021,184	-	-
Maintenance and software support services	131,522,484	93,146,545	-	-
Network connectivity and bandwidth services	1,580,587	-	-	-
Consultancy fees	95,679	28,743	-	-
Dividend income	4,452	11,490	38,181,000	-
Management fees	38,400	78,000	2,714,400	2,712,000
	435,471,141	352,285,962	40,895,400	2,712,000

31. PROFIT/(LOSS) BEFORE TAX

	Note	GROUP		COMPANY	
		2015 RM	2014 RM	2015 RM	2014 RM
Profit/(loss) before tax is arrived at after charging:					
Amortisation of:					
- software development costs	11	3,408,845	2,284,039	-	-
- license agreement	11	719,496	479,662	-	-
Auditors' remuneration:					
- current year		494,638	437,360	42,000	40,000
- under provision in prior year		3,711	11,208	-	-
Bad debts written off		82,409	119,983	57,960	-
Depreciation of property, plant and equipment	8	3,422,179	2,719,128	284,956	264,772
Directors' remuneration:					
- fees		1,304,802	1,291,566	492,000	508,190
- salaries and other emoluments		7,222,688	6,608,557	3,292,869	2,915,123
Equity settled share-based payment expense	35	80,000	3,078,280	80,000	2,267,532
Provision for gratuity obligations	34(b)	3,539,576	-	746,948	-
Impairment losses on:					
- goodwill	15	805,000	650,000	-	-
- investment property	13	-	32,265	-	-
- trade receivables	18	1,019,288	685,512	-	-
Interest expense on:					
- bank overdrafts		817,282	1,319,232	-	423,755
- hire purchase and lease		1,207,672	790,960	6,713	10,844
- letter of credit and trustreceipts		1,188,989	865,545	-	-
- term loans		4,817,324	2,992,316	-	-

31. PROFIT/(LOSS) BEFORE TAX (CONTINUED)

	Note	GROUP 2015 RM	GROUP 2014 RM	COMPANY 2015 RM	COMPANY 2014 RM
Profit/(loss) before tax is arrived at after charging (continued):					
- others		169,619	159,748	-	-
Inventories written down		141,090	39,517	-	-
Inventories written off		1,339,008	1,218,093	-	-
Net loss on disposal of property, plant and equipment		5,035	-	-	-
Net loss on fair value adjustment on other investments		4,271,779	-	-	-
Property, plant and equipment written off	8	47,891	534,878	-	-
Provision for post-employment benefits	34(a)	354,396	1,042,804	-	-
Rental of:					
- premises		4,182,967	3,467,896	276,856	197,953
- equipment		732,994	444,295	-	-
Net realised loss on foreign currency exchange		405,452	-	2,769	-
Net unrealised loss on foreign currency exchange		-	836,034	-	-
And crediting:					
Bad debts recovered		-	195,774	-	-
Gross dividend income from:					
- other investments		124,452	91,490	-	-
- an associates		-	1,212,900	-	-
- subsidiaries		-	-	38,181,000	-
Gain on dilution of equity interest in associates		6,900,196	11,819,518	-	-
Interest income on:					
- deposits with licensed banks		1,188,594	1,449,226	27,577	230,152
- overdue accounts		212,096	80,125	-	-
- others		-	6,356	189,174	-
Net gain on disposal of:					
- an associate		90,000	-	-	-
- other investments		392	-	-	-
- property, plant and equipment		-	14,000	-	-
- subsidiaries		-	-	2,527,302	-
Net gain on re-measurement arising on a business combination achieved in stages		-	4,163,200	-	-
Net gain on fair value adjustment on other investments		-	13,977,714	-	-
Net realised gain on foreign currency transactions		-	456,190	-	-

31. PROFIT/(LOSS) BEFORE TAX (CONTINUED)

	Note	GROUP 2015 RM	GROUP 2014 RM	COMPANY 2015 RM	COMPANY 2014 RM
And crediting (continued):					
Net unrealised gain on foreign currency transactions		459,623	-	-	-
Rental income of:					
- equipment		8,000	8,700	-	-
- training room		-	-	154,800	154,800
Reversal of impairment loss on:					
- amounts owing by subsidiaries		-	-	672,500	302,001
- trade receivables	18	643,688	836,562	-	-
- property, plant and equipment	8	109,346	109,346	-	-

32. TAXATION

	GROUP 2015 RM	GROUP 2014 RM	COMPANY 2015 RM	COMPANY 2014 RM
Current tax expense based on profit for the financial year				
Malaysian income tax	5,825,656	3,106,952	-	-
Foreign income tax	387,836	190,333	-	-
	6,213,492	3,297,285	-	-
(Over)/Under-provision in prior years				
Malaysian income tax	(106,498)	(238,773)	-	(252,066)
Foreign income tax	821	118,364	-	-
	(105,677)	(120,409)	-	(252,066)
	6,107,815	3,176,876	-	(252,066)
Deferred tax (Note 16)				
Relating to originating and reversal of temporary differences	(138,327)	272,312	124,332	(71,932)
	5,969,488	3,449,188	124,332	(323,998)

The Malaysian income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the estimated taxable profit for the fiscal year.

Tax expense for other taxation authorities is calculated at the rates prevailing in those respective jurisdictions.

32. TAXATION (CONTINUED)

The numerical reconciliation between the tax expense and the product of accounting loss multiplied by the applicable tax rates of the Group and of the Company are as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Tax at Malaysian statutory tax rate of 25% (2014: 25%)	1,560,478	9,053,265	8,204,861	(2,874,363)
Tax effect in respect of:				
Non-allowable expenses	7,242,782	7,703,766	481,125	184,748
Non-taxable income	(8,598,892)	(15,454,375)	(10,177,076)	-
Utilisation of tax losses not recognised in prior years	-	(1,590,378)	-	-
Unused tax losses and unabsorbed capital allowances not recognised	5,975,795	3,816,299	1,615,422	2,617,683
Differential in tax rates	(104,998)	(59,904)	-	-
Others	-	100,924	-	-
	6,075,165	3,569,597	124,332	(71,932)
Over-provision in prior years	(105,677)	(120,409)	-	(252,066)
	5,969,488	3,449,188	124,332	(323,998)

Tax savings of the Group is as follows:

	GROUP	
	2015 RM	2014 RM
Arising from utilisation of previously unrecognised tax losses	-	1,590,378

33. EARNINGS/(LOSS) PER ORDINARY SHARE

(i) Basic earnings/(loss) per ordinary share

Basic earnings/(loss) per ordinary share for the financial year is calculated by dividing the profit/(loss) for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	GROUP	
	2015 RM	2014 RM
(Loss)/Profit attributable to owners of the Company (RM)	(138,772)	31,965,528
Average number of ordinary shares in issue at the beginning of financial year	387,385,174	185,900,199
Effect of issuance of shares pursuant to:		
- Long term incentive plan	100,000	-
- Right issue with Warrants	-	140,245,844
- Private placement	-	14,799,451
Weighted average number of ordinary shares applicable to basic (loss)/earnings per ordinary share	387,485,174	340,945,494
Basic (loss)/earnings per ordinary share (sen)	(0.04)	9.38

(ii) Diluted earnings/(loss) per ordinary share for the financial year is calculated by dividing the profit/(loss) for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

	GROUP	
	2015 RM	2014 RM
(Loss)/Profit attributable to owners of the Company (RM)	(138,772)	31,965,528
Weighted average number of ordinary shares in issue (basic)	387,485,174	340,945,494
Effect of:		
- Warrants 2013/2018	823,193	25,967,790
- ESOS	-	435,072
Adjusted weighted average number of ordinary shares applicable to diluted (loss)/earnings per ordinary share	388,308,367	367,348,356
Diluted (loss)/earnings per ordinary share (sen)	(0.04)	8.70

The Warrants 2011/2016 and ESOS that could potentially dilute the earnings per ordinary shares were not included in the calculation of diluted earnings per ordinary shares as it would have an anti-dilution effect thereon.

34. PROVISIONS

The Group operates an unfunded defined Retirement Benefit Scheme (the Scheme) for the eligible employees. Under the Scheme, eligible employees are entitled to post-employment benefits calculated by reference to their length of service and earnings.

The amount recognised in the statement of financial position is as follows.

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Present value of unfunded defined benefit obligations:				
Post-employment benefits	1,763,218	1,210,332	-	-
Gratuity obligations	3,539,576	-	746,948	-
	5,302,794	1,210,332	746,948	-

a) Post-employment benefits

	GROUP	
	2015 RM	2014 RM
Analysed as follows:		
Current liabilities	-	-
Non-current liabilities - more than five (5) years	1,763,218	1,210,332
	1,763,218	1,210,332

The total expense recognised in profit or loss is as follows:

	GROUP	
	2015 RM	2014 RM
Current service cost	354,396	1,042,804
Expense recognised in the profit or loss under employee benefits	354,396	1,042,804

Movements during the financial year in the amount recognised in the statements of financial position in respect of the Scheme are as follows:

	GROUP	
	2015 RM	2014 RM
Balance as at 1 April 2014/2013	1,210,332	190,739
Amount recognised in profit or loss	354,396	1,042,804
Exchange differences	198,490	(23,211)
Balance as at 31 March 2015/2014	1,763,218	1,210,332

34. PROVISIONS (CONTINUED)

a) Post-employment benefits (continued)

The key assumptions used for this valuation (presented by the weighted average) are as follows:

	GROUP	
	2015	2014
Discount rate	3.51%	4.09%
Salary increase rate	5.00%	5.00%
Annual voluntary resignation rate	0.00% - 19.06%	0.00% - 18.00%
Mortality rate	Thai Mortality table of 2008	Thai Mortality table of 2008
Normal retirement age	55 years	55 years

b) Gratuity obligations

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Analysed as follows:				
Current liabilities	-	-	-	-
Non-current liabilities				
- later than one (1) year and not later than five (5) years	376,112	-	-	-
- more than five (5) years	3,163,464	-	746,948	-
	3,539,576	-	746,948	-

The total expense recognised in profit or loss is as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Current service cost	3,539,576	-	746,948	-
Expense recognised in the profit or loss under employee benefits	3,539,576	-	746,948	-

34. PROVISIONS (CONTINUED)

b) Gratuity obligations (continued)

Movements during the financial year in the amount recognised in the statement of financial position in respect of the Scheme are as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Balance as at 1 April 2014/2013	-	-	-	-
Amount recognised in profit or loss	3,539,576	-	746,948	-
Balance as at 31 March 2015/2014	3,539,576	-	746,948	-

The key assumptions used for this valuation (presented by the weighted average) are as follows:

	GROUP	COMPANY
Discount rate	4.68%	4.94%
Salary increase rate	4.07%	2.22%
Annual voluntary resignation rate	0.00% - 33.33%	0.00% - 14.63%
Mortality rate	Malaysia Ordinary Insured 1999-2003	Malaysia Ordinary Insured 1999-2003
Normal retirement age	60 years	60 years

35. EMPLOYEE BENEFITS

The total employee benefits recognised in profit or loss are as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Salaries, wages, bonuses and allowances	71,598,817	58,255,547	6,206,155	6,056,952
Defined contribution plan	7,335,709	5,712,238	728,329	723,268
Share options granted under ESOS				
- Directors	-	1,532,161	-	1,532,161
- Other employees	-	1,546,119	-	735,371
Shares granted under ESGP to an eligible employee	80,000	-	80,000	-
Provision for post-employment benefits	354,396	1,042,804	-	-
Provision for gratuity obligations	3,539,576	-	746,948	-
Other employee benefits	3,631,874	2,816,774	128,414	208,636
	86,540,372	70,905,643	7,889,846	9,256,388

35. EMPLOYEE BENEFITS (CONTINUED)

Included in the employee benefits of the Group and of the Company are remuneration paid to Executive Directors' amounting to RM7,222,688 (2014: RM6,608,557) and RM3,292,869 (2014: RM2,915,123) respectively.

The remuneration of Directors and other key management personnel during the financial year are as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Directors' fees	1,304,802	1,291,566	492,000	508,190
Salaries, and other short term employee benefits:				
Directors	7,222,688	6,608,557	3,292,869	2,915,123
Other key management personnel	4,342,221	3,486,978	-	-
	11,564,909	10,095,535	3,292,869	2,915,123

36. LONG-TERM INCENTIVE PLAN (LTIP)

At an Extraordinary General Meeting held on 24 September 2013, the Directors were authorised to proceed with the establishment and administration of the Long Term Incentive Plan (LTIP or Scheme), which comprises an Employee Share Option Scheme (ESOS) and an Employee Share Grant Plan (ESGP) and is administered by the LTIP Committee which is appointed by the Board of Directors, in accordance with the By-Laws of the LTIP. The LTIP should be in force for a period of 5 years from 16 October 2013, unless extended further.

The main features of the LTIP are as follows:

(a) Eligible Directors and employees are those who are confirmed employees of the Company and/or its eligible subsidiaries and has attained the age of eighteen (18) years before the date of offer;

(b) The maximum number of options to be issued under the LTIP should not exceed in aggregate fifteen percent (15%) of the issued and paid-up ordinary share capital of the Company at any point of time during the tenure of the LTIP. In addition, any individual Director or employee's maximum entitlement should not exceed ten percent (10%) of the ordinary shares of the Company in issue in the 12 months period up to (and including) the date of the grant;

(c) The options granted may be exercised at any time within the option period from the date of offer;

(d) In the case of the ESGP, the shares will be vested with the grantee at no consideration on the vesting date: while in the case of the ESOS, the option price of a new ordinary share should be the five (5)-day weighted average market prices of the shares as quoted in the Daily Official List issued by Bursa Malaysia Securities Berhad immediately preceding the date of offer, or at the par value of the ordinary shares of RM0.50, whichever is higher; and

(e) The options granted are not entitled to dividends or voting rights. Upon exercise of the options, the ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

36. LONG-TERM INCENTIVE PLAN (LTIP) (CONTINUED)

The fair value of share options granted in the previous financial year to eligible employees, was determined using the Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted.

The fair value of share options measured at the grant date and the input assumed by the Company in arriving the fair value are as follows:

Fair value of share options at grant date (RM) on:	
6 January 2014	0.282
Exercise price (RM)	0.660
Share price of the Company at grant date (RM)	0.715
Option life (years)	3
Volatility (%)	50.030
Risk-free rate (%)	3.172

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company.

Details of the ESOS over the ordinary shares of the Company are as follows:

DATE TO OFFER	OPTION PRICE RM	NUMBER OF OPTIONS OVER ORDINARY SHARES OF RM0.50 EACH				
		OUTSTANDING AS AT 1.4.2014	MOVEMENTS DURING FINANCIAL YEAR			OUTSTANDING AS AT 31.3.2015
			GRANTED	EXERCISED	LAPSED	
6 January 2014	0.66	10,666,800	-	-	(692,400)	9,974,400

37. ACQUISITION OF SUBSIDIARIES

(a) Acquisition of CSAS

On 1 August 2014, the Microlink, a 88.3% owned subsidiary of the Company completed an acquisition of 100% equity interest in CSAS, a company incorporated in Malaysia which is engaged in the provision of computer repair and maintenance service, supply of computer parts, accessories, computers and peripherals for a cash consideration of RM1,829,521.

Goodwill on consolidation arising from the acquisition of CSAS of RM1,186,126 was accounted for using the acquisition method of accounting.

The Group acquired CSAS in order to strengthen its position as a leading provider of information technology services in Malaysia and to enlarge the range of products it could offer to its customers.

37. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(a) Acquisition of CSAS (continued)

The fair value of the assets acquired and the liabilities assumed from the acquisition of the subsidiary are as follows:

	2015	
	Acquiree's carrying amount RM	Fair value recognised on acquisition RM
Property, plant and equipment	24,069	24,069
Trade receivables	537,643	537,643
Current tax assets	591	591
Cash and bank balances	645,360	645,360
Trade payables	(564,153)	(564,153)
Other payables	(115)	(115)
Net identifiable assets acquired	643,395	643,395
Less: Non-controlling interests		-
Group's share of net assets		643,395
Add: Goodwill on acquisition of CSAS		1,186,126
Total cost of acquisition		1,829,521
Less: Cash and cash equivalents of subsidiary acquired		(645,360)
Net cash outflow of the Group on acquisition		1,184,161

(b) In 2014, the Group completed the following acquisitions:

(i) Acquisition of FIBER

On 23 April 2013, CNA completed the acquisition of 60,000 Share Sale and 250,000 ordinary shares of RM1.00 each in FIBER. The remaining 40,000 Sale Shares and the subscription of the remaining 250,000 Subscription Shares had been completed on 7 June 2013 subsequently. Accordingly, FIBER became a 40% owned associate of the Group. As at 31 March 2014, CNA, had increased its equity interest in FIBER to 52.63% and regarded FIBER as a subsidiary of the Group on that date.

Goodwill on consolidation arising from the acquisition of FIBER amounting to RM1,953,203 had been accounted for using the acquisition method of accounting.

The Group acquired FIBER in order to strengthen its position as a leading provider of information technology services in Malaysia and to enlarge the range of products it could offer to its customers.

37. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(b) In 2014, the Group completed the following acquisitions (continued):

(i) Acquisition of FIBER (continued)

The fair value of the assets acquired and the liabilities assumed from the acquisition of the subsidiary were as follows:

	2014	
	Acquiree's carrying amount RM	Fair value recognised on acquisition RM
Property, plant and equipment	3,032,321	3,032,321
Inventories	15,796	15,796
Trade receivables	2,659,386	2,659,386
Other receivables	845,687	845,687
Current tax assets	1,766	1,766
Cash and bank balances	43,033	43,033
Trade payables	(1,935,609)	(1,935,609)
Other payables	(1,167,308)	(1,167,308)
Lease creditors	(906,849)	(906,849)
Net identifiable assets acquired	2,588,223	2,588,223
Less: Non-controlling interests		(1,225,999)
Group's share of net assets		1,362,224
Add: Goodwill on acquisition of FIBER		2,592,308
Total cost of acquisition		3,954,532
Less: Cost of investment previously accounted for as investment in associate		(3,000,000)
Total cost of acquisition transferred		954,532
Less: Cash and cash equivalents of subsidiary acquired		(43,033)
Net cash outflow of the Group on acquisition		911,499

37. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(b) In 2014, the Group completed the following acquisitions (continued):

(ii) Acquisition of Yakimbi

In the previous financial year, CNA completed the subscription of 335,000 ordinary shares of RM1.00 each, being the third and fourth tranche of the Subscription Shares by CNA in its existing associate, Yakimbi. Hence, the Group's equity interest in Yakimbi increased from 30.7% to 40%.

Subsequently on 28 October 2013, CNA further subscribed to its entitlement of 800,000 ordinary shares of RM1.00 each (Shares) and an additional 1,200,000 Shares in Yakimbi renounced by other shareholders of Yakimbi pursuant to the renounceable two-call rights issue of 2,000,000 new ordinary shares of RM1.00 each (Rights Shares), on the basis of four (4) Rights Shares for every five (5) existing Shares held on 21 October 2013, at an issue price of RM1.00 per Rights Share, paid in two (2) calls, of which the first call at RM0.50 per Rights Share was fully paid in cash on application and the second call of RM0.50 per Rights Share was capitalised from Yakimbi's share premium reserve upon allotment (Two-Call Rights Issue) [Subscription of Two-Call Rights Issue in Yakimbi].

Accordingly, CNA increased its equity interest in Yakimbi to 66.7% and regarded Yakimbi as a subsidiary of the Group on that date.

Goodwill on consolidation arising from the acquisition of Yakimbi of RM576,411 had been accounted for using the acquisition method of accounting.

The Group acquired Yakimbi in order to strengthen its position as a leading provider of information technology services in Malaysia and to enlarge the range of products it could offer to its customers.

Fair value of the assets acquired and the liabilities assumed from the acquisition were as follows:

	2014	
	Acquiree's carrying amount RM	**Fair value recognised on acquisition RM**
Property, plant and equipment	211,845	211,845
Software development costs	1,921,620	1,921,620
Trade receivables	3,043	3,043
Other receivables	100,731	100,731
Current tax assets	10,500	10,500
Cash and bank balances	226,267	226,267
Trade payables	(33,457)	(33,457)
Other payables	(305,165)	(305,165)
Net identifiable assets acquired	2,135,384	2,135,384
Less: Non-controlling interests		(711,795)
Group's share of net assets		1,423,589
Add: Goodwill on acquisition of Yakimbi		576,411
Total cost of combination		2,000,000

37. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(b) In 2014, the Group completed the following acquisitions (continued):

(ii) Acquisition of Yakimbi (continued)

Fair value of the assets acquired and the liabilities assumed from the acquisition were as follows:

	2014	
	Acquiree's carrying amount RM	Fair value recognised on acquisition RM
Total cost of combination		2,000,000
Add: Loss on re-measurement at acquisition date		2,000,000
Total cost of acquisition		4,000,000
Less: Cost of investment previously accounted for as investment in associate		(3,000,001)
Total cost of acquisition transferred		999,999
Less: Cash and cash equivalents of subsidiary acquired		(226,267)
Net cash outflow of the Group on acquisition		773,732

(iii) Acquisition of Microlink

On 1 August 2013, OHB, a wholly-owned subsidiary of the Company, increased its equity interest in Microlink from 29.2% to 51.2% and regarded Microlink as a subsidiary of the Group on that date.

On 26 August 2013, the equity interest of OHB in Microlink was further increased to 97.8%. This had resulted in the reduction in Microlink's public shareholding spread to 2.2%, which was not in compliance with Rule 8.02 of the ACE Market Listing Requirement of Bursa Malaysia Securities that at least 25% of its total listed shares are in the hands of public shareholders (Public Spread Requirement).

On 27 August 2013 and 4 September 2013, OHB divested 12,500,000 and 500,000 ordinary shares of RM0.10 each in Microlink respectively for a sale consideration of RM0.55 per Microlink Share (Divestment Price) to third party individual investors (Investors) via direct business transactions in order to rectify the shortfall in the Public Spread Requirement of Microlink. Upon completion of the Divestment, OHB held an aggregate of 88.4% equity interest in Microlink.

From 4 September 2013 to 18 November 2013, OHB further acquired an aggregate of additional 351,800 ordinary shares of RM0.10 each in Microlink for an aggregate cash consideration of RM211,080. This resulted in an increase in equity interest in Microlink from 88.4% to 88.5% as at the end of the reporting period.

Goodwill on consolidation arising from the acquisition of Microlink amounting to RM14,049,903 had been accounted for using the acquisition method of accounting.

The Group acquired Microlink in order to strengthen its position as a leading provider of information technology services in Malaysia and to enlarge the range of products it could offer to its customers.

37. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(b) In 2014, the Group completed the following acquisitions (continued):

(iv) Acquisition of Microlink (continued)

Fair value of the assets acquired and the liabilities assumed from the acquisition were as follows:

	2014	
	Acquiree's carrying amount RM	Fair value recognised on acquisition RM
Property, plant and equipment	1,895,433	1,895,433
Software development costs	13,815,683	18,646,562
License agreement	-	6,475,433
Other investments	18,304,043	18,304,043
Trade receivables	3,098,146	3,098,146
Other receivables	1,964,352	1,964,352
Current tax assets	357,541	357,541
Cash and bank balances	8,680,626	8,680,626
Trade payables	(1,197,047)	(1,197,047)
Other payables	(9,236,379)	(9,236,379)
Deferred tax liabilities	(293,617)	(293,617)
Current tax payables	(13,892)	(13,892)
Net identifiable assets acquired	37,374,889	48,681,201
Less: Non-controlling interests		(23,446,541)
Group's share of net assets		25,234,660
Add: Goodwill on acquisition of Microlink		14,049,903
Total cost of combination		39,284,563
Less: Gain on re-measurement at acquisition date		(8,112,054)
Total cost of acquisition		31,172,509
Less: Cost of investment previously accounted for as investment in associate		(12,272,742)
Total cost of acquisition transferred		18,899,767
Less: Cash and cash equivalents of subsidiary acquired		(8,680,626)
Net cash outflow of the Group on acquisition		10,219,141

38. ACCRETION OF EQUITY INTERESTS IN SUBSIDIARIES

(i) On 31 July 2013, CNA completed the payment for the remaining 6.5% of the issued share capital of MYATM which was acquired during the previous financial year. Accordingly, the Group consolidated the assets, liabilities and results of MYATM based on equity interest 60.0% as at the end the reporting period.

(ii) On 14 June 2013, the Group through its wholly-owned subsidiary, FHB, completed the acquisition of the remaining 343,000 ordinary shares of RM1.00 each in FIRST. This resulted in an increase in equity interest in FIRST from 51% in the previous financial year to 100% as at the end of the reporting period.

39. DILUTION OF EQUITY INTERESTS IN SUBSIDIARIES

(i) During the period 27 February 2015 to 4 March 2015, OHB, a wholly-owned subsidiary of the Company, disposed off a total of 95,000,000 ordinary shares of RM0.10 each in DGSB, a 60.0% owned subsidiary of OHB, representing 7.0% of the total issued and paid-up share capital of DGSB in the open market for a total cash consideration of RM11,905,407, at an average of RM0.1253 per DGSB share. Following the disposals, OHB now holds a total of 718,923,401 DGSB shares, representing 53.0% equity interest in DGSB.

In the previous financial year, the following dilution occurred:

(i) On 10 February 2014, FCS has divested 980,000 ordinary shares of RM1.00 each, representing 49% of the total issued and paid-up share capital, of FNS, a wholly-owned subsidiary of FCS, to Anaho for a total cash consideration of RM1.00 only (Divestment). The Divestment form part of the Group's corporate social responsibility initiatives. As such, FCS's equity interest in FNS has been diluted from 100% to 51%. The proportionate share of the net assets of FNS as at the date of the dilution of equity interest was RM725,872. The non-controlling interests' proportionate share of the net assets at the transaction date of RM725,871 has been adjusted directly to equity as transaction with owners.

(ii) On 18 December 2013, CLS, the holding company of CAFB transferred its entire equity interest of eight (8) and two (2) ordinary shares of RM1.00 each in CAFB to CNA and CAF for a total cash consideration of RM8.00 and RM2.00 respectively. Accordingly, CAFB became a 80% owned subsidiary of CNA and the Group's indirect equity interest in CAFB had been diluted from 85% to 80%. The proportionate share of the net liabilities of CAFB as at the date of the dilution of equity interest was RM77,636. The non-controlling interests' proportionate share of the net liabilities at the transaction date of RM77,638 has been adjusted directly to equity as transaction with owners.

(iii) On 12 December 2013, CNA divested 100 ordinary shares of SGD1.00 each in BAP to Bancore A/S, a company incorporated in Copenhagen, Denmark, for a total cash consideration of SGD1.00. This has resulted CNA's equity interest in BAP diluted from 100% to 66.7% accordingly. The proportionate share of the net assets of BAP as at the date of the dilution of equity interest was RM256. The non-controlling interests' proportionate share of the net assets at the transaction date of RM253 has been adjusted directly to equity as transaction with owners.

40. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has controlling related party relationships with its direct and indirect subsidiaries.

40. RELATED PARTY DISCLOSURES (CONTINUED)

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Sales of goods and services from subsidiaries	-	-	2,676,000	2,634,000
Management fees received from associates	-	-	38,400	78,000
Interest paid/payable to a company related to a Director	4,560,615	2,983,817	-	-
Interest received/receivable received from subsidiaries	-	-	189,170	-
Training room rental received from subsidiaries	-	-	154,800	154,800

The related parties transactions described above were carried out on terms and conditions mutually agreed with the respective related parties.

41. OPERATING SEGMENTS

The Company and its subsidiaries in Malaysia are principally engaged in the distribution, maintenance and development of computer hardware and software and advisory and consultancy for computer software solutions while its subsidiaries in Singapore and Thailand are principally engaged in advisory and consultancy for computer software solutions.

(a) Business segments

The Group has arrived at three (3) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which requires different business and marketing strategies. The reportable segments are summarised as follows:

(i) Business Performance Services

Provision of business performance improvement related services.

(ii) Trading & Distribution Services

Distribution and reselling of hardware and software and related services.

(iii) Digital & Infrastructure Services

Provision of a comprehensive range of tele/data communication, networking solutions and related services.

Other operating segments comprise operations related to the property development and investment holding.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss from operations before tax.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

41. OPERATING SEGMENTS (CONTINUED)

(a) Business segments (continued)

2015	Business Performance Services RM	Trading and Distribution Services RM	Digital and Infrastructure Services RM	Others RM	Elimination RM	Consolidation RM
REVENUE						
External sales	220,547,832	172,415,876	42,245,460	261,973	-	435,471,141
Inter-segment sales	31,052,625	28,558,236	27,296,479	48,020,161	(134,927,501)	-
Total	251,600,457	200,974,112	69,541,939	48,282,134	(134,927,501)	435,471,141
RESULTS						
Segment results	12,018,703	5,200,621	66,832	22,648,046	(36,520,950)	3,413,254
Interest expense	(1,736,331)	(668,991)	(733,683)	(5,439,560)	377,680	(8,200,885)
Interest income	834,267	289,130	321,655	336,560	(380,927)	1,400,685
Share of profit in associates, net of tax	-	-	-	9,628,856	-	9,628,856
Profit before tax						6,241,910
Tax expense	(3,174,433)	(632,552)	(2,063,665)	(98,838)	-	(5,969,488)
Profit for the year						272,422
OTHER INFORMATION						
Segment assets	343,996,092	84,211,070	90,606,323	303,870,201	(287,161,055)	535,522,631
Segment liabilities	343,036,479	54,277,548	39,871,287	184,133,352	(381,643,544)	239,675,122
Capital expenditure	4,073,075	1,428,982	5,069,049	90,787	(2,713,459)	7,948,434
Depreciation and amortisation	5,051,319	602,769	939,727	295,480	661,225	7,550,520
Non-cash expenses other than depreciation and amortisation	1,625,806	228,608	1,579,415	23,933,471	(18,899,220)	8,468,080

41. OPERATING SEGMENTS (CONTINUED)

(a) Business segments (continued)

2014	Business Performance Services RM	Trading and Distribution Services RM	Digital and Infrastructure Services RM	Others RM	Elimination RM	Consolidation RM
REVENUE						
External sales	169,210,892	162,817,290	19,655,780	602,000	-	352,285,962
Inter-segment sales	22,372,415	15,284,081	17,741,805	39,575,527	(94,973,828)	-
Total	191,583,307	178,101,371	37,397,585	40,177,527	(94,973,828)	352,285,962
RESULTS						
Segment results	32,114,017	5,315,747	4,375,310	43,920,485	(51,897,462)	33,828,097
Interest expense	(1,160,000)	(824,469)	(105,066)	(4,082,940)	44,675	(6,127,800)
Interest income	719,363	387,408	132,081	341,530	(44,675)	1,535,707
Share of profit in associates, net of tax	-	-	-	6,977,057	-	6,977,057
Profit before tax						36,213,061
Tax expense	(1,618,600)	(520,394)	(1,804,571)	494,377	-	(3,449,188)
Profit for the year						32,763,873
OTHER INFORMATION						
Segment assets	275,482,589	99,601,561	79,509,064	289,390,139	(260,521,673)	483,461,680
Segment liabilities	245,430,915	59,461,429	27,087,276	231,497,948	(363,281,019)	200,196,549
Capital expenditure	3,256,667	1,085,865	1,424,162	1,160,165	-	6,926,859
Depreciation and amortisation	4,409,362	1,066,845	480,930	293,713	(768,021)	5,482,829
Non-cash expenses other than depreciation and amortisation	10,834,289	195,839	1,567,833	4,580,824	(11,948,991)	5,229,794

41. OPERATING SEGMENTS (CONTINUED)

(b) Geographical segments

2015	Revenue RM	Segment assets RM	Segment liabilities RM	Capital expenditure RM	Depreciation and amortisation RM
Malaysia	398,324,142	508,245,509	211,929,406	7,792,168	7,379,962
Singapore	5,804,428	4,083,970	6,720,771	3,678	14,347
Thailand	31,342,571	20,097,570	12,989,896	148,991	151,486
Indonesia	-	664,805	7,846,197	-	1,845
Vietnam	-	81,802	26,809	3,597	177
Brunei	-	2,348,975	162,043	-	2,703
	435,471,141	535,522,631	239,675,122	7,948,434	7,550,520
2014					
Malaysia	319,533,173	462,269,959	182,605,129	6,565,473	5,330,984
Singapore	5,981,280	2,903,253	3,693,419	60,255	12,534
Thailand	26,771,509	17,412,383	12,945,720	289,147	134,777
Indonesia	-	784,836	952,216	-	3,935
Brunei	-	91,249	65	11,984	599
	352,285,962	483,461,680	200,196,549	6,926,859	5,482,829

42. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the Group's capital management is to ensure that entities of the Group would be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged from financial year ended 31 March 2014.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2015 and 31 March 2014.

42. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Capital management (continued)

The Group monitors capital using a gearing ratio, which is total borrowings divided by total equity. The Group has a target gearing ratio of 30% to 50% determined as the proportion of total borrowings to equity. The gearing ratios as at 31 March 2015 and 31 March 2014 are as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Total borrowings (Note 24)	113,693,074	92,392,002	73,764	137,551
Total equity	295,847,509	283,265,131	258,069,877	225,403,002
Gearing ratio	38.4%	32.6%	*0.0%	0.1%

* Negligible

(b) Categories of financial instruments

GROUP 2015	Available -for-sale RM	Loans and receivables RM	Fair value through profit or loss RM	Total RM
FINANCIAL ASSETS				
Other investments	4,676,466	-	10,602,588	15,279,054
Trade receivables	-	92,952,086	-	92,952,086
Other receivables	-	32,853,995	-	32,853,995
Cash and bank balances	-	75,118,471	-	75,118,471
	4,676,466	200,924,552	10,602,588	216,203,606

GROUP 2015	Other financial liabilities RM	Total RM
FINANCIAL LIABILITIES		
Borrowings	113,693,074	113,693,074
Trade payables	34,795,465	34,795,465
Other payables, deposits and accruals	58,586,727	58,586,727
	207,075,266	207,075,266

42. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Categories of financial instruments (continued)

GROUP 2014	Available -for-sale RM	Loans and receivables RM	Fair value through profit or loss RM	Total RM
FINANCIAL ASSETS				
Other investments	4,676,466	-	30,745,919	35,422,385
Trade receivables	-	79,301,839	-	79,301,839
Other receivables	-	26,287,806	-	26,287,806
Cash and bank balances	-	67,346,931	-	67,346,931
	4,676,466	172,936,576	30,745,919	208,358,961

GROUP 2014	Other financial liabilities RM	Total RM
FINANCIAL LIABILITIES		
Borrowings	92,392,002	92,392,002
Trade payables	33,655,828	33,655,828
Other payables, deposits and accruals	43,209,540	43,209,540
	169,257,370	169,257,370

COMPANY 2015	Loans and receivables RM	Available -for-sale RM	Total RM
FINANCIAL ASSETS			
Other investments	23,189,530	3,076,467	26,265,997
Other receivables	36,987,233	-	36,987,233
Amounts owing by subsidiaries	33,739,406	-	33,739,406
Cash and bank balances	5,238,859	-	5,238,859
	99,155,028	3,076,467	102,231,495

COMPANY 2015	Other financial liabilities RM	Total RM
FINANCIAL LIABILITIES		
Borrowings	73,764	73,764
Other payables and accruals	2,710,734	2,710,734
Amounts owing to subsidiaries	25,772,607	25,772,607
	28,557,105	28,557,105

42. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Categories of financial instruments (continued)

COMPANY 2014	Loans and receivables RM	Available -for-sale RM	Total RM
FINANCIAL ASSETS			
Other investments	-	3,076,467	3,076,467
Other receivables	14,874,256	-	14,874,256
Amounts owing by subsidiaries	65,238,351	-	65,238,351
Cash and bank balances	533,187	-	533,187
	80,645,794	3,076,467	83,722,261

COMPANY 2014	Other financial liabilities RM	Total RM
FINANCIAL LIABILITIES		
Borrowings	137,551	137,551
Other payables and accruals	2,460,311	2,460,311
Amounts owing to subsidiaries	57,408,857	57,408,857
	60,006,719	60,006,719

(c) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

i. Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of financial assets and financial liabilities, such as trade and other receivables, amount owing by subsidiaries, amounts owing by associates, trade and other payables and borrowings, are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the current portion of borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

The fair value of these borrowings has been determined using discounted cash flows technique. The discount rates used are based on the risk-free Malaysian Government Securities (MGS) rates with a credit spread added to reflect the default risk of the Group.

ii. Obligations under finance lease and fixed rate bank loans

The fair value of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the reporting period.

42. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Methods and assumptions used to estimate fair value (continued)

iii. Quoted shares and quoted income funds

The fair value of quoted investments in Malaysia is determined by reference to the exchange quoted market bid prices at the close of business at the end of the reporting period.

iv. Unquoted shares

The fair value of unquoted investment is determined by reference to the counter party quotation. Management believes that the estimated fair value resulting from this valuation technique is reasonable and the most appropriate at the end of the reporting period.

The management is of the view that changing one or more of the inputs to a reasonably possible alternative assumption would not change the fair value of the unquoted investments significantly.

(d) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of Level 3 financial instruments as well as the relationship between key unobservable inputs and fair value, is detailed in the table below.

Financial instrument	Valuation technique used	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
FINANCIAL ASSETS			
Transferrable golf club memberships	Counter party quotation	Comparable market value of similar financial assets	The higher the market rate, the higher the fair value of the other investments
Available for sale - unquoted shares	Counter party quotation	Comparable market value of similar financial assets	The higher the market rate, the higher the fair value of the other investments

42. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Fair value hierarchy (continued)

2015 GROUP	FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE				FAIR VALUE OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE				TOTAL FAIR VALUE RM	CARRYING AMOUNT RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
FINANCIAL ASSETS										
Financial assets at fair value through profit or loss										
- Quoted shares	9,247,267	-	-	9,247,267	-	-	-	-	9,247,267	9,247,267
- Quoted income fund	1,250,321	-	-	1,250,321	-	-	-	-	1,250,321	1,250,321
- Transferrable golf club memberships	-	-	105,000	105,000	-	-	-	-	105,000	105,000
Available-for-sale financial assets										
- Unquoted shares	-	-	4,676,466	4,676,466	-	-	-	-	4,676,466	4,676,466
FINANCIAL LIABILITIES										
Other financial liabilities										
- Hire purchase and lease creditor	-	-	-	-	-	36,817,971	-	36,817,971	36,817,971	36,817,971

2015 COMPANY	FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE				FAIR VALUE OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE				TOTAL FAIR VALUE RM	CARRYING AMOUNT RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
FINANCIAL ASSETS										
Available-for-sale financial assets										
- Unquoted shares	-	-	3,076,467	3,076,467	-	-	-	-	3,076,467	3,076,467
FINANCIAL LIABILITIES										
Other financial liabilities										
- Hire purchase and lease creditors	-	-	-	-	-	73,764	-	73,764	73,764	73,764

42. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Fair value hierarchy (continued)

2014 GROUP	FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE				FAIR VALUE OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE				TOTAL FAIR VALUE RM	CARRYING AMOUNT RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
FINANCIAL ASSETS										
Financial assets at fair value through profit or loss										
- Quoted shares	14,179,653	-	-	14,179,653	-	-	-	-	14,179,653	14,179,653
- Quoted income fund	16,461,266	-	-	16,461,266	-	-	-	-	16,461,266	16,461,266
- Transferrable golf club memberships	-	-	105,000	105,000	-	-	-	-	105,000	105,000
Available-for-sale financial assets										
- Unquoted shares	-	-	4,676,466	4,676,466	-	-	-	-	4,676,466	4,676,466
FINANCIAL LIABILITIES										
Other financial liabilities										
- Hire purchase and lease creditors	-	-	-	-	-	30,587,660	-	30,587,660	30,587,660	30,587,660

2014 COMPANY	FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE				FAIR VALUE OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE				TOTAL FAIR VALUE RM	CARRYING AMOUNT RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
FINANCIAL ASSETS										
Available-for-sale financial assets										
- Unquoted shares	-	-	3,076,467	3,076,467	-	-	-	-	3,076,467	3,076,467
FINANCIAL LIABILITIES										
Other financial liabilities										
- Hire purchase and lease creditors	-	-	-	-	-	137,551	-	137,551	137,551	137,551

43. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES

The Group's financial risk management objective is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group's financial risk management policies. The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk and foreign currency risk. Information on the management of the related exposures is detailed below:

(i) Credit risk

Cash deposits and trade and other receivables may give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. It is the Group's policy to monitor the financial standing of the counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit, except for new customers, where deposits in advance are normally required. The credit period is generally for a period of one (1) month, extending up to three (3) months for major customers. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

The Company has no significant concentration of credit risks except for the amounts due from subsidiaries constituting 47.8% (2014: 81.0%) of total receivables of the Company.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period are as follows:

	GROUP			
	2015		2014	
	RM	% of total	RM	% of total
By country				
Malaysia	86,086,982	92%	71,815,365	90%
Singapore	487,959	1%	589,253	1%
Thailand	6,377,145	7%	6,897,221	9%
	92,952,086	100%	79,301,839	100%

43. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES (CONTINUED)

(i) Credit risk (continued)

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 18 to the financial statements. Deposits with banks and other financial institutions and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 18 to the financial statements.

(ii) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the Group's activities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

	2015			
GROUP	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
FINANCIAL LIABILITIES				
Trade payables	34,795,465	-	-	34,795,465
Other payables, deposits and accruals	58,586,727	-	-	58,586,727
Bankers' acceptance and factoring loan	5,499,195			5,499,195
Bank overdrafts	11,751,150	-	-	11,751,150
Hire purchase and lease creditors	19,712,957	18,682,331	168,879	38,564,167
Trust receipts	7,781,408	-	-	7,781,408
Term loans	51,843,350	-	-	51,843,350
Total undiscounted financial liabilities	189,970,252	18,682,331	168,879	208,821,462

43. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES (CONTINUED)

(ii) Liquidity and cash flow risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations (continued):

GROUP	2014			
	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
FINANCIAL LIABILITIES				
Trade payables	33,655,828	-	-	33,655,828
Other payables, deposits and accruals	43,209,540	-	-	43,209,540
Bankers' acceptance and factoring loan	7,395,587	-	-	7,395,587
Bank overdrafts	8,504,939	-	-	8,504,939
Hire purchase and lease creditors	16,901,084	14,769,179	78,130	31,748,393
Trust receipts	4,846,316	-	-	4,846,316
Term loans	41,057,500	-	-	41,057,500
Total undiscounted financial liabilities	155,570,794	14,769,179	78,130	170,418,103

COMPANY	2015			
	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
FINANCIAL LIABILITIES				
Other payables and accruals	2,710,734	-	-	2,710,734
Amounts owing to subsidiaries	25,719,755	-	-	25,719,755
Hire purchase and lease creditors	70,500	5,875	-	76,375
Total undiscounted financial liabilities	28,500,989	5,875	-	28,506,864

COMPANY	2014			
	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
FINANCIAL LIABILITIES				
Other payables and accruals	2,460,311	-	-	2,460,311
Amounts owing to subsidiaries	57,408,857	-	-	57,408,857
Hire purchase and lease creditors	70,500	76,375	-	146,875
Total undiscounted financial liabilities	59,939,668	76,375	-	60,016,043

43. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES (CONTINUED)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to risk of changes in interest rates is related primarily to the Group's cash deposits placed with licensed banks and borrowings. Interest rate exposure arising from the Group's borrowings is managed through the use of fixed and floating rates debts. The Group does not use derivative financial instruments to hedge these risks.

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk:

GROUP AS AT 31 MARCH 2015	Note	Weighted average effective interest rate %	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM	Total RM
FIXED RATES									
Fixed deposits	21	2.67	32,101,442	-	-	-	-	-	32,101,442
Short term money market deposits	21	2.40	13,489,075	-	-	-	-	-	13,489,075
Term loans *	24	10.03	48,343,350	-	-	-	-	-	48,343,350
Hire purchase and lease creditors	26	5.58	18,008,311	13,006,220	4,481,695	1,095,767	58,107	167,871	36,817,971
FLOATING RATES									
Bankers' acceptance and factoring loan	24	5.91	5,499,195	-	-	-	-	-	5,499,195
Bank overdrafts	24	4.78	11,751,150	-	-	-	-	-	11,751,150
Trust receipts	24	7.50	7,781,408	-	-	-	-	-	7,781,408

* Exclude term loan of RM3,500,000 which is non-interest bearing as disclosed in Note 25 to the financial statements.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES (CONTINUED)

(iii) Interest rate risk (continued)

GROUP AS AT 31 MARCH 2015	Note	Weighted average effective interest rate %	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM	Total RM
FIXED RATES									
Fixed deposits	21	2.96	21,550,465	-	-	-	-	-	21,550,465
Short term money market deposits	21	2.40	22,160,408	-	-	-	-	-	22,160,408
Term loans *	24	10.98	41,057,500	-	-	-	-	-	41,057,500
Hire purchase and lease creditors	26	2.48	16,000,178	10,526,058	2,685,232	685,695	615,507	74,990	30,587,660
FLOATING RATES									
Bankers' acceptance and factoring loan	24	4.98	7,395,587	-	-	-	-	-	7,395,587
Bank overdrafts	24	7.80	8,504,939	-	-	-	-	-	8,504,939
Trust receipts	24	6.60	4,846,316	-	-	-	-	-	4,846,316

* Exclude term loan of RM3,500,000 which is non-interest bearing as disclosed in Note 25 to the financial statements.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES (CONTINUED)

(iii) Interest rate risk (continued)

COMPANY AS AT 31 MARCH 2015	Note	Weighted average effective interest rate %	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	Total RM
FIXED RATES							
Short term money market deposits	21	2.40	5,165,793	-	-	-	5,165,793
Hire purchase	26	3.50	67,918	5,846	-	-	73,764
AS AT 31 MARCH 2014							
FIXED RATES							
Fixed deposits	21	3.00	422,363	-	-	-	422,363
Hire purchase	26	3.50	63,787	73,764	-	-	137,551

Sensitivity analysis for interest rate risk

A change of 100 basis points (bp) in interest rates at the end of the reporting period would have increased/(decreased) loss for the financial year by the amounts shown below. This analysis assumes that all other variables in particular foreign currency rates, remain constant.

	2015 PROFIT AFTER TAX		2014 LOSS AFTER TAX	
GROUP	100 bp increase RM	100 bp decrease RM	100 bp increase RM	100 bp decrease RM
Floating rate instruments	187,738	(187,738)	10,601	(10,601)

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk as a result of the foreign currency denominated transactions entered into by the Group during the course of business. The foreign currency primarily involved is the US Dollar. Transactions in all other currencies are minimal. The Group monitors the movement in foreign currency exchange rates closely to ensure their exposure is minimised. The Group does not use derivative financial instruments to hedge these risks.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES (CONTINUED)

(iv) Foreign currency risk (continued)

The net unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows:

AS AT 31 MARCH 2015	Ringgit Malaysia RM	Indonesia Rupiah RM	Total RM
FINANCIAL ASSETS AND LIABILITIES NOT HELD IN RESPECTIVE FUNCTIONAL CURRENCIES			
Trade receivables			
US Dollar	7,730,877	-	7,730,877
Brunei Dollar	379,252	-	379,252
Trade payables			
US Dollar	3,853,772	-	3,853,772
GBP	12,256	-	12,256
Cash and cash equivalents			
Ringgit Malaysia	-	14,926	14,926
US Dollar	-	11,959	11,959
Euro	-	1,606	1,606

AS AT 31 MARCH 2014	Ringgit Malaysia RM	Indonesia Rupiah RM	Total RM
FINANCIAL ASSETS AND LIABILITIES NOT HELD IN RESPECTIVE FUNCTIONAL CURRENCIES			
Trade receivables			
US Dollar	260,404	-	260,404
Singapore Dollar	92,175	-	92,175
Brunei Dollar	410,944	-	410,944
Trade payables			
US Dollar	1,671,573	-	1,671,573
Australian Dollar	107,723	-	107,723
GBP	24,755	-	24,755
Cash and cash equivalents			
US Dollar	41,147	32,155	73,302
Singapore Dollar	-	1,629	1,629

43. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES (CONTINUED)

(iv) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

A 10% strengthening/weakening of the RM against foreign currencies at the end of the reporting period would have (decreased)/increased profit for the financial year by approximately RM388,900 (2014: RM100,300). This assumes that all other variables remain constant.

(v) Equity price risk

The Group's principal exposure to equity price risk arises mainly from changes in the prices of quoted investment and income funds. The Group manages its exposure to equity price risks by maintaining a portfolio of equities with different risk profiles.

There has been no change to the exposure of the Group to equity price risk or the manner in which this risk is managed and measured.

Sensitivity analysis for equity price risk

The following table details the sensitivity analysis to a reasonably possible change in the prices of the quoted investments and income funds as at the end of the reporting period, with all other variables held constant:

	Changes in equity prices	
GROUP	Increase of 10% RM	Decrease of 10% RM
2015		
Effects on profit for the financial year	1,049,700	(1,049,700)
2014		
Effects on profit for the financial year	3,064,100	(3,064,100)

44. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

(i) Pursuant to the LTIP implemented effective from 16 October 2013, the Board made the award of 200,000 and 165,000 new Omesti shares of RM0.50 each under the EGSP to an eligible employee and Directors on 1 April 2015 and 30 June 2015 respectively.

Exercise price of the Award is not applicable as the Omesti Shares will be issued upon vesting at no consideration. The closing market price of the Omesti Shares on the date of Award was RM0.50.

(ii) Pursuant to the LTIP implemented effective from 16 October 2013, the Board made the second offer of 11,039,800 new Omesti shares of RM0.50 each under the ESOS to the eligible employees and directors on 6 April 2015.

Exercise price of the offer is set at RM0.50 each, with vesting period from 6 April 2015 to 5 January 2017.

(iii) On 10 June 2015, the Company intends to undertake a distribution exercise (Proposed Distribution) of up to 5,978,436 Microlink Shares, representing up to approximately 3.93% of the total ordinary issued and paid-up share capital of Microlink, on the basis of one (1) Microlink Share for every hundred (100) Omesti ordinary shares of RM0.50 each held, to its entitled shareholders whose names appear in the Record of Depositors of the Company at the entitlement date by way of a dividend-in-specie to be offset against the Company's retained profits.

45. REMEASUREMENT PERIOD ADJUSTMENTS

On 31 March 2014, CNA, a wholly-owned subsidiary of OHB had increased its equity interest in FIBER to 52.6% and regarded FIBER as a subsidiary of the Group on that date.

During the financial year, adjustments to the provisional values of net assets have been recognised as a result of additional information obtained within the remeasurement period.

The following comparative figures have been restated followed by the remeasurement period adjustments:

GROUP	As previously reported RM	Effect on remeasurement period adjustments RM	As restated RM
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014			
Property, plant and equipment	18,745,079	(1,214,299)	17,530,780
Goodwill	79,278,084	639,105	79,917,189
Non-controlling interests	23,766,517	(575,194)	23,191,323

46. EXPLANATION OF TRANSITION TO FRS

With the conversion from MFRS to FRS Framework, the Group and the Company no longer applied IFRIC 15 and will revert to FRS 201_{2004} *Property Development Activities*. The Group and the Company would recognise the revenue and expenses in the statement of profit or loss and other comprehensive income under property development industry using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Following the conversion from MFRS Framework to FRS Framework, the Group and the Company have consistently applied the same accounting policies in its opening FRSs statements of financial position as at the date of reversion from MFRS to FRS Framework, i.e. 1 January 2013, and throughout all financial years presented, as if these policies had always been in effect.

The Group has adjusted amounts previously reported in financial statements that were prepared in accordance with the previous MFRS Frameworks. In preparing the opening statements of financial position at 1 April 2013, an explanation on the impact arising from the transition from MFRSs to FRSs on the Group's financial position and financial performance is set out as follows:

(a) Reconciliation of financial position as at 1 April 2013

	GROUP		
ASSETS	**Previously reported under MFRSs RM**	**Effect on adoption of FRSs RM**	**Restated under FRSs RM**
NON-CURRENT ASSETS			
Property, plant and equipment	8,753,889	-	8,753,889
Investments in associates	34,074,192	619,656	34,693,848
Other investments	2,012,986	-	2,012,986
Investment property	32,265	-	32,265
Other receivables, deposits and prepayments	14,142,696	-	14,142,696
Goodwill	63,348,567	-	63,348,567
Deferred tax assets	564,013	-	564,013
	122,928,608	619,656	123,548,264
CURRENT ASSETS			
Other investments	6,383,710	-	6,383,710
Inventories	18,024,862	-	18,024,862
Trade receivables	65,648,650	-	65,648,650
Other receivables, deposits and prepayments	71,175,039	-	71,175,039
Amounts owing by associates	414,163	-	414,163
Current tax assets	2,114,778	-	2,114,778
Cash and bank balances	67,577,802	-	67,577,802
	231,339,004	-	231,339,004
TOTAL ASSETS	354,267,612	619,656	354,887,268

46. EXPLANATION OF TRANSITION TO FRS (CONTINUED)

(a) Reconciliation of financial position as at 1 April 2013 (continued)

	GROUP		
EQUITY AND LIABILITIES	**Previously reported under MFRSs RM**	**Effect on adoption of FRSs RM**	**Restated under FRSs RM**
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	92,950,099	-	92,950,099
Reserves	35,016,484	-	35,016,484
Retained earnings	11,350,068	619,656	11,969,724
	139,316,651	619,656	139,936,307
Non-controlling interests	17,737,146	-	17,737,146
Total Equity	157,053,797	619,656	157,673,453
LIABILITIES			
NON-CURRENT LIABILITIES			
Borrowings	12,691,080	-	12,691,080
Provisions	190,739	-	190,739
Deferred tax liabilities	235,846	-	235,846
	13,117,665	-	13,117,665
CURRENT LIABILITIES			
Trade payables	18,019,367	-	18,019,367
Other payables, deposits and accurals	66,838,778	-	66,838,778
Borrowings	98,289,700	-	98,289,700
Current tax payables	948,305	-	948,305
	184,096,150	-	184,096,150
TOTAL LIABILITIES	197,213,815	-	197,213,815
TOTAL EQUITY AND LIABILITIES	354,267,612	619,656	354,887,268

There is no material impact to the Company's statement of financial position as at 1 April 2013.

46. EXPLANATION OF TRANSITION TO FRS (CONTINUED)

(b) Reconciliation of financial position as at 31 March 2014

	GROUP		
ASSETS	Previously reported under MFRSs RM	Effect on adoption of FRSs RM	Restated under FRSs RM
NON-CURRENT ASSETS			
Property, plant and equipment	17,530,780	-	17,530,780
Investments in associates	64,596,610	3,096,918	67,693,528
Other intangible assets	26,282,150	-	26,282,150
Other investments	18,804,696	-	18,804,696
Other receivables, deposits and prepayments	14,709,605	-	14,709,605
Goodwill	79,917,189	-	79,917,189
Deferred tax assets	780,704	-	780,704
	222,621,734	3,096,918	225,718,652
CURRENT ASSETS			
Other investments	16,617,689	-	16,617,689
Inventories	26,754,226	-	26,754,226
Trade receivables	79,301,839	-	79,301,839
Other receivables, deposits and prepayments	63,425,099	-	63,425,099
Current tax assets	4,297,244	-	4,297,244
Cash and bank balances	67,346,931	-	67,346,931
	257,743,028	-	257,743,028
TOTAL ASSETS	480,364,762	3,096,918	483,461,680

46. EXPLANATION OF TRANSITION TO FRS (CONTINUED)

(b) Reconciliation of financial position as at 31 March 2014 (continued)

	GROUP		
EQUITY AND LIABILITIES	Previously reported under MFRSs RM	Effect on adoption of FRSs RM	Restated under FRSs RM
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	193,692,587	-	193,692,587
Reserves	54,224,916	-	54,224,916
Retained earnings	9,059,387	3,096,918	12,156,305
	256,976,890	3,096,918	260,073,808
Non-controlling interests	23,191,323	-	23,191,323
TOTAL EQUITY	280,168,213	3,096,918	283,265,131
LIABILITIES			
NON-CURRENT LIABILITIES			
Borrowings	14,587,482	-	14,587,482
Provisions	1,210,332	-	1,210,332
Deferred tax liabilities	1,023,822	-	1,023,822
	16,821,636	-	16,821,636
CURRENT LIABILITIES			
Trade payables	33,655,828	-	33,655,828
Other payables, deposits and accurals	71,881,493		71,881,493
Borrowings	77,804,520		77,804,520
Current tax payables	33,072		33,072
	183,374,913	-	183,374,913
TOTAL LIABILITIES	200,196,549	-	200,196,549
TOTAL EQUITY AND LIABILITIES	480,364,762	3,096,918	483,461,680

There is no material impact to the Company's statement of financial position as at 31 March 2014.

46. EXPLANATION OF TRANSITION TO FRS (CONTINUED)

(c) Reconciliation of statement of profit or loss and other comprehensive income for the financial year ended 31 March 2014

	GROUP		
EQUITY AND LIABILITIES	**Previously reported under MFRSs RM**	**Effect on adoption of FRSs RM**	**Restated under FRSs RM**
Revenue	352,285,962	-	352,285,962
Changes in inventories	9,893,883	-	9,893,883
Purchases	(256,230,455)	-	(256,230,455)
Direct expenses	(4,478,424)	-	(4,478,424)
Other operating income (Note 46 (d))	41,510,420	(1,612,073)	39,898,347
Depreciation and amortisation expenses	(5,482,829)	-	(5,482,829)
Employee benefits	(70,905,643)	-	(70,905,643)
Other operating expenses	(29,153,119)	-	(29,153,119)
Finance costs	(6,591,718)	-	(6,591,718)
Share of results of associates (Note 46 (d))	3,529,544	3,447,513	6,977,057
Profit before tax	34,377,621	1,835,440	36,213,061
Taxation	(3,449,188)	-	(3,449,188)
Profit for the financial year	30,928,433	1,835,440	32,763,873
Other comprehensive income:			
Foreign currency translations for foreign operations, net of tax	16,885	-	16,885
Share of other comprehensive loss of associates, net of tax	(1,171,609)	-	(1,171,609)
Total other comprehensive loss	(1,154,724)	-	(1,154,724)
Total comprehensive income	29,773,709	1,835,440	31,609,149

There is no material impact to the Company's statement of profit or loss and other comprehensive income for the financial year ended 31 March 2014.

(d) Notes to reconciliation

Investments in associates and share of results of associates:

Under MFRS, property development revenue is required to be recognised upon completion. Upon transition to FRS, the Group recognised property development revenue arising from its associate, Ho Hup, using the percentage of completion method. An adjustment of RM1,835,440 was made to the statement of comprehensive income for the financial year ended 31 March 2014 on transition to FRS.

47. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

The retained earnings/(accumulated losses) as at the end of the reporting period can be analysed as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Total retained earnings/(accumulated losses):				
- Realised	60,281,271	63,876,450	9,969,888	(22,966,597)
- Unrealised	8,486,710	11,570,135	-	124,332
	68,767,981	75,446,585	9,969,888	(22,842,265)
Less: Consolidation adjustments	(47,515,367)	(63,290,280)	-	-
Total retained earnings/(accumulated losses) as per financial statements	21,252,614	12,156,305	9,969,888	(22,842,265)

Analysis of Shareholdings
As at 29 July 2015

SHARE CAPITAL

Authorised Share Capital	:	RM500,000,000 comprising 1,000,000,000 Ordinary Shares of RM0.50 each
Issued and Paid-up Share Capital	:	RM193,977,587 comprising 387,955,174 Ordinary Shares of RM0.50 each
Class of Shares	:	Ordinary Shares of RM0.50 each
Voting Rights	:	One (1) vote per Ordinary Share
Number of Shareholders	:	4,937

DISTRIBUTION OF SHAREHOLDERS

ACCORDING TO STATISTICAL SUMMARY OF THE RECORD OF DEPOSITORS AS AT 29 JULY 2015

SIZE OF HOLDING	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Less than 100 shares	548	11.10	21,627	0.01
100 to 1,000 shares	2,647	53.61	948,316	0.24
1,001 to 10,000 shares	930	18.84	5,223,301	1.35
10,001 to 100,000 shares	618	12.52	20,871,754	5.38
100,001 to less than 5% of issued shares	190	3.85	232,036,976	59.81
5% and above of issued shares	4	0.08	128,853,200	33.21
Total	**4,937**	**100.00**	**387,955,174**	**100.00**

LIST OF THIRTY LARGEST SHAREHOLDERS

ACCORDING TO THE RECORD OF DEPOSITORS AS AT 29 JULY 2015

	Name	No. of Shares Held	%
1.	M & A Nominee (Tempatan) Sdn Bhd Insas Credit & Leasing Sdn Bhd for Red Zone Development Sdn Bhd	66,273,700	17.08
2.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Siew Kwok	21,500,000	5.54
3.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Siew Kwok	21,500,000	5.54
4.	Insas Plaza Sdn Bhd	19,579,500	5.05
5.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Gan Nyap Liou @ Gan Nyap Liow	15,365,600	3.96
6.	AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Siew Kwok	14,343,086	3.70
7.	Mah Siew Kwok	12,812,000	3.30
8.	Mah Xian-Zhen	11,366,600	2.93
9.	Cartaban Nominees (Asing) Sdn Bhd Exempt An For Standard Chartered Bank Singapore Branch (SG PVB CL AC)	10,663,000	2.75
10.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Insas Plaza Sdn Bhd (6000068)	10,000,000	2.58

LIST OF THIRTY LARGEST SHAREHOLDERS (CONTINUED)

ACCORDING TO THE RECORD OF DEPOSITORS AS AT 29 JULY 2015 (CONTINUED)

Name	No. of Shares Held	%
11. AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – Ambank (M) Berhad for Insas Plaza Sdn Bhd	7,500,000	1.93
12. M & A Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Mah Siew Kwok (M&A)	5,770,000	1.49
13. JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Dato' Seri Megat Najmuddin Bin Datuk Seri Haji Megat Khas (Margin)	5,526,405	1.42
14. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Siew Booy (D18)	5,104,500	1.32
15. HSBC Nominees (Tempatan) Sdn Bhd Exempt An For Credit Suisse AG (SG-CLT-T-OS PR)	4,621,300	1.19
16. JF Apex Nominees (Tempatan) Sdn Bhd Teh & Lee for Chan Ngow	4,471,250	1.15
17. JF Apex Nominees (Tempatan) Sdn Bhd Teh & Lee for Megat Najmuddin Bin Haji Megat Khas	4,471,250	1.15
18. Citigroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lau Chi Chiang (472016)	4,400,000	1.13
19. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Siew Kwok	4,250,300	1.10
20. M & A Securities Sdn Bhd IVT (A)	4,080,000	1.05
21. AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Hong Cheat	3,374,954	0.87
22. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Willie	3,360,000	0.87
23. JF Apex Nominees (Tempatan) Sdn Bhd Teh & Lee for Rahim Bin Baba	3,041,550	0.78
24. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Low Choon Chong	3,000,000	0.77
25. AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mok E. King	2,942,600	0.76
26. RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Megat Najmuddin Bin Haji Megat Khas	2,897,900	0.75
27. HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Dato' Mah Siew Kwok (KLM 29988-3)	2,679,635	0.69
28. AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Megat Najmuddin Bin Haji Megat Khas (MX3240)	2,500,000	0.64
29. EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for M & A Securities Sdn Bhd (IPO)	2,500,000	0.64
30. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Wai Kok	2,500,000	0.64
Total	**282,395,130**	**72.79**

SUBSTANTIAL SHAREHOLDERS

ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 29 JULY 2015

		No. of Ordinary Shares Held			
	Name	Direct Interest	%	Deemed Interest	%
1.	Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas	21,198,555	5.46	-	-
2.	Dato' Mah Siew Kwok	85,714,024	22.09	11,366,600 (6)	2.93
3.	Insas Plaza Sdn Bhd	37,079,500	9.56	-	-
4.	Insas Berhad	-	-	42,659,500 (1)	11.00
5.	Dato' Sri Thong Kok Khee	-	-	42,659,500 (2)	11.00
6.	Red Zone Development Sdn Bhd	68,960,300	17.78	-	-
7.	Monteiro Gerard Clair	1,729,500	0.45	68,960,300 (3)	17.78
8.	Wong Kit-Leong	-	-	68,960,300 (3)	17.78
9.	Raymond Tan	-	-	68,960,300 (3)	17.78
10.	Dato' Gan Nyap Liou @ Gan Nyap Liow	15,395,600	3.97	10,663,000 (5)	2.75

DIRECTORS' INTERESTS IN ORDINARY SHARES IN THE COMPANY AND RELATED COMPANY

ACCORDING TO THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 29 JULY 2015

		No. of Ordinary Shares Held			
	OMESTI BERHAD (FKA FORMIS RESOURCES BERHAD)	Direct Interest	%	Deemed Interest	%
1.	Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas	21,198,555	5.46	-	-
2.	Dato' Mah Siew Kwok (4)	85,714,024	22.09	11,366,600 (6)	2.93
3.	Dato' Gan Nyap Liou @ Gan Nyap Liow	15,395,600	3.97	10,663,000 (5)	2.75
4.	Mah Xian-Zhen (4)	11,366,600	2.93	-	-
5.	Monteiro Gerard Clair	1,729,500	0.45	68,960,300 (3)	17.78
6.	Dato' Sri Thong Kok Khee	-	-	42,659,500 (2)	11.00
7.	Ahmad Bin Khalid	50,001	0.01	-	-
8.	Tai Keat Chai	-	-	-	-
9.	Mah Yong Sun	4,621,300	1.19	-	-

DIRECTORS' INTERESTS IN ORDINARY SHARES IN THE COMPANY AND RELATED COMPANY (CONTINUED)

ACCORDING TO THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 29 JULY 2015 (CONTINUED)

	No. of Ordinary Shares Held			
DIVERSIFIED GATEWAY SOLUTIONS BERHAD	**Direct Interest**	**%**	**Deemed Interest**	**%**
1. Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas	3,616,536	0.27	-	-
2. Dato' Mah Siew Kwok	7,763,892	0.57	713,923,401 (7)	52.65
3. Ahmad Bin Khalid	30,001	0.002	-	-

	No. of Ordinary Shares Held			
MICROLINK SOLUTIONS BERHAD	**Direct Interest**	**%**	**Deemed Interest**	**%**
1. Monteiro Gerard Clair	50,000	0.03	120,232,282 (7)	79.02

	No. of Ordinary Shares Held			
MYATM SDN BHD	**Direct Interest**	**%**	**Deemed Interest**	**%**
1. Dato' Gan Nyap Liou @ Gan Nyap Liow	500,000	20.00	-	-

	No. of Ordinary Shares Held			
YAKIMBI SDN BHD	**Direct Interest**	**%**	**Deemed Interest**	**%**
1. Dato' Gan Nyap Liou @ Gan Nyap Liow	250,000	5.55	-	-

Notes:

(1) Deemed interest by virtue of interests held by Insas Plaza Sdn Bhd and M & A Securities Sdn Bhd, which are subsidiaries of Insas Berhad pursuant to Section 6A of the Companies Act, 1965.

(2) Deemed interest by virtue of his substantial interest in Insas Berhad pursuant to Section 6A of the Companies Act, 1965.

(3) Deemed interest by virtue of his substantial interest in Red Zone Development Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

(4) The parties are deemed to be connected persons by virtue of Section 122A of the Companies Act, 1965.

(5) Deemed interest by virtue of his substantial interest in PlanetBiz Investments Limited pursuant to Section 6A of the Companies Act, 1965.

(6) Deemed interest by virtue of interest held by his daughter pursuant to Section 134(12)(c) of the Companies Act, 1965.

(7) Deemed interest by virtue of his substantial interest in Omesti Berhad (fka Formis Resources Berhad), the holding company of Omesti Holdings Berhad (fka Formis Holdings Bhd) pursuant to Section 6A of the Companies Act, 1965.

Analysis of Warrants Holdings
Warrants 2011/2016
As at 29 July 2015

Types of Securities	:	Warrants 2011/2016
No. of Warrants Issued	:	106,516,733
Voting Rights	:	One (1) vote per Warrant holder
Number of Warrant Holders	:	4,577

DISTRIBUTION OF WARRANTS 2011/2016 (WARRANTS A) HOLDINGS

ACCORDING TO STATISTICAL SUMMARY OF THE RECORD OF DEPOSITORS AS AT 29 JULY 2015

Size of Holding	No. of Warrants A Holders	% of Warrants A Holders	No. of Warrants A Held	% of Warrants A
Less than 100 Warrants A	2,350	51.34	180,349	0.17
100 to 1,000 Warrants A	1,408	30.76	529,616	0.50
1,001 to 10,000 Warrants A	389	8.50	1,341,855	1.26
10,001 to 100,000 Warrants A	296	6.47	11,857,930	11.13
100,001 to less than 5% of issued Warrants A	131	2.86	70,539,232	66.22
5% and above of issued Warrants A	3	0.07	22,067,751	20.72
Total	**4,577**	**100.00**	**106,516,733**	**100.00**

LIST OF THIRTY LARGEST WARRANTS A HOLDERS

ACCORDING TO THE RECORD OF DEPOSITORS AS AT 29 JULY 2015

	Name	No. of Warrants A Held	%
1.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Siew Kwok (Margin)	8,226,756	7.72
2.	Mah Siew Kwok	7,340,995	6.89
3.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Gan Nyap Liou @ Gan Nyap Liow	6,500,000	6.10
4.	Tee Hong Cheat	4,185,042	3.93
5.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chia Mui Tian	4,000,000	3.76
6.	Mah Xian-Zhen	3,257,590	3.06
7.	Phen Say Bah	3,030,000	2.84
8.	Tan Ah Bee	2,800,000	2.63
9.	AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Siew Kwok	2,685,545	2.52
10.	JF Apex Nominees (Tempatan) Sdn Bhd Teh & Lee for Megat Najmuddin Bin Haji Megat Khas	2,561,928	2.41

LIST OF THIRTY LARGEST WARRANTS A HOLDERS (CONTINUED)

ACCORDING TO THE RECORD OF DEPOSITORS AS AT 29 JULY 2015 (CONTINUED)

	Name	No. of Warrants A Held	%
11.	Tan Ban Eik	2,400,000	2.25
12.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Megat Najmuddin Bin Haji Megat Khas	2,006,512	1.88
13.	AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cheam Wooi Seong	1,850,000	1.74
14.	AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Low Chee & Sons Sdn Bhd	1,705,355	1.60
15.	M & A Securities Sdn Bhd IVT (A)	1,598,609	1.50
16.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kek Lian Kiat	1,398,500	1.31
17.	Insas Plaza Sdn Bhd	1,321,860	1.24
18.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Dato' Mah Siew Kwok (KLM 29988-3)	1,136,007	1.07
19.	JF Apex Nominees (Tempatan) Sdn Bhd Teh & Lee for Chan Ngow	1,061,928	1.00
20.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Goh Eu Jim (PB)	1,036,800	0.97
21.	Mohamad Taufik Bin Haji Omar	909,488	0.85
22.	Citigroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lau Chi Chiang (472016)	832,000	0.78
23.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeoh Cheng Lee	750,000	0.70
24.	Kumpulan Prasarana Rakyat	727,969	0.68
25.	Ngooi Kheng Liong	700,000	0.66
26.	Ng Fong Shiang	650,000	0.61
27.	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chew Fui Hiong (CCTS)	630,000	0.59
28.	AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Megat Najmuddin Bin Haji Megat Khas (MX3292)	626,265	0.59
29.	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hiau Siew Ling (CCTS)	602,700	0.57
30.	AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Low Tuck Choy	602,169	0.57
	Total	**67,134,018**	**63.03**

DIRECTORS' INTERESTS IN WARRANTS A

ACCORDING TO THE REGISTER OF DIRECTORS' WARRANTS A HOLDINGS AS AT 29 JULY 2015

	Name	No. of Warrants A Held			
		Direct Interest	%	Deemed Interest	%
1.	Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas	6,054,172	5.68	-	-
2.	Dato' Mah Siew Kwok [(1)]	19,397,325	18.21	3,257,590 [(3)]	3.06
3.	Dato' Gan Nyap Liou @ Gan Nyap Liow	6,500,000	6.10	-	-
4.	Mah Xian-Zhen [(1)]	3,257,590	3.06	-	-
5.	Monteiro Gerard Clair	-	-	-	-
6.	Dato' Sri Thong Kok Khee	-	-	2,920,469 [(2)]	2.74
7.	Ahmad Bin Khalid	-	-	-	-
8.	Tai Keat Chai	-	-	-	-
9.	Mah Yong Sun	-	-	-	-

Notes:

[(1)] The parties are deemed to be connected persons by virtue of Section 122A of the Companies Act, 1965.
[(2)] Deemed interest by virtue of his substantial interest in Insas Berhad pursuant to Section 6A of the Companies Act, 1965.
[(3)] Deemed interest by virtue of interest held by his daughter pursuant to Section 134(12)(c) of the Companies Act, 1965.

Analysis of Warrants Holdings Warrants 2013/2018 as at 29 July 2015

Types of Securities	:	Warrants 2013/2018
No. of Warrants Issued	:	83,142,487
Voting Rights	:	One (1) vote per Warrant holder
Number of Warrant Holders	:	392

DISTRIBUTION OF WARRANTS 2013/2018 (WARRANTS B) HOLDINGS

ACCORDING TO STATISTICAL SUMMARY OF THE RECORD OF DEPOSITORS AS AT 29 JULY 2015

Size of Holding	No. of Warrants B Holders	% of Warrants B Holders	No. of Warrants B Held	% of Warrants B
Less than 100 Warrants B	37	9.44	2,404	0.00
100 to 1,000 Warrants B	141	35.97	63,493	0.08
1,001 to 10,000 Warrants B	100	25.51	419,051	0.51
10,001 to 100,000 Warrants B	70	17.86	2,687,567	3.23
100,001 to less than 5% of issued Warrants B	40	10.20	23,022,237	27.69
5% and above of issued Warrants B	4	1.02	56,947,735	68.49
Total	**392**	**100.00**	**83,142,487**	**100.00**

LIST OF THIRTY LARGEST WARRANTS B HOLDERS

ACCORDING TO THE RECORD OF DEPOSITORS AS AT 29 JULY 2015

	Name	No. of Warrants B Held	%
1.	M & A Nominee (Tempatan) Sdn Bhd Insas Credit & Leasing Sdn Bhd for Red Zone Development Sdn Bhd	20,382,500	24.52
2.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Dato' Seri Megat Najmuddin Bin Datuk Seri Haji Megat Khas	17,566,633	21.13
3.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Siew Kwok (Margin)	12,722,502	15.30
4.	Insas Plaza Sdn Bhd	6,276,100	7.55
5.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Wai Kok	3,698,700	4.45
6.	Mah Siew Kwok	3,155,000	3.79
7.	Cartaban Nominees (Asing) Sdn Bhd Exempt An For Standard Chartered Bank Singapore Branch (SG PVB CL AC)	2,831,500	3.41
8.	M & A Securities Sdn Bhd IVT (A)	1,395,000	1.68
9.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Gan Nyap Liou @ Gan Nyap Liow	1,050,000	1.26
10.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Gan Nyap Liou @ Gan Nyap Liow (PB)	966,900	1.16

LIST OF THIRTY LARGEST WARRANTS B HOLDERS (CONTINUED)

ACCORDING TO THE RECORD OF DEPOSITORS AS AT 29 JULY 2015 (CONTINUED)

	Name	No. of Warrants B Held	%
11.	HSBC Nominees (Tempatan) Sdn Bhd Exempt An For Credit Suisse AG (SG-CLT-T-OS PR)	750,000	0.90
12.	Maybank Securities Nominees (Tempatan) Sdn Bhd Maybank Kim Eng Securities Pte Ltd for Chan Hiok Khiang	750,000	0.90
13.	Lau Chi Chiang	600,000	0.72
14.	Kumpulan Wang Simpanan Guru-Guru	545,800	0.66
15.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Ng Yu Yi (M57006)	529,900	0.64
16.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Tikan Guan (030)	500,000	0.60
17.	Tee Hong Cheat	500,000	0.60
18.	Kenanga Nominees (Tempatan) Sdn Bhd For Douglas Kong Han Kit (021)	476,000	0.57
19.	Kumpulan Wang Simpanan Guru-Guru	450,000	0.54
20.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Bee Kua (7000839)	300,000	0.36
21.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Jaganath Derek Steven Sabapathy	300,000	0.36
22.	Goh Kiang Teng	280,000	0.34
23.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cheong Chen Yue	255,000	0.31
24.	Mah Chon Cheang	250,000	0.30
25.	RHB Capital Nominees (Tempatan) Sdn Bhd Francis Chia Mong Tet	245,000	0.29
26.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Chan Chee Leong	244,000	0.29
27.	Cecilia Tong Siu Ming @ Tung Siu Ming	243,800	0.29
28.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Francis Chia Mong Tet (CEB)	243,000	0.29
29.	Liau Thai Min	209,000	0.25
30.	Tan Ban Eik	200,000	0.24
	Total	**77,916,335**	**93.71**

DIRECTORS' INTERESTS IN WARRANTS B

ACCORDING TO THE REGISTER OF DIRECTORS' WARRANTS B HOLDINGS AS AT 29 JULY 2015

		No. of Warrants B Held			
	Name	Direct Interest	%	Deemed Interest	%
1.	Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas	17,566,633	21.13	-	-
2.	Dato' Mah Siew Kwok [(1)]	15,877,502	19.10	-	-
3.	Dato' Gan Nyap Liou @ Gan Nyap Liow	2,016,900	2.43	2,831,500 [(2)]	3.41
4.	Mah Xian-Zhen [(1)]	-	-	-	-
5.	Monteiro Gerard Clair	40,000	0.05	20,382,500 [(3)]	24.52
6.	Dato' Sri Thong Kok Khee	-	-	7,671,100 [(4)]	9.23
7.	Ahmad Bin Khalid	-	-	-	-
8.	Tai Keat Chai	-	-	-	-
9.	Mah Yong Sun	750,000	0.90	-	-

Notes:

[(1)] The parties are deemed to be connected persons by virtue of Section 122A of the Companies Act, 1965.
[(2)] Deemed interest by virtue of his substantial interest in PlanetBiz Investments Limited pursuant to Section 6A of the Companies Act, 1965.
[(3)] Deemed interest by virtue of his substantial interest in Red Zone Development Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
[(4)] Deemed interest by virtue of his substantial interest in Insas Berhad pursuant to Section 6A of the Companies Act, 1965.

Other Compliance Information

SHARE BUY-BACK

The Company did not purchase any of its own shares during the financial year ended 31 March 2015.

OPTION, WARRANTS OR CONVERTIBLE SECURITIES

During the financial year ended 31 March 2015, the Company did not issue any warrants or convertible securities. As at 31 March 2015, 106,516,733 warrants 2011/2016 and 83,142,487 warrants 2013/2018 remained unexercised.

During the financial year ended 31 March 2015, the Company had made the 1st award of 100,000 new ordinary shares of RM0.50 each (Award Shares) under the Restricted Share Plan (RSP) under the Employees' Share Grant Plan (ESGP) pursuant to the Long-Term Incentive Plan (LTIP) on 1 April 2014. The LTIP is the only scheme that is in existence during the financial year ended 31 March 2015. The Award Shares were vested on 1 April 2014.

The number of Option Shares granted to the Directors is disclosed on page 26 of Volume 2 of this Annual Report.

Brief details on the number of shares granted, vested and outstanding since the commencement of the LTIP on 16 October 2013 and during the financial years ended 31 March 2014 and 31 March 2015 are set out below:

FOR THE PERIOD FROM 6 JANUARY 2014 TO 31 MARCH 2014	TOTAL	DIRECTORS	SENIOR MANAGEMENT	OTHER ENTITLED EMPLOYEES
Employees' Share Option Scheme (ESOS)				
Number of Options granted	10,802,800	5,533,200	3,158,400	2,111,200
Number of Options exercised	-	-	-	-
Number of Options lapsed	136,000	-	-	136,000
Number of Options outstanding as at 31 March 2014	10,666,800	5,533,200	3,158,400	1,975,200

FOR THE PERIOD FROM 1 APRIL 2014 TO 31 MARCH 2015	TOTAL	DIRECTORS	SENIOR MANAGEMENT	OTHER ENTITLED EMPLOYEES
RSP under the EGSP				
Number of Shares granted	100,000	-	100,000	-
Number of Shares vested	100,000	-	100,000	-
Number of Shares lapsed	-	-	-	-
Number of Shares outstanding as at 31 March 2015	-	-	-	-
ESOS				
As at 1 April 2014	10,666,800	5,533,200	3,158,400	1,975,200
Number of Options granted	-	-	-	-
Number of Options exercised	-	-	-	-
Number of Options lapsed	692,400	-	400,000	292,400
Number of Options outstanding as at 31 March 2015	9,974,400	5,533,200	2,758,400	1,682,800

MAXIMUM ALLOWABLE ALLOCATION OF THE LTIP

Based on the LTIP By-Laws, the aggregate number of Shares comprised in the LTIP awards to be awarded to a selected person in accordance with the LTIP, shall be determined at the discretion of the LTIP Committee, subject to the following:

i. The total number of new Shares made available under the LTIP shall not exceed 15% of the issued and paid-up share capital of the Company (excluding treasury shares, if any) at the point in time when an LTIP award is offered; and

ii. Not more than ten percent (10%) of the total new Shares to be issued under the LTIP, at the point in time when an LTIP award is offered, be allocated to any individual selected person who either singly or collectively through persons connected with the selected person, holds twenty percent (20%) or more in the issued and paid-up share capital of the Company (excluding treasury shares, if any).

For the financial year ended 31 March 2015 and since the commencement of the LTIP, the actual percentage of ESOS granted to the Directors and senior management of the Group was 80.46% of the total ESOS granted.

RSP awards under ESGP were granted only to the Senior Management of the Company during the financial year ended 31 March 2015 and since the commencement of the LTIP.

NON-STATUTORY AUDIT FEES

A non-statutory audit fee of RM43,000.00 was paid/payable to the External Auditors for the financial year ended 31 March 2015.

VARIATION IN RESULTS FOR THE FINANCIAL YEAR

There was a deviation of more than 10% between the profit or loss after tax and minority interest stated in the unaudited 4th quarterly report for the financial year ended 31 March 2015 (Q4 2015) announced on 29 May 2015 and the audited financial statements for the financial year ended 31 March 2015 announced on 21 July 2015.

The deviation was primarily attributable to the accounting for share of amortisation of group software development cost to Non-controlling interest (NCI) as follows:

Statements of Profit or Loss & Other Comprehensive Income For the Financial Year ended 31 March 2015	Previously reported in Q4 2015 Announcement RM	Adjustment RM	Audited Financial Statements RM
Profit/(loss) attributable to:			
Owners of the parent	(335,184)	196,412	(138,772)
Non-controlling interests	607,606	(196,412)	411,194
	272,422	-	272,422

Note: Adjustment of NCI share of amortisation of Group Software Development Cost.

PROFIT GUARANTEE

Three major shareholders of the Company (the Guarantors) had jointly and severally guaranteed that the aggregate forecasted profit before tax of the Group's three (3) subsidiary companies namely Applied Business Systems Sdn Bhd, Continuous Network Advisers Sdn Bhd and Continuous Network Services Sdn Bhd (CNS) and three (3) of the then subsidiary companies, namely Applied Information Management Services Sdn Bhd, FORMIS BASS Software Sdn Bhd and Atlas CSF Sdn Bhd, should not be less than a guaranteed sum of RM28,486,358 and RM21,462,302 for the financial years ended 31 March 2003 and 31 March 2002 respectively.

By virtue of the profit guarantee, an Escrow Agreement dated 18 January 2002 was entered between the Guarantors, the Company and the Escrow Agent that 13,413,750 ordinary shares of RM1.00 each of the Company held by the Guarantors were pledged and deposited as security in relation to the Guarantors' Profit Guarantee.

Based on the audited financial statements of the respective subsidiaries for the financial years ended 31 March 2003 and 31 March 2002, the aggregate profit before tax of these subsidiaries amounted to RM12,642,929 and RM17,291,657, thus giving rise to a shortfall of RM15,843,429 and RM4,170,645 respectively (Shortfall Sum).

On 16 May 2013, the Company entered into a settlement agreement with the Guarantors for the settlement of the Shortfall Sum totaling RM20,014,074 in full by nineteen (19) monthly installments of RM1,000,000 each and a final installment of RM1,014,074.

As of 31 March 2015, RM7,614,229 remains outstanding and is expected to be fully settled within the financial year ending 31 March 2016.

MATERIAL CONTRACTS

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by Omesti Berhad (fka Formis Resources Berhad) (Omesti) and its subsidiaries (Omesti Group) involving the interest of its Directors and major shareholders of the Omesti Group and of the Company which were still subsisting as at the end of the financial year under review or which were entered into since the end of the previous financial year.

RECURRENT RELATED PARTY TRANSACTIONS

At the 14th Annual General Meeting of Omesti held on 18 September 2014, the Company had obtained the approval for the shareholders' mandate to allow the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, which are necessary for its day-to-day operations and in the ordinary course of its business, with related parties (Recurrent Transactions).

The said mandate is effective from 18 September 2014 until the conclusion of the forthcoming Annual General Meeting of the Company.

In accordance with Paragraph 3.1.5 of the Practice Note 12 of the Main Market Listing Requirements, details of the Recurrent Transactions conducted during the financial year ended (FYE) 31 March 2015 pursuant to the said shareholders' mandate are as follows:

COMPANIES WITHIN OMESTI GROUP TRANSACTING WITH RELATED PARTIES	NATURE OF TRANSACTIONS	RELATED PARTY	INTERESTED DIRECTORS / MAJOR SHAREHOLDERS / PERSONS CONNECTED	AGGREGATE VALUE OF TRANSACTIONS DURING FYE 31.03.15 (RM)
Omesti Group	Supply of network and software solutions inclusive of technical / maintenance services by Omesti Group to Cuscapi Berhad (CUSCAPI) Group	CUSCAPI Group[7]	**Interested Director** • Dato' Gan Nyap Liou @ Gan Nyap Liow (Dato' Gan)[5] **Interested Person Connected with Director** • PlanetBiz Investments Limited (PIL)[6]	2,000
	Supply of network infrastructure and security solutions and services by CUSCAPI Group to Omesti Group			-
	Provision of secure mobile collaboration and storage solutions in the cloud by Yakimbi Sdn Bhd (Yakimbi) to Omesti Group	Yakimbi[9]		-
	Supply of network computing solutions, network infrastructure, computer hardware and software and maintenance services by Omesti Group to MYATM Sdn Bhd (MYATM)	MYATM[10]		2,965,525
	Provision of network connectivity and bandwidth services and project management services in relation to telecommunications by Omesti Group to MYATM and Yakimbi	• MYATM[10] • Yakimbi[9]	**Interested Director** • Dato' Gan[5] **Interested Person Connected with Director** • PIL[6]	5,208
	Sale of advertising space by Rev Asia Group to Omesti Group	Rev Asia Group[8]	**Interested Director** • Dato' Gan[5] • Mah Yong Sun[21] **Interested Person Connected with Director** • PIL[6]	-

COMPANIES WITHIN OMESTI GROUP TRANSACTING WITH RELATED PARTIES	NATURE OF TRANSACTIONS	RELATED PARTY	INTERESTED DIRECTORS / MAJOR SHAREHOLDERS / PERSONS CONNECTED	AGGREGATE VALUE OF TRANSACTIONS DURING FYE 31.03.15 (RM)
CNS	Provision of corporate secretarial, accounting and payroll services by CNS to the Related Parties	• MYATM[10] • Yakimbi[9]	**Interested Director** • Dato' Gan[5] **Interested Person Connected with Director** • PIL[6]	-
		Family-owned companies of Raymond Tan[17]	**Interested Major Shareholder** • Raymond Tan (RT)[11] **Interested Person Connected with Major Shareholder** • Red Zone Development Sdn Bhd (RZD)[12]	21,790
		Family-owned companies of Monteiro Gerard Clair[18]	**Interested Director** • Monteiro Gerard Clair (MGC)[13] **Interested Person Connected with Director and Major Shareholder** • RZD[12]	6,640
		Family-owned companies of Dato' Mah[19]	**Interested Directors / Major Shareholder** • Dato' Mah Siew Kwok (Dato' Mah)[15] • Mah Xian-Zhen (MXZ)[16]	-
		DGSB Group[20]	**Interested Directors / Major Shareholder** • Dato' Mah[15] • MXZ[16]	-

COMPANIES WITHIN OMESTI GROUP TRANSACTING WITH RELATED PARTIES	NATURE OF TRANSACTIONS	RELATED PARTY	INTERESTED DIRECTORS / MAJOR SHAREHOLDERS / PERSONS CONNECTED	AGGREGATE VALUE OF TRANSACTIONS DURING FYE 31.03.15 (RM)
Omesti Group	Provision of property management, construction and related services (include inter alia, construction of civil and building works, contracting in mechanical, electrical and engineering works, prefabricated construction of building and civil works, precast concrete building contracts and piling contracts) by Ho Hup Construction Company Berhad (Ho Hup) Group to Omesti Group	Ho Hup Group[14]	**Interested Directors / Major Shareholder** • Dato' Sri Thong Kok Khee (Dato' Sri Thong)[1] • Dato' Mah[15] • MXZ[16] **Interested Persons Connected with Directors / Major Shareholder** • Insas Berhad[2] • Insas Plaza Sdn Bhd[3] • M&A Securities Sdn Bhd[4]	-
	Supply of computer hardware, software and services by Omesti Group to Ho Hup Group			-
	Provision of network connectivity and bandwidth services and project management services in relation to telecommunications by Omesti Group to Ho Hup Group			7,857
	Supply of computer hardware, software and services by Omesti Group to Diversified Gateway Solutions Berhad (DGSB) Group	DGSB Group[20]	**Interested Directors / Major Shareholder** • Dato' Mah[15] • MXZ[16]	112,284
	Provision of network connectivity and bandwidth services and project management services in relation to telecommunications by Omesti Group to DGSB Group			-
	Provision of administrative and management support, training and other related services by Omesti Group to DGSB Group			480,000
	Supply of network and software solutions, network security, storage and network management solutions inclusive of technical / maintenance services by DGSB Group to Omesti Group			26,114,199

COMPANIES WITHIN OMESTI GROUP TRANSACTING WITH RELATED PARTIES	NATURE OF TRANSACTIONS	RELATED PARTY	INTERESTED DIRECTORS / MAJOR SHAREHOLDERS / PERSONS CONNECTED	AGGREGATE VALUE OF TRANSACTIONS DURING FYE 31.03.15 (RM)
Omesti Group	Provision of network connectivity and bandwidth services and project management services in relation to telecommunications by Omesti Group to the Related Parties	Family-owned companies of RT[18]	**Interested Major Shareholder** • RT[11] **Interested Person Connected with Director and Major Shareholder** • RZD[12]	2,488
		Family-owned companies of MGC[19]	**Interested Director** • MGC[13] **Interested Person Connected with Director and Major Shareholder** • RZD[12]	-

NOTES:

(1) Dato' Sri Thong is a common Director and common shareholder of Omesti and Ho Hup. His direct and indirect interests in Omesti and Ho Hup as at 31 March 2015 are set out below:-

NAME OF COMPANY	% OF INTEREST	
	DIRECT	INDIRECT
Omesti	-	12.04 [(a)]
Ho Hup	-	13.52 [(a)]

(a) Deemed interest by virtue of his substantial interest in Insas Berhad pursuant to Section 6A of the Companies Act, 1965 (Act).

(2) Insas Berhad is a Person Connected to Dato' Sri Thong. Insas Berhad is deemed interested by virtue of interests held by Insas Plaza Sdn Bhd and M & A Securities Sdn Bhd, which are subsidiaries of Insas Berhad pursuant to Section 6A of the Act.

(3) Insas Plaza Sdn Bhd (IPSB) is a Person Connected to Dato' Sri Thong. IPSB is a wholly-owned subsidiary of Insas Berhad and a substantial shareholder of Omesti.

(4) M & A Securities Sdn Bhd (M&A) is a Person Connected to Dato' Sri Thong. M&A is a wholly-owned subsidiary of Insas Berhad and a shareholder of Omesti.

(5) Dato' Gan is a common Director and common shareholder of Omesti, CUSCAPI, Rev Asia, Yakimbi and MYATM. His direct and indirect interests in Omesti, CUSCAPI, Catcha Media, Yakimbi and MYATM as at 31 March 2015 are set out below:-

NAME OF COMPANY	% OF INTEREST	
	DIRECT	INDIRECT
Omesti	3.97	2.75 [(b)]
CUSCAPI	5.99	-
Rev Asia	3.65	-
Yakimbi	5.55	-
MYATM	20.00	-

(b) Deemed interest by virtue of his substantial interest in PlanetBiz Investments Limited pursuant to Section 6A of the Act.

Dato' Gan ceased to be the Interested Director for Recurrent Transactions between Omesti Group and Rev Asia with effect from 27 January 2015, following the amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, which took effect from the said date.

(6) *PIL is a Person Connected to Dato' Gan and a shareholder of Omesti.*

(7) *CUSCAPI Group is principally involved in the provision of network infrastructure and security solutions and services.*

(8) *Rev Asia Group is principally involved in advertising and publications business.*

(9) *Yakimbi is principally engaged in designing and development of website and software, providing of maintenance services and other related services.*

(10) *MYATM is principally engaged in manufacturing, trading and servicing of banking equipment and related services.*

(11) *RT is a major shareholder of Omesti by virtue of his substantial interests in RZD. He is also Director and shareholder of the companies which RT is interested.*

(12) *RZD is a major shareholder of Omesti, holding 19.09% equity interest in Omesti as at 31 March 2015.*

(13) *MGC is a common Director and common shareholder of Omesti and RZD. His direct and indirect interests in Omesti and RZD as at 31 March 2015 are set out below:-*

NAME OF COMPANY	% OF INTEREST	
	DIRECT	INDIRECT
Omesti	0.31	19.09 [(c)]
RZD	37.00	-

(c) Deemed interest by virtue of his substantial interest in RZD pursuant to Section 6A of the Act.

(14) *Ho Hup Group is principally involved in foundation engineering, civil engineering, building contracting works and hire of plant and machinery.*

(15) *Dato' Mah is the Non-Executive Vice Chairman and a Major Shareholder of Omesti. By virtue of his interests in Omesti, Dato' Mah is deemed interested in the shares of Omesti's subsidiary companies to the extent Omesti has an interest. Dato' Mah is also the Deputy Chairman and a shareholder of Ho Hup and the Chairman and a shareholder of DGSB. Dato' Mah's direct and indirect interests in Omesti, DGSB and Ho Hup as at 31 March 2015 are set out below:-*

(d) Deemed interest by virtue of shareholding held by his daughter pursuant to Section 134(12)(c) of the Act.
(e) Deemed interest by virtue of his interest in Omesti pursuant to Section 6A of the Act.
(f) Deemed interest by virtue of indirect shareholding held by his spouse and daughter pursuant to Section 134(12)(c) of the Act and by virtue of his interest in Omesti pursuant to Section 6A of the Act.

NAME OF COMPANY	% OF INTEREST	
	DIRECT	INDIRECT
Omesti	16.57	0.004 (d)
DGSBI	0.57	53.02 (e)
Ho Hup	1.57	15.33 (f)

Dato' Mah ceased to be the Interested Director for Recurrent Transactions between Omesti Group and Ho Hup Group with effect from 27 January 2015, following the amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, which took effect from the said date.

(16) MXZ is an Executive Director and a shareholder of Omesti and she is the daughter to Dato' Mah. Her direct interests in Omesti as at 31 March 2015 are set out below:-

NAME OF COMPANY	% OF INTEREST	
	DIRECT	INDIRECT
Omesti	0.004	-

(17) Family-owned companies of RT are companies in which RT has interest, directly or indirectly and is also acting as a Director of these companies.

(18) Family-owned companies of MGC are companies in which MGC has interest, directly or indirectly and is also acting as a Director of these companies.

(19) Family-owned companies of Dato' Mah are companies that Dato' Mah, his spouse and daughter have interest, directly or indirectly and are also acting as Directors of these companies.

(20) DGSB Group is principally engaged in the business of investment holding whilst its subsidiary companies are involved in the provision of integrated business solutions based on SAP software and in the business of providing networking solutions and management services to both telecommunication and enterprise organisations. It is also involved in the distribution and maintenance of computer networking, network security storage and network management.

(21) Mah Yong Sun is a common Director and common shareholder of Omesti and Rev Asia. His direct interests in Omesti and Rev Asia as at 31 March 2015 are set out below:-

NAME OF COMPANY	% OF INTEREST	
	DIRECT	INDIRECT
Omesti	1.19	-
Rev Asia	1.08	-

Mah Yong Sun ceased to be the Interested Director for Recurrent Transactions between Omesti Group and Rev Asia with effect from 27 January 2015 following the amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which took effect from the said date.

Notice of 15th Annual General Meeting

OMESTI BERHAD
(Formerly known as Formis Resources Berhad)
(Company No: 530701-T)
(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE IS HEREBY GIVEN THAT the 15th Annual General Meeting of the Company will be held at Banquet Hall, The Royal Selangor Golf Club, Jalan Kelab Golf, Off Jalan Tun Razak, 55000 Kuala Lumpur, on Wednesday, 23 September 2015 at 10.00am for the following purposes:

AGENDA

AS ORDINARY BUSINESS:

1. **To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2015 together with the Reports of the Directors and Auditors thereon.** **RESOLUTION 1**

2. **To approve payment of Directors' fees amounting to RM492,000.00 for the financial year ended 31 March 2015.** **RESOLUTION 2**

3. **To re-elect the following Directors retiring pursuant to Article 74 of the Company's Articles of Association and being eligible, have offered themselves for re-election:**
   (a) Dato' Sri Thong Kok Khee **RESOLUTION 3**
   (b) Monteiro Gerard Clair **RESOLUTION 4**
   (c) Tai Keat Chai **RESOLUTION 5**

4. **To re-appoint Messrs BDO as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.** **RESOLUTION 6**

AS SPECIAL BUSINESS:

5. **To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

   RE-APPOINTMENT OF DIRECTOR PURSUANT TO SECTION 129(6) OF THE COMPANIES ACT, 1965 **RESOLUTION 7**

   "THAT pursuant to Section 129(6) of the Companies Act, 1965, Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas be and is hereby re-appointed as Director of the Company to hold office until the conclusion of the next annual general meeting of the Company."

6. **To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:**

   AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 **RESOLUTION 8**

   "THAT subject always to the Companies Act, 1965 and the approvals of the relevant authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

7. **To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:**

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE **RESOLUTION 9**

"THAT the Company and/or its subsidiaries be and is/are hereby authorised to enter into recurrent related party transactions from time to time with Related Parties who may be a Director, a major shareholder of the Company and/or its subsidiaries or a person connected with such a Director or major shareholder, as specified in section 2.3 of Part B of the Statement/Circular to Shareholders dated 26 August 2015 subject to the following:-

i) the transactions are of a revenue or trading in nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries and are transacted on terms consistent or comparable with market or normal trade practices and/ or based on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and

ii) disclosure is made in the annual report of the aggregate value of transactions conducted during the financial year pursuant to the shareholders' mandate in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;

THAT the mandate given by the shareholders of the Company shall only continue to be in force until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (the Act) (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); unless revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting, whichever is the earlier;

AND THAT the Directors of the Company be authorised to complete and carry out such acts and actions as they may consider expedient or necessary to give effect to the shareholders' mandate."

8. **To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:**

PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES **RESOLUTION 10**

"THAT, subject to the provisions of the Companies Act, 1965, Part IIIA of the Companies Regulations 1966, the Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) and any applicable laws, rules, orders, requirements, regulations and guidelines for the time being in force or as may be amended, modified or re-enacted from time to time and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such number of ordinary shares of RM0.50 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors of the Company may deem fit, necessary and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this

8. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution: (continued)

resolution shall not exceed 10% of the total issued and paid-up share capital of the Company at any point in time (Proposed Renewal of Share Buy-Back Authority); and that the Directors of the Company shall allocate an amount of funds which will not be more than the aggregate sum of the retained profits and share premium of the Company for the Proposed Renewal of Share Buy-Back Authority;

AND THAT upon completion of the purchase(s) by the Company of its own shares, the Directors of the Company are authorised to decide at their discretion to cancel all the shares so purchased and/or retain the shares so purchased as treasury shares of which may be distributed as dividends to shareholders and/or to resell on the open market of Bursa Securities and/or to retain thereof as treasury shares and cancel the remainder;

AND THAT the Directors of the Company be and are hereby authorised and empowered to carry out all acts and actions and to take all such steps and to enter into and execute all commitments, transactions, deeds, agreements, arrangements, undertakings, indemnities, transfers, assignments and/or guarantees as they may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments, as may be required or imposed by any relevant authority or authorities;

AND THAT the Directors of the Company be and are hereby empowered immediately upon the passing of this Ordinary Resolution until the conclusion of the next annual general meeting of the Company at which such resolution was passed, at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed either unconditionally or subject to conditions; or the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or the earlier revocation or variation of the authority through a general meeting whichever is the earliest, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date."

9. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR **RESOLUTION 11**

"THAT En Ahmad bin Khalid be retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012."

10. To transact any other business of which due notice shall have been given.

By Order of the Board

LIM SHOOK NYEE [MAICSA No. 7007640]
Company Secretary
Kuala Lumpur
26 August 2015

NOTES:

i) A member of the Company may appoint more than two (2) proxies to attend at the same meeting but only one (1) proxy shall be entitled to vote on a show of hands. Where a member appoints two (2) or more proxies, he shall specify in each Form of Proxy the proportion of his shareholdings to be represented by each proxy.

ii) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (Omnibus Account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 (SICDA) which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

iii) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under Seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a member of the Company and need not be a person prescribed by Section 149(1)(b) of the Companies Act, 1965. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

iv) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company at 16th Floor, KH Tower, 8 Lorong P. Ramlee, 50250 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking of the poll, and in default the instrument of proxy shall not be treated as valid.

v) Only members whose names appears in the Record of Depositors on 17 September 2015 shall be entitled to attend, speak and vote at this meeting or appoint proxy/proxies to attend and/or vote on his/her behalf.

NOTES ON SPECIAL BUSINESS:

i) Re-appointment of Director pursuant to Section 129(6) of the Companies Act, 1965
Section 129(6) of the Companies Act, 1965 stipulates that a Director who has attained the age of 70 years or over the age of 70 years may be appointed or re-appointed as a Director of the Company by a resolution duly passed by a majority of not less than three-fourths (3/4) of such members of the Company as being entitled to vote in person or by proxy. Such Director will hold the office until the conclusion of the next Annual General Meeting (AGM).

The proposed Ordinary Resolution 7 in relation to the re-appointment of Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas (Tan Sri Megat) over the age of 70 years pursuant to Section 129(6) of the Companies Act, 1965, if passed, will enable Tan Sri Megat to hold office until the next AGM of the Company.

ii) Resolution pursuant to Section 132D of the Companies Act, 1965
For Resolution 8, further information in relation to the general mandate for issue of securities is set out in the Statement Accompanying Notice of 15th AGM.

iii) Resolution pertaining to the Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature
For Resolution 9, further information on the Recurrent Related Party Transactions is set out in Part B of the Statement/Circular to Shareholders dated 26 August 2015 which is dispatched together with the Company's Annual Report 2015.

iv) Proposed Renewal of Authority for the Company to Purchase Its Own Shares (Proposed Renewal of Share Buy-Back Authority)
For Resolution 10, further information on the Proposed Renewal of Share Buy-Back Authority is set out in Part A of the Statement/ Circular to shareholders dated 26 August 2015 which is dispatched together with the Company's Annual Report 2015.

v) Retention of Independent Non-Executive Director
Pursuant to the Malaysian Code on Corporate Governance 2012, the tenure of an independent director should not exceed a cumulative term of nine (9) years unless approval is sought from the Shareholders in a general meeting to retain the said director as an independent director.

The Board of Directors has vide the Nomination Committee, conducted an assessment to assess the Independence of En Ahmad Bin Khalid who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years and has recommended him to continue to act as Independent Non-Executive Director of the Company based on the following justifications:

a) he fulfills the criteria under the definition of an Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and thus, he would be able to function as check and balance and bring an element of objectivity to the Board;
b) he provides the Board with a diverse set of experience, skills and expertise;
c) he has performed his duties diligently and in the best interests of the Company and provides a broader-view, independent and balanced assessment of proposals from the Management; and
d) he has no dealings and transactions with the Company save and except for being a member of the Board of the Company and certain of its subsidiaries.

Statement Accompanying Notice of 15th Annual General Meeting

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

A. Details of individuals who are standing for election as Directors

Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas (Tan Sri Megat) who is above the age of seventy (70) years will seek re-appointment at the forthcoming 15th Annual General Meeting (AGM).

The profile and shareholdings in the Company and its subsidiaries of Tan Sri Megat are set out in the sections on Profile of Directors on page 23 of Volume 1 of the Company's 2015 Annual Report, and on Analysis of Shareholdings and Analysis of Warrants Holdings on pages 157 to 158 and 161 and 164 respectively of Volume 2 of this Annual Report.

B. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements

The resolution in relation to the authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965 is a renewal of the general mandate for the issue of new ordinary shares in the Company which was approved at the last AGM of the Company on 18 September 2014.

As at the date of the Notice of the 15th AGM, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the 14th AGM held on 18 September 2014 and which will lapse at the conclusion of the 15th AGM.

The resolution if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the funding of the Company's future investment projects, working capital and/or acquisitions, by the issuance of shares in the Company to such persons at any time as the Directors consider it to be in the best interests of the Company.

Any delay arising from and cost involved in convening a general meeting to approve such issuance of shares should be eliminated. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next AGM of the Company.

Form of Proxy

OMESTI BERHAD
(Formerly known as Formis Resources Berhad)
(Company No: 530701-T)
(Incorporated in Malaysia under the Companies Act, 1965)

I/We, ... NRIC No: ....

of ....

being a member/members of OMESTI BERHAD (formerly known as Formis Resources Berhad), hereby appoint ....

.... NRIC No: ....

of ....

or failing him/her, ... NRIC No: ....

of ....

or failing whom, THE CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us and on my/our behalf at the 15th Annual General Meeting of the Company, to be held at Banquet Hall, The Royal Selangor Golf Club, Jalan Kelab Golf, Off Jalan Tun Razak, 55000 Kuala Lumpur, on Wednesday, 23 September 2015 at 10.00am or at any adjournment thereof in the manner as indicated below:

RESOLUTION	FOR	AGAINST
RESOLUTION 1		
RESOLUTION 2		
RESOLUTION 3		
RESOLUTION 4		
RESOLUTION 5		
RESOLUTION 6		
RESOLUTION 7		
RESOLUTION 8		
RESOLUTION 9		
RESOLUTION 10		
RESOLUTION 11		

(Please indicate with an X in the spaces provided above to indicate how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any Resolution, the proxy may vote as he or she thinks fit, or, at his or her discretion, abstain from voting)

Signed this .... day of 2015

Number of Ordinary Shares Held

....
Signature of Shareholder(s)

Notes:

i) A member of the Company may appoint more than two (2) proxies to attend at the same meeting but only one (1) proxy shall be entitled to vote on a show of hands. Where a member appoints two (2) or more proxies, he shall specify in each form of proxy the proportion of his shareholdings to be represented by each proxy.

ii) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the company for multiple beneficial owners in one securities account (Omnibus Account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 (SICDA) which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

iii) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under Seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a member of the Company and need not be a person prescribed by Section 149(1)(b) of the Companies Act, 1965. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

iv) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company at 16th Floor, KH Tower, 8 Lorong P. Ramlee, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking of the poll, and in default the instrument of proxy shall not be treated as valid.

v) Only members whose names appears in the Record of Depositors on 17 September 2015 shall be entitled to attend, speak and vote at this meeting or appoint proxy/proxies to attend and/or vote on his/her behalf.

Fold this flap for sealing

AFFIX
STAMP
HERE

To: The COMPANY SECRETARY
OMESTI BERHAD
(Formerly known as Formis Resources Berhad)
16th Floor, KH Tower,
8 Lorong P. Ramlee,
50250 Kuala Lumpur.

Fold this flap for sealing

Privacy Notice

Dear Sirs/Madams,

This privacy notice for personal data (**Privacy Notice**) is issued to all shareholders of Omesti Berhad (**Company, we, us or our**), pursuant to the statutory requirements of the Personal Data Protection Act 2010 (**PDPA**).

During the course of your dealings with us, we will collect and process your personal data for purposes, including, to communicate with you, provide administrative assistance to you in the course of you being our shareholder, respond to your enquiries or input, invite you to meetings and events, provide you with notices, documents, information and/or updates relating to us and any matters relating to your involvement in the Board of Directors, for publication and dissemination of your personal data in any circulars, reports, minutes, websites, newsletters, bulletins, brochures, pamphlets or any other materials which may be published and circulated internally or to the general public, to comply with our legal and regulatory obligations (including monitor and where necessary make disclosure of matters relating to your involvement in any shares, debentures, participatory interests, rights, options, transactions and contracts) and other purposes required to operate and maintain our business as set out in our Privacy Policy (collectively referred to as **Purposes**).

We will not disclose any of your personal data to any third party without your consent except to the Company's group of companies (including the Company's subsidiaries, related and/or associated companies), our professional advisers, vendors, suppliers, agents, contractors, service providers, business partners, insurance companies, banks and financial institutions, any governmental agencies, regulatory authorities and/or statutory bodies, within or outside Malaysia, where necessary, for the Purposes mentioned above, to any party who undertakes to keep your personal data confidential, to any person as set out in our Privacy Policy, or to whom we are compelled or required under the law to disclose to. A copy of our Privacy Policy is available on our website at www.omesti.com/pdpa.

It is necessary for us to collect and process your personal data. If you do not provide us with your personal data, or do not consent to this Privacy Notice, we will not be able to effectively provide services to you in connection with or incidental to your role as our shareholder or process your personal data for any of the Purposes, if at all.

We are committed to ensuring that your personal data is stored securely. You have the right to request for access to, request for a copy of and request to update or correct, your personal data held by us. You also have the right at any time to request us to limit the processing and use of your personal data, subject to our right to rely on any statutory exemptions and/or exceptions to collect, use and disclose your personal data.

Your written requests or queries should be addressed to:

Personal Data Protection Officer
Address: 16th Floor KH Tower,
8 Lorong P Ramlee,
50250 Kuala Lumpur.

Tel: +603 2078 4488
Fax: +603 2070 6893
Email: pdpa@omesti.com

By providing your personal data to us, you consent to us processing your personal data in accordance with this Privacy Notice, and you confirm that all personal data provided by you is accurate and complete, and that none of it is misleading or out of date. You will promptly update us in the event of any change to your personal data.

To the extent that you have provided (or will provide) personal data about your family members, spouse, other dependents (if you are an individual), directors, shareholders, employees, representatives, agents (if you are a corporate entity/an organisation) and/or other individuals, you confirm that you have explained (or will explain) to them that their personal data will be provided to, and processed by, us and you represent and warrant that you have obtained their consent to the processing (including disclosure and transfer) of their personal data in accordance with this Privacy Notice.

In respect of minors (i.e. individuals under 18 years of age) or individuals not legally competent to give consent, you confirm that you are the parent or guardian or person who has parental responsibility over them or the person appointed by court to manage their affairs or that they have appointed you to act for them, to consent on their behalf to the processing (including disclosure and transfer) of their personal data in accordance with this Privacy Notice.

We reserve the right to update and amend this Privacy Notice or our Privacy Policy from time to time. We will notify you of any amendments to this Privacy Notice or our Privacy Policy via announcements on our website or other appropriate means. If we amend this Privacy Notice or our Privacy Policy, the amendment will only apply to personal data collected after we have posted the revised Privacy Notice or Privacy Policy.

In accordance with Section 7(3) of the PDPA, this Privacy Notice is issued in both English and Bahasa Malaysia. In the event of any inconsistencies or discrepancies between the English version and the Bahasa Malaysia version, the English version shall prevail.

Notis Privasi

Kepada tuan-tuan dan puan-puan,

Notis privasi untuk data peribadi ini (**Notis Privasi**) diberikan kepada semua pemegang saham Omesti Berhad (**Syarikat, kita atau kami**), selaras dengan obligasi statutori di bawah Akta Perlindungan Data Peribadi 2010 (**PDPA**).

Sepanjang masa urusan anda dengan kami, kami akan mengumpul dan memproses data peribadi anda untuk tujuan berkomunikasi dengan anda, memberi bantuan pentadbiran kepada anda, memberi maklum balas terhadap pertanyaan atau input anda, menjemput anda ke mesyuarat dan acara kami, memberi anda notis, dokumen, maklumat dan/atau isu-isu terkini berkaitan dengan kami dan perkara-perkara berhubungan dengan penglibatan anda di Lembaga Pengarah, untuk penerbitan dan pendedahan data peribadi anda di pekeliling, laporan, minit, laman web, surat berita, buletin, brosur, risalah atau media lain yang mungkin diterbitkan dan diedarkan di dalam organisasi kami atau kepada orang awam, untuk memenuhi kewajipan kami dalam mematuhi undang-undang dan peraturan-peraturan (termasuk memantau dan membuat pendedahan tentang perkara-perkara yang berkaitan dengan penglibatan anda dalam apa-apa saham, debentur, kepentingan penyertaan, hak, opsyen, urus niaga dan kontrak), serta tujuan-tujuan lain yang kami perlukan untuk mengendalikan dan mengekalkan perniagaan kami sepertimana yang tertera dalam Polisi Privasi kami (secara kolektifnya dirujuk sebagai **Tujuan-Tujuan**).

Kami tidak akan mendedahkan apa-apa data peribadi anda kepada mana-mana pihak ketiga tanpa kebenaran anda kecuali kepada syarikat-syarikat di dalam kumpulan Syarikat (termasuk subsidiari, syarikat berkaitan dan/atau syarikat bersekutu kami), penasihat profesional, ejen, vendor, pembekal, kontraktor, pembekal perkhidmatan, rakan kongsi perniagaan, syarikat insurans, bank dan institusi kewangan, agensi kerajaan, pihak berkuasa dan/atau badan berkanun, di dalam atau di luar Malaysia, jikalau perlu, bagi Tujuan-Tujuan yang disebut di atas, kepada mana-mana pihak yang berjanji untuk menyimpan data peribadi anda secara sulit, kepada mana-mana pihak sepertimana yang tertera dalam Polisi Privasi kami, atau sekiranya diperlukan di bawah undang-undang. Sesalinan Polisi Privasi kami boleh didapati di laman web kami di www.omesti.com/pdpa.

Kami perlu mengumpul dan menyimpan data peribadi anda. Sekiranya anda tidak memberikan data peribadi anda kepada kami, atau tidak bersetuju dengan Notis Privasi ini, kami mungkin tidak dapat memberikan perkhidmatan secara efektif kepada anda berkaitan atau bersampingan dengan peranan anda sebagai pemegang saham kami atau memproses data peribadi anda bagi Tujuan-Tujuan yang disebut di atas.

Kami akan memastikan data peribadi anda disimpan dengan selamat. Anda mempunyai hak untuk meminta akses kepada, mendapat salinan, mengemaskini atau memperbetulkan data peribadi anda yang disimpan oleh kami. Anda juga mempunyai hak untuk meminta kami menghadkan pemprosesan dan penggunaan data peribadi anda pada bila-bila masa. Walaubagaimana pun, kami mempunyai hak untuk bergantung kepada mana-mana pengecualian dalam mengumpul, mengguna dan mendedah data peribadi anda.

Permintaan atau pertanyaan bertulis anda perlu disampaikan ke alamat di bawah:

Pegawai Perlindungan Data Peribadi
Alamat: 16th Floor KH Tower,
8 Lorong P Ramlee,
50250 Kuala Lumpur.

Telefon: +603 2078 4488
Faks: +603 2070 6893
E-mel: pdpa@omesti.com

Dengan memberikan data peribadi anda kepada kami, anda bersetuju untuk kami memproses data peribadi anda sepertimana yang tertera dalam Notis Privasi ini, dan anda mengesahkan bahawa semua data peribadi yang diberikan oleh anda adalah betul dan lengkap, dan tiada data peribadi yang mengelirukan atau yang belum dikemaskinikan. Anda mesti, dengan segera, mengemaskini data peribadi anda sekiranya terdapat apa-apa perubahan kepada data peribadi yang anda beri kepada kami.

Setakat mana yang anda telah memberikan (atau akan memberikan) data peribadi tentang ahli keluarga, pasangan, tanggungan anda (jikalau anda ialah seorang individu), pengarah, pemegang saham, wakil, ejen (jikalau anda ialah sebuah entiti korporat/organisasi) dan/atau individu lain, anda mengesahkan bahawa anda telah menjelaskan (atau akan menjelaskan) kepada mereka bahawa data peribadi mereka akan didedahkan kepada, dan akan diproses oleh, kami dan anda menyata dan menjamin bahawa anda telah diberi kuasa untuk mendedahkan data peribadi mereka kepada kami dan anda telah memperolehi persetujuan daripada mereka berkenaan dengan pemprosesan (termasuk pendedahan dan pemindahan) data peribadi mereka sepertimana yang tertera dalam Notis Privasi ini.

Berkenaan dengan individu yang belum mencapai usia dewasa (iaitu individu di bawah umur 18 tahun) atau individu yang tidak mempunyai kompeten untuk memberi persetujuan, anda mengesahkan bahawa anda ialah ibu bapa atau penjaga atau orang yang mempunyai kewajipan terhadap mereka atau orang yang dilantik oleh mahkamah untuk menguruskan urusan mereka atau mereka telah melantik anda untuk mewakili mereka, untuk memberi persetujuan bagi pihak mereka berkenaan dengan pemprosesan (termasuk pendedahan dan pemindahan) data peribadi mereka sepertimana yang tertera dalam Notis Privasi ini.

Kami berhak untuk mengemaskini dan meminda Notis Privasi ini atau Polisi Privasi kami dari semasa ke semasa. Sebarang perubahan atau pemindahan kepada Notis Privasi ini atau Polisi Privasi kami akan dimaklumkan melalui pengumuman di laman web kami atau melalui cara yang bersesuaian. Jika kami meminda Notis Privasi ini atau Polisi Privasi kami, pindaan itu hanya akan berkuat-kuasa untuk data peribadi yang dikumpul selepas kami memaparkan Notis Privasi atau Polisi Privasi kami yang terpinda.

Mengikut Seksyen 7(3) PDPA, Notis Privasi ini diterbitkan dalam Bahasa Inggeris dan Bahasa Malaysia. Sekiranya terdapat sebarang ketidakseragaman atau percanggahan di antara versi Bahasa Inggeris dan Bahasa Malaysia, versi Bahasa Inggeris akan digunapakai.

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