

MONTEIRO GERARD CLAIR

EXECUTIVE DIRECTOR

- Age 46, Male, Malaysian
- Appointed to the Board on 2 July 2012
- Member of Executive Committee and Remuneration Committee

A serial entrepreneur, Mr Monteiro began his career in 1992 as a sales agent for Riken Auto Sdn Bhd (Riken Auto) and was subsequently appointed as a Director. In 1998, he left Riken Auto and set up Optima Auto Sdn Bhd where he served as Managing Director until 2005.

Since then, he has ventured into the property industry and various other investments via several privately held companies including Red Zone Development Sdn Bhd (Red Zone), an investment holding company. He serves as a Director of Red Zone and of various other private companies, including property development company Montprimo Sdn Bhd where he is Executive Vice Chairman. He is currently an Executive Director of Microlink Solutions Berhad and a Director of Omesti Holdings Berhad.

In his younger years, Gerard was an accomplished sportsman, representing Malaysia in squash at both junior and senior levels. Crowned National Junior Champion in 1988, he also captained the victorious National Junior Team in the East Asian Junior Squash Championships in 1999.

DATO' SRI THONG KOK KHEE

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

- Age 62, Male, Malaysian
- Appointed to the Board on 19 September 2011

Dato' Sri Thong graduated from the London School of Economics, UK and has worked in the financial services industry from 1979 to 1988. He worked for Standard Chartered Merchant Bank Asia Limited in Singapore from October 1982 to June 1988 and his last held position was Director of its Corporate Finance Division.

Dato' Sri Thong is the Executive Deputy Chairman cum Chief Executive Officer of Insas Berhad and also sits on the Boards of Inari Amertron Berhad, Ho Hup Construction Company Berhad and SYF Resources Berhad.

HJ. AHMAD BIN KHALID

INDEPENDENT NON-EXECUTIVE DIRECTOR

- Age 66, Male, Malaysian
- Re-joined the Board on 1 November 2007
- Chairman of Nominating Committee and member of Audit & Risk Management Committee

Hj. Ahmad has held various top management positions in the banking and telecommunication industries for the past 30 years.

He currently serves as Director on the boards of Watta Holding Berhad, Omesti Holdings Berhad, Diversified Gateway Solutions Berhad, Diversified Gateway Berhad and several other private companies. He also serves on the board of several subsidiary companies of the Omesti Group.

Hj. Ahmad holds a Diploma in Accountancy from Universiti Teknologi MARA and has attended numerous professional courses both abroad and locally.

TAI KEAT CHAI

INDEPENDENT NON-EXECUTIVE DIRECTOR

- Age 63, Male, Malaysian
- Appointed to the Board on 30 June 2013
- Chairman of Audit & Risk Management Committee and member of Long-Term Incentive Plan Committee.

Mr Tai brings many years of valuable experience and insight through his work at KPMG, London and PwC in Kuala Lumpur. In 1981, he joined Alliance Investment Bank Berhad where he worked in corporate finance for seven years before venturing into stock-broking, working with SJ Securities Sdn Bhd, AA Anthony Securities Sdn Bhd and Kenanga Investment Bank Berhad.

He is currently a Director of Rex Industry Berhad, Microlink Solutions Berhad, Marine & General Berhad (formerly known as Silk Holdings Berhad), MIDF Amanah Asset Management Berhad and several other unlisted companies.

Mr Tai is a Fellow of the Institute of Chartered Accountants in England & Wales and a member of the Malaysian Institute of Accountants.

MAH YONG SUN

INDEPENDENT NON-EXECUTIVE DIRECTOR

- Age 54, Male, Malaysian
- Appointed to the Board on 1 August 2013
- Chairman of Long-Term Incentive Plan Committee and member of Nominating Committee

Graduating with a BSc(Eng) in Computing Science from Imperial College London, Mr Mah subsequently joined global management and technology consulting firm Accenture, where he served for 25 years until 2009.

For 12 of those years, he was a partner, holding many leadership roles including change management competency group lead for Asia, communications and high technology lead for Thailand, Malaysia, Philippines and Indonesia and communications sector for Greater China. He has extensive experience in the media and communication industries, strategic information planning, complex systems implementation and business operations.

He is currently a Non-Executive Director of Rev Asia Berhad, Diversified Gateway Solutions Berhad, and Celcom Axiata Berhad. He also sits on the Development Board of Imperial College London.

Save where disclosed above, none of the Directors has:

- any family relationship with any Director and/or major shareholder of the Company;
- any conflict of interest with the Company;
- any conviction for offences within the past 5 years other than traffic offences; and
- any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



KEY SENIOR MANAGEMENT

The following section provides details on the senior executives who hold responsibility for management of the principal operations of the businesses within OMESTI Group.

Richard Voon Siew Moon

Group Chief Financial Officer – OMESTI Berhad

- Age 48, Male, Malaysian
- Appointed on 1 March 2013

Qualifications

ACCA

Working Experience

27 years

Profile

Richard joined OMESTI as Chief Financial Officer in March 2013. He is a Chartered Accountant (ACCA) with more than 20 years' experience in various industries, holding senior financial positions in listed companies including FCW Holdings Berhad, Cusapi Berhad, and more recently, prior to joining the Group, as Group Chief Financial Officer of KNM Group Berhad.

Any directorship in public companies and listed issuers

None

Any family relationship with any director and/or major shareholder of the listed issuer

None

Any conflict of interests that the person has with the listed issuer

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.

None

Nurman Rummel Sanusi

Chief Operating Officer, eCOURTS – OMESTI Berhad

- Age 33, Male, Malaysian
- Appointed on 2 January 2015

Qualifications

LLB (Hons)

Working Experience

8 years

Profile

Nurman Rummel Bin Sanusi joined OMESTI Berhad as Chief Operating Officer of eCOURTS, the division responsible for designing, developing and implementing the company's proprietary digital court infrastructure solution. Rummel qualified in Law and was called to the Malaysian Bar in 2009. He was in practice at Messrs Shook Lin & Bok before venturing into the commercial sector. He also serves on the Board of several private companies.

Any directorship in public companies and listed issuers

None

Any family relationship with any director and/or major shareholder of the listed issuer

None

Any conflict of interests that the person has with the listed issuer

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.

None

Mohamed Maaruf Bin Vaheed

General Manager

– Formis Network Services Sdn Bhd

- Age 48, Male, Malaysian
- Appointed on 1 October 2012

Qualifications

MBA

Working Experience

25 years

Profile

Maaruf obtained a degree in electrical engineering from the US. He has over 25 years of experience spanning multiple disciplines within the ICT industry beginning in Web & Apps Development and DB in the United States. Subsequently, he set up the first Search Engine in Asia, a mirror site for AltaVista under Skali. He subsequently moved into project management as Project Director and joined Formis Network Services as a business unit head in 2001 and was subsequently appointed as General Manager.

Any directorship in public companies and listed issuers

None

Any family relationship with any director and/or major shareholder of the listed issuer

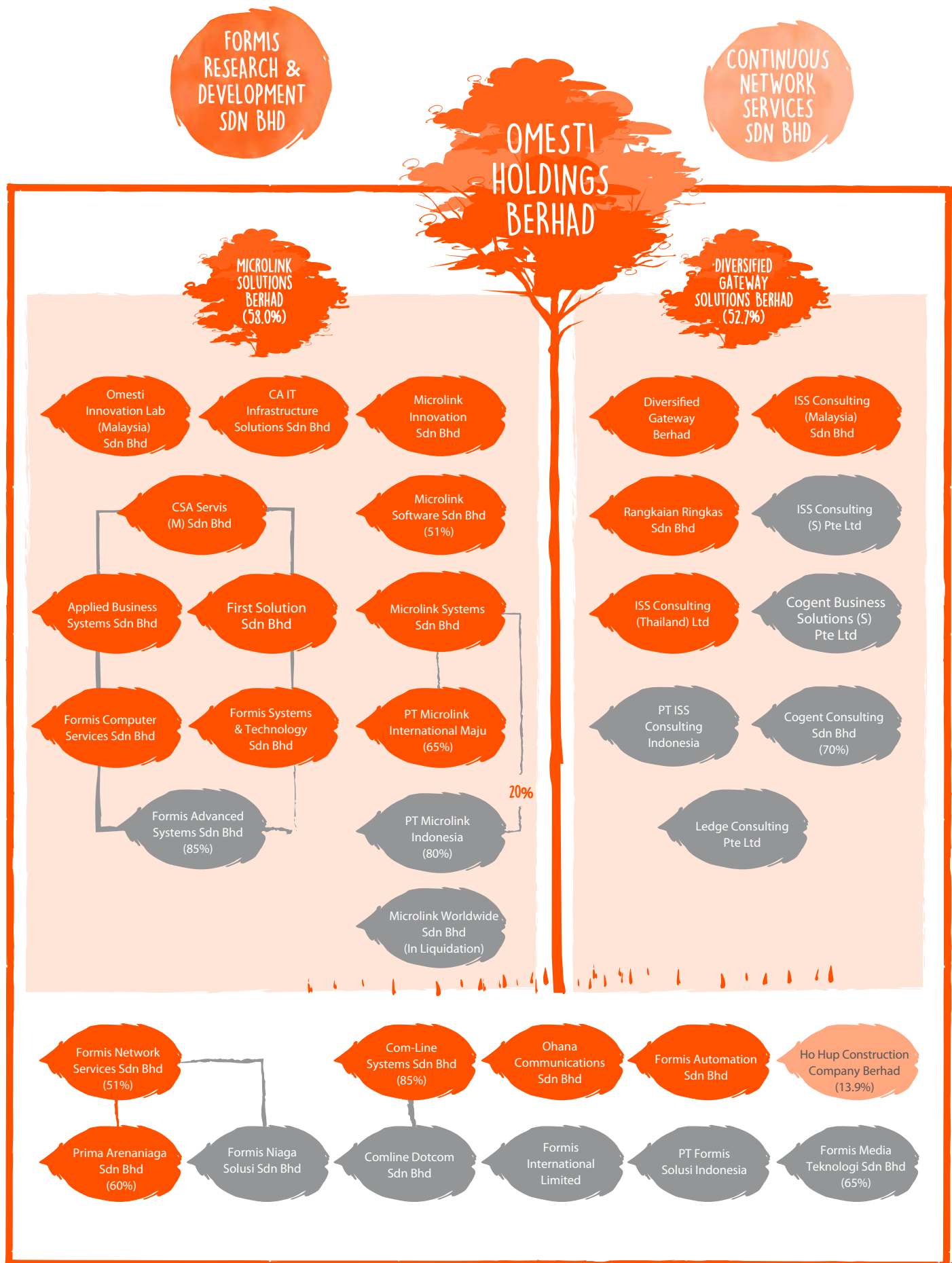
None

Any conflict of interests that the person has with the listed issuer

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.

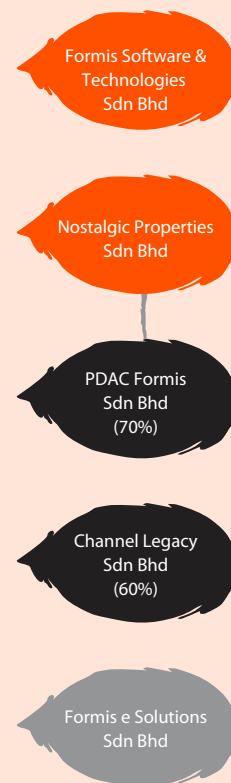
None



CONTINUOUS NETWORK ADVISERS SDN BHD

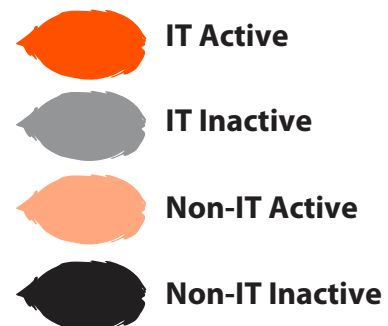


MAN YAU HOLDINGS BERHAD



CORPORATE STRUCTURE AS AT 30 JUNE 2017

LEGEND



Unless stated otherwise, shareholding is 100%

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (Board) of Omesti 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 protect the interests of shareholders and stakeholders for long term sustainability and growth.

The Board and Management are committed to ensuring that the business and affairs of the Company and its subsidiaries (Group) are in strict adherence with 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 governance standards prescribed in the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities) 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.

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.

Matters reserved for the Board's approval, except where they are expressly delegated by the Board to a committee, the Chairman or another nominated member of the Management and details of the other roles and responsibilities of the Board are set out in the Board Charter.

The Executive Directors are involved in leadership roles and they oversee the Group's operations and performance. They liaise with the Chief Executive Officers of the operating subsidiaries on a regular basis on business strategies and opportunities to lead the Management to drive the Company and the Group forward.

The Board has assigned the day-to-day management of the Group's businesses and operations to the Executive Directors, the Executive Committee and the Chief Executive Officers of the operating subsidiaries, who are accountable for initiating ideas to create competitive edge in their respective industries or markets and the conduct and performance of their businesses within the agreed corporate objectives and business strategies.

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 in all key areas as an integral part of the management succession plan. The plan also includes offering a competitive remuneration package and providing training and career development opportunities for employees in all key functions of the Group operations.

COMPOSITION AND BOARD BALANCE

The Board comprises eight (8) members:

- 4 Independent Non-Executive Directors including the Chairman
- 2 Non-Independent Non-Executive Directors
- 2 Executive Directors

The Board's composition complies with the requirements mandated by the Main Market Listing Requirements of Bursa Securities. The Board, through annual review by the Nominating 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 20 to 23 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 respectively. 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 Nominating Committee (collectively referred to as Board Committees). The current composition of the Board Committees is set out on page 19 of Volume 1 of this Annual Report.

BOARD CHARTER

The Board has established a Board Charter as a key point of reference that clearly defines 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.

STRATEGIES TO PROMOTE SUSTAINABILITY

The Board believes that sustainable corporate success requires the highest standard of corporate behaviour 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 focuses on sustainability in four (4) key areas, namely the workplace, the community, the environment and the marketplace. The sustainability strategy aims to deliver lasting value for shareholders and stakeholders.

Details of the CSR initiatives for the year under review are included in the Chairman's Statement on pages 3 to 6 of Volume 1 of this Annual Report.

ACCESS TO INFORMATION, ADVICE AND 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 its 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

NOMINATING COMMITTEE

The Nominating Committee (NC) is comprised entirely of Independent Non-Executive Directors. 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. The effectiveness of the Board is assessed in the areas of the Board's responsibilities and composition, contribution and performance, administration and conduct, interaction and communication with Management and Board

engagement. The effectiveness of the Board Committees is assessed in terms of structure and processes, accountabilities and responsibilities, as well as the effectiveness of the Chairmen of the respective Board Committees.

The terms of reference of the NC are available for reference at the Company's website www.omesti.com.

During the financial year ended (FYE) 31 March 2017, one (1) NC meeting was held. In July 2016, 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
- reviewed the term of office and performance of the ARMC and each of its members

Based on the annual review carried out through the Directors/Key Officers Evaluation Form, Board and Board Committee Evaluation Form, Board Skills Matrix Form, Audit & Risk Management Committee (ARMC) Evaluation Questionnaire, ARMC Self and Peer Evaluation Form and Independent Directors Self-Assessment Checklist, the NC is satisfied that:

- the Board Committees have carried out their functions in accordance with their respective terms of reference and 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 19 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 Board currently is 87.5% male and 12.5% female, with 62.5% being Chinese, 25% Malay and 12.5% others. In terms of age, 12.5% are aged 31-40, 41-50, 51-60 and above 70 years old respectively and the remaining 50% are 61-70 years old.

RE-ELECTION OF DIRECTORS

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 at each Annual General Meeting (AGM), provided always that all Directors shall retire from office once every 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 AGM following their appointment.

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 2017 to review the remuneration of the Executive Directors.

The current composition of the RC is as set out on page 19 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. No Directors shall take part in decisions involving his/her own remuneration.

When receiving and determining the structure of Executive Directors' remuneration, the RC takes into account the following criteria:

- Individual performance
- Skills and knowledge
- Involvement in the Group's affairs
- Achievement of the Group's internal targets
- Performance and profitability of the Group

The RC also considers other factors such as time commitment, duties and responsibilities.

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:

Category	Directors' Fees (RM)	Directors' Salaries & Other Emoluments (RM)	Total (RM)
Executive Directors			
Mah Xian-Zhen	73,000 ⁽¹⁾	917,264 ⁽²⁾	990,264
Monteiro Gerard Clair	–	1,072,549 ⁽²⁾	1,072,549
Non-Executive Directors			
Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri			
Dr. Hj. Megat Khas	120,000	32,000	152,000
Dato' Mah Siew Kwok	264,000 ⁽³⁾	287,940 ⁽²⁾	551,940
Hj. Ahmad Bin Khalid	156,000 ⁽⁴⁾	24,000 ⁽⁵⁾	180,000
Dato' Sri Thong Kok Khee	60,000	6,000	66,000
Tai Keat Chai	171,500 ⁽⁴⁾	28,000 ⁽⁵⁾	199,500
Mah Yong Sun	132,000 ⁽⁴⁾	22,000 ⁽⁵⁾	154,000

⁽¹⁾ Fee paid/payable by a subsidiary company for acting as a Non-Independent Non-Executive Director

⁽²⁾ Salaries and other emoluments paid by the Company and subsidiary companies for acting as Director

⁽³⁾ Fees paid/payable by the Company and subsidiary company for acting as a Non-Independent Non-Executive Director

⁽⁴⁾ Fees paid/payable by the Company and subsidiary company for acting as an Independent Non-Executive Director

⁽⁵⁾ Other emoluments paid by the Company and subsidiary companies for acting as an Independent Non-Executive Director

REINFORCE INDEPENDENCE

ANNUAL ASSESSMENT OF INDEPENDENCE

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 through the Assessment of Independence of Independent Directors under the annual Board evaluation process. 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 their ability to act in the best interests of the Company, and that they continue to fulfil the definition of independence as set out in the Listing Requirements.

TENURE OF INDEPENDENT DIRECTOR

One of the recommendations of the MCGG 2012 states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. None of the Independent Directors' tenure has exceeded a cumulative term of nine (9) years, except for Hj. Ahmad Bin Khalid. The Board has vide the NC reviewed and assessed the performance and independence of Hj. Ahmad Bin Khalid and was of the opinion that his length of service on the Board does not in any way interfere with his exercise of impartial and independent judgment based on the following justifications:

- He has fulfilled the criteria under the definition of Independent Director as stated in the Listing Requirements, and thus, he would be able to remain objective and independent in expressing his views and in participating in deliberations and decision-making of the Board and Board Committees;
- He has vast experience in a diverse range of businesses and therefore would be able to provide constructive opinion;
- He exercises independent judgment and has the ability to act in the best interests of the Company;

- He has devoted sufficient time and attention to his professional obligations for informed and balanced decision-making;
- He has continued to exercise his independence and due care during his tenure as an Independent Non-Executive Director of the Company and carried out his professional duties in the best interests of the Company and shareholders; and
- 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.

The Board will seek the approval of the shareholders at the forthcoming Annual General Meeting for Hj. Ahmad Bin Khalid to continue as an Independent Non-Executive Director of the Company.

SEPARATION OF POSITIONS OF CHAIRMAN, VICE CHAIRMAN AND EXECUTIVE DIRECTORS

The Board recognises the importance of having a clearly accepted division of function and responsibilities of the above roles to ensure a balance of power and authority.

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

The Executive Directors have overall responsibility for the operational and business units, organisational effectiveness and implementation of Board policies, directives, strategies and decisions. The Independent 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 and the Executive Directors.

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 are also invited to attend these meetings as and when required, to provide the Board with the necessary information and clarification on issues deliberated during the meetings.

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 FYE 31 March 2017, the Board met five (5) 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	4/5
Bin Datuk Seri Dr. Hj. Megat Khas	
Dato' Mah Siew Kwok	5/5
Mah Xian-Zhen	5/5
Monteiro Gerard Clair	5/5
Dato' Sri Thong Kok Khee	5/5
Hj. Ahmad Bin Khalid	5/5
Tai Keat Chai	5/5
Mah Yong Sun	5/5

All Directors have complied with the minimum 50 percent attendance requirement at Board meetings during FYE 31 March 2017 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 provided 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.

During the financial year under review, the NC reviewed and evaluated the training needs of the Directors and encouraged the individual Directors to identify their own training needs. The Company Secretary has periodically informed the Directors of the availability of appropriate courses, conferences and seminars and the Directors are encouraged to attend such training at the Company's expense.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D.)

The training/courses attended by the Directors during FYE 31 March 2017 are as follows:-

Director	Training Attended	Date
Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas	• Corporate Governance and Collaboration Solutions for Boards and Senior Executives	24 May 2016
	• PETRONAS Board Excellence: Best Practices for Board Excellence Programme	3 August 2016
	• PETRONAS Board Strategic Away Training Days	12 – 13 August 2016 22 – 24 January 2017 17 – 18 March 2017
	• Khazanah Megatrend Forum 2016	26 – 27 September 2016
	• MICG's Seminar On "Chairman" Roles	28 September 2016
	• Presentation at MOGEC Networking Lunch & Talk	7 December 2016
	• Sustainability Engagement Series for Directors/Chief Executive Officer	13 March 2017
	• Global Emerging Markets Regulatory Conference 2017	14 March 2017
Dato' Mah Siew Kwok	• Principles & Disclosure Framework of Integrated Reporting In Building Investors' Trust – Maximising Communicative Value	29 July 2016
	• Enhanced Understanding of Risk Management and Internal Control – "The Way Forward"	18 October 2016
	• One-Day In-House Seminar On Tax Update	10 November 2016
	• CG Breakfast Series with Directors: "The Cybersecurity Threat and How Board Should Mitigate the Risks"	18 November 2016
	• Companies Act 2016 – Key Changes and Action To Be Taken	11 January 2017
Mah Xian-Zhen	• Online Marketing – Finding and Engaging with Your Target Market	30 June 2016
	• Search Inside Yourself Programme	24 – 25 October 2016
	• eCourts 2016 Conference	12 – 14 December 2016
	• Companies Act 2016 – Key Changes and Action To Be Taken	11 January 2017
	• Corporate Registers Forum Hong Kong 2017	6 – 10 March 2017
Monteiro Gerard Clair	• Prepaid Summit: Middle East and Africa 2016 Conference and Awards	27 April 2016
	• Corporate Registers Forum Hong Kong 2017	6 – 10 March 2017
Hj. Ahmad Bin Khalid	• The Annual General Meeting – A Practical Insight and Managing Shareholders' Expectations	27 September 2016
Tai Keat Chai	• Cost of Capital and Discounts and Premiums	9 May 2016

Dato' Sri Thong Kok Khoo and Mr Mah Yong Sun have not attended any training during the financial year under review due to their respective tight travelling schedule and busy/heavy work commitments. Nevertheless, these Directors continue to devote sufficient time to update their knowledge and enhance their skills through other alternatives to meet the ever-changing commercial challenges and risks.

In addition, the 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 from the Management, External Auditors, Company Secretary and the Internal Auditors during the Committees' meetings and Board meetings. 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 applicable Financial Reporting Standards in Malaysia and are in accordance with the provisions of the Companies Act, 2016.

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 annual financial statements and quarterly financial reports. Upon recommendation given by the ARMC, the

Board will engage in discussion and reviews before approving and subsequently releasing to Bursa Securities, Securities Commission and the public.

The Chief Financial Officer (CFO) presents to the ARMC and the Board details of revenue and expenditure, for review of quarter-to-quarter and year-to-date financial performance against budget. The CFO provides assurance to the ARMC on a quarterly basis that appropriate accounting policies had been adopted and applied consistently.

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 External Auditor Independence Policy. Having satisfied itself with their performance and fulfilment 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. The ARMC will review the appointment of the External Auditors annually based on its assessment of the auditors' performance.

In this regard, in May 2017, the ARMC assessed the performance and 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 FYE 31 March 2017. The ARMC was satisfied with BDO's technical competency and audit independence. The assessment is based on:

- the overall comprehensiveness of the external audit plan
- the timeliness and quality of communications provided under the plan and delivered during the audit
- the competency and industry knowledge of external audit staff
- the adequacy of resources to achieve the scope as outlined in the plan
- the relationships with the Company or any other entity that may impair or appear to impair the External Auditor's judgment or independence

Written assurance is sought from the External Auditors confirming their independence throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

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 Management.

A summary of the activities of the ARMC during the financial year are set out in the ARMC Report on page 42 of Volume 1 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. The Board has in past years formalised a structured risk management framework to identify, evaluate, control, monitor and report the principal business risks faced by the Group on an ongoing basis.

Further details on the key features of the risk management framework are set out in the Statement on Risk Management & Internal Control on pages 39 to 41 of Volume 1 of this Annual Report.

INTERNAL AUDIT FUNCTION

The Company has outsourced the internal audit function to an independent professional firm of auditors. 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 39 to 41 of Volume 1 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 fulfil 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 the proposed resolution to facilitate understanding and evaluation of the issues involved.

In line with this, a Shareholders' Communication Policy has been adopted by the Company which sets out the framework that it has put in place to promote effective communication with the shareholders so as to enable the shareholders to engage actively with the Company and exercise their rights as shareholders in an informed manner. The Shareholders' Communication Policy is available for reference at the Company's website www.omesti.com.

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 5 July 2017.



STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

INTRODUCTION

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 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).

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 the operating companies and does not cover associates and inactive 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, and ensuring compliance with applicable laws and regulations.

For the financial year under review, internal audit review was carried out on three (3) operating units within the Group. The result of these reviews have been reported at the Group's quarterly Audit & Risk Management Committee (ARMC) meetings and at 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 and segregation of authorities and limits.
- Clearly defined delegation of responsibilities to Board Committees and 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 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.
- 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.
- Presentation to the Board of timely information on the 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 Auditors 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 plans of the respective subsidiaries for the new financial year are presented to the Board of Directors for its review and adoption.

The Senior Management/Executive Committee conducts monthly/quarterly reviews 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.

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 Management.

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 of auditors for which, during the year, a fee of RM107,000 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. This is in order 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 are presented to the ARMC for approval by the Internal Auditors who adopt a risk-based approach. The Internal Audit Plan for the year is developed based on the outcome of the risk assessment 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 may 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.

Review of the Statement by External Auditors

As required by Paragraph 15.23 of the MMLR of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control intended to be included in the Annual Report for the financial year ended 31 March 2017 has not been prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement on Risk Management and Internal Control factually inaccurate.

The limited assurance review was performed in accordance with the Recommended Practice Guide (RPG) 5 [Revised 2015] issued by the Malaysian Institute of Accountants which does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Conclusion

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.

This statement is made in accordance with approval from the Board of Directors dated 5th July 2017.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

The Audit & Risk Management Committee (ARMC) operates with the primary objective to assist the Board of Directors (Board) in fulfilling its fiduciary responsibilities relating to corporate governance, system of internal controls, risk management processes and management and financial reporting practices of the Group.

The current composition of the ARMC is as follows:

- Tai Keat Chai – Independent Non-Executive Director (Chairman)
- Hj. Ahmad Bin Khalid – Independent Non-Executive Director
- Dato' Mah Siew Kwok – Non-Executive Vice Chairman

In compliance with the composition ruling, the ARMC Chairman, Mr. Tai Keat Chai, is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants. He fulfills the requirements of Paragraph 15.09(1)(c)(i) of the Main Market Listing Requirements.

TERMS OF REFERENCE

In performing its duties and discharging its responsibilities, the ARMC is guided by its Terms of Reference (TOR). The TOR are available for reference at the Company's website www.omesti.com. No revision was made to the TOR during the financial year under review.

MEETINGS AND ATTENDANCE

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
Hj. Ahmad Bin Khalid	5/5
Dato' Mah Siew Kwok	5/5

Attendance at all ARMC meetings met the requisite quorum as stipulated in the TOR.

Upon invitation, the relevant responsible management member of the operating subsidiaries attends the ARMC meeting to brief the ARMC on pertinent issues arising.

The Company Secretary acts as the ARMC secretary in all ARMC meetings. Minutes of each ARMC meeting were recorded and tabled for confirmation at the subsequent ARMC meeting.

SUMMARY OF ACTIVITIES

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

Financial Reporting

- Reviewed and recommended the quarterly financial results and the annual audited financial statements of the Group to the Board for consideration and approval.

Internal Audit

- Reviewed the Internal Auditors' scope of work, audit plans and fees for the Group;
- Reviewed the internal audit direction and appointment;
- 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 the Internal Audit Plan of the outsourced internal audit function to ensure adequate scope and comprehensive coverage of the activities of the Group; and
- Reviewed the Internal Audit Report of operating subsidiaries.

External Audit

- Reviewed and assessed the performance and independence of the External Auditors, Messrs BDO, before recommending their appointment to the Board for consideration;
- Reviewed External Audit Planning;
- Reviewed and considered the Audit Review Memorandum of the Company;
- Reviewed with the External Auditors the scope of work, Audit Plan and fees for the statutory audit and thereafter recommended to the Board for approval; and
- Met with the External Auditors during the year without the presence of any Executive Director and Management.

Related Party Transactions

- 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; and
- Reviewed the Statement by the ARMC to be included in the Circular to Shareholders in relation to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.

Other Matters

- 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;
- Reviewed the Statement on Risk Management & Internal Control and the ARMC Report prior to submission to the Board for consideration and inclusion in the Annual Report of the Company;
- Reviewed and verified allocation of share options pursuant to Long-Term Incentive Plan (LTIP) in accordance with the criteria as set out in the By-Laws of LTIP; and
- Reviewed the business progress of operating subsidiaries.

INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to a professional firm of auditors 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 FYE 31 March 2017, 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 internal audit function are set out in the section on the Statement on Risk Management & Internal Control on pages 39 to 41 of Volume 1 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, 2016, 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 2017, 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, 2016, 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.



ANALYSIS OF SHAREHOLDINGS

As At 30 June 2017

SHARE CAPITAL

Issued and Paid-up Share Capital : 430,446,491 Ordinary Shares
Class of Shares : Ordinary Shares
Voting Rights : One (1) vote per Ordinary Share on a poll
Number of Shareholders : 4,708

DISTRIBUTION OF SHAREHOLDERS

According to statistical summary of the Record of Depositors as at 30 June 2017

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Less than 100 shares	602	12.79	21,921	0.01
100 to 1,000 shares	2,532	53.78	890,795	0.20
1,001 to 10,000 shares	796	16.91	4,373,103	1.02
10,001 to 100,000 shares	563	11.96	19,670,346	4.57
100,001 to less than 5% of issued shares	213	4.52	314,166,626	72.98
5% and above of issued shares	2	0.04	91,323,700	21.22
Total	4,708	100.00	430,446,491	100.00

LIST OF THIRTY LARGEST SHAREHOLDERS

According to the Record of Depositors as at 30 June 2017

	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	15.40
2	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Siew Kwok (Margin)	25,050,000	5.82
3	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Siew Kwok	21,500,000	4.99
4	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Seow Voon Ping	20,000,000	4.65
5	Gryphon Asset Management Sdn Bhd	19,579,500	4.55
6	AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Siew Kwok	14,279,086	3.32
7	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Gan Nyap Liou @ Gan Nyap Liow	13,520,500	3.14
8	Cartaban Nominees (Asing) Sdn Bhd Exempt An For Standard Chartered Bank Singapore Branch (SG PVB CL AC)	10,663,000	2.48
9	Insas Plaza Sdn Bhd	10,000,000	2.32
10	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Siew Booy (D18)	8,837,600	2.05

ANALYSIS OF SHAREHOLDINGS (CONT'D.)

As At 30 June 2017

LIST OF THIRTY LARGEST SHAREHOLDERS (CONT'D.)

According to the Record of Depositors as at 30 June 2017

	Name	No. of Shares Held	%
11	Mah Xian-Zhen	8,763,800	2.04
12	AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for – AmBank (M) Berhad for Insas Plaza Sdn Bhd	7,500,000	1.74
13	AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Monteiro Gerard Clair	7,283,900	1.69
14	M & A Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Mah Siew Kwok (M & A)	6,270,000	1.46
15	CimSec Nominees (Tempatan) Sdn Bhd CIMB Bank for Tan Siew Booy (MY0267)	6,208,400	1.44
16	M & A Nominee (Asing) Sdn Bhd Montego Assets Limited	6,000,000	1.39
17	Mah Siew Kwok	5,562,000	1.29
18	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Dato' Seri Megat Najmuddin Bin Datuk Seri Haji Megat Khas (Margin)	5,316,405	1.24
19	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Siew Kwok	5,150,300	1.20
20	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Siew Kwok (Margin)	4,815,403	1.12
21	AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Hong Cheat	4,682,454	1.09
22	HSBC Nominees (Tempatan) Sdn Bhd Exempt An For Credit Suisse AG (SG-CLT-T-OS PR)	4,621,300	1.07
23	JF Apex Nominees (Tempatan) Sdn Bhd Teh & Lee for Megat Najmuddin Bin Haji Megat Khas	4,471,250	1.04
24	Citigroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lau Chi Chiang (472016)	4,164,900	0.97
25	M & A Securities Sdn Bhd IVT (A)	4,080,000	0.95
26	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kok Tiu Wan	3,228,100	0.75
27	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Low Choon Chong	3,175,000	0.74
28	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Jaganath Derek Steven Sabapathy	3,100,000	0.72
29	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Dato' Mah Siew Kwok (KLM 29988-3)	2,679,635	0.62
30	AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Megat Najmuddin Bin Haji Megat Khas (MX3240)	2,500,000	0.58
	Total	309,276,233	71.85

ANALYSIS OF SHAREHOLDINGS (CONT'D.)

As At 30 June 2017

SUBSTANTIAL SHAREHOLDERS

According to the Register of Substantial Shareholders as at 30 June 2017

Name	<----- No. of Ordinary Shares Held ----->			
	Direct Interest	%	Deemed Interest	%
1 Dato' Mah Siew Kwok	88,896,424	20.65	–	–
2 Insas Berhad	–	–	48,659,500 ⁽¹⁾	11.30
3 Dato' Sri Thong Kok Khee	–	–	48,659,500 ⁽²⁾	11.30
4 Red Zone Development Sdn Bhd	68,431,300	15.90	–	–
5 Monteiro Gerard Clair	7,673,100	1.78	68,431,300 ⁽³⁾	15.90
6 Dato' Wong Kit-Leong	–	–	68,431,300 ⁽³⁾	15.90
7 Datuk Raymond Tan	–	–	68,331,300 ⁽³⁾	15.90
8 Dato' Gan Nyap Liou @ Gan Nyap Liow	16,185,600	3.76	10,663,000 ⁽⁵⁾	2.48

DIRECTORS' INTERESTS IN ORDINARY SHARES IN THE COMPANY AND RELATED COMPANIES

According to the Register of Directors' Shareholdings as at 30 June 2017

OMESTI BERHAD	<----- No. of Ordinary Shares Held ----->			
	Direct Interest	%	Deemed Interest	%
1 Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas	16,336,055	3.80	–	–
2 Dato' Mah Siew Kwok ⁽⁴⁾	88,896,424	20.65	–	–
3 Mah Xian-Zhen ⁽⁴⁾	9,263,800	2.15	–	–
4 Monteiro Gerard Clair	7,673,100	1.78	68,431,300 ⁽³⁾	15.90
5 Dato' Sri Thong Kok Khee	–	–	48,659,500 ⁽²⁾	11.30
6 Hj. Ahmad Bin Khalid	50,001	0.01	–	–
7 Tai Keat Chai	–	–	–	–
8 Mah Yong Sun	4,621,300	1.07	–	–

ANALYSIS OF SHAREHOLDINGS (CONT'D.)

As At 30 June 2017

RELATED COMPANIES

		<----- 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	1,743,000	0.13	–	–
2	Dato' Mah Siew Kwok	8,763,892	0.65	714,365,301 ⁽⁶⁾	52.69
3	Hj. Ahmad Bin Khalid	30,001	0.002	–	–
4	Monteiro Gerard Clair	3,000,000	0.22	–	–

		<----- No. of Ordinary Shares Held ----->			
MICROLINK SOLUTIONS BERHAD		Direct Interest	%	Deemed Interest	%
1	Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas	107,742	0.06	–	–
2	Dato' Mah Siew Kwok ⁽⁴⁾	1,271,536	0.76	97,052,093 ⁽⁶⁾	57.99
3	Mah Xian-Zhen ⁽⁴⁾	118,666	0.07	–	–
4	Monteiro Gerard Clair	1,690,147	1.01	–	–
5	Dato' Sri Thong Kok Khee	–	–	426,595 ⁽²⁾	0.25
6	Hj. Ahmad Bin Khalid	–	–	–	–
7	Mah Yong Sun	3,850,213	2.30	–	–

NOTES:

- (1) Deemed interest by virtue of interests held by Insas Plaza Sdn Bhd, Gryphon Asset Management Sdn Bhd, M & A Securities Sdn Bhd and Montego Assets Limited, which are subsidiaries of Insas Berhad pursuant to Section 8(4) of the Companies Act, 2016.
- (2) Deemed interest by virtue of his substantial interest in Insas Berhad pursuant to Section 8(4) of the Companies Act, 2016.
- (3) Deemed interest by virtue of his substantial interest in Red Zone Development Sdn Bhd pursuant to Section 8(4) of the Companies Act, 2016.
- (4) The parties are deemed to be connected persons by virtue of Section 197 of the Companies Act, 2016.
- (5) Deemed interest by virtue of his substantial interest in PlanetBiz Investments Limited pursuant to Section 8(4) of the Companies Act, 2016.
- (6) Deemed interest by virtue of his substantial interest in Omesti Berhad, the holding company of Omesti Holdings Berhad pursuant to Section 8(4) of the Companies Act, 2016.

ANALYSIS OF WARRANTS HOLDINGS WARRANTS 2013/2018

AS AT 30 JUNE 2017

Types of Securities	: Warrants B 2013/2018
No. of Warrants Issued	: 83,142,487
Voting Rights	: One (1) vote per Warrants B holder on poll, in the meeting of Warrants B holders
Number of Warrants B Holders	: 407

DISTRIBUTION OF WARRANTS 2013/2018 ("WARRANTS B") HOLDINGS

According to statistical summary of the Record of Depositors as at 30 June 2017

Size of Holdings	No. of Warrants B Holders	% of Warrants B Holders	No. of Warrants B Held	% of Warrants B
Less than 100 Warrants B	42	10.32	2,529	0.00
100 to 1,000 Warrants B	130	31.94	57,537	0.07
1,001 to 10,000 Warrants B	91	22.36	374,236	0.45
10,001 to 100,000 Warrants B	95	23.34	3,627,800	4.36
100,001 to less than 5% of issued Warrants B	45	11.06	24,834,550	29.87
5% and above of issued Warrants B	4	0.98	54,245,835	65.25
Total	407	100.00	83,142,487	100.00

LIST OF THIRTY LARGEST WARRANTS B HOLDERS

According to the Record of Depositors as at 30 June 2017

	Name	No. of Warrants B Held	%
1	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Siew Kwok (Margin)	23,089,135	27.77
2	M & A Nominee (Tempatan) Sdn Bhd Insas Credit & Leasing Sdn Bhd for Red Zone Development Sdn Bhd	20,382,500	24.52
3	Insas Plaza Sdn Bhd	6,276,100	7.55
4	AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Hong Cheat	4,498,100	5.41
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	Tee Hong Cheat	1,963,700	2.36
9	M & A Securities Sdn Bhd IVT (A)	1,395,000	1.68
10	Maybank Securities Nominees (Asing) Sdn Bhd Maybank Kim Eng Securities Pte Ltd for Oilis Pte Ltd	1,000,000	1.20

ANALYSIS OF WARRANTS HOLDINGS
WARRANTS 2013/2018 (CONT'D.)

AS AT 30 JUNE 2017

LIST OF THIRTY LARGEST WARRANTS B HOLDERS (CONT'D.)

According to the Record of Depositors as at 30 June 2017

	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	Lau Chi Chiang	600,000	0.72
13	H'ng Chun Li	559,600	0.67
14	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Ng Yu Yi (M57006)	529,900	0.64
15	Lim Siew Lee	400,000	0.48
16	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tengku Anisah Binti Tengku Abdul Hamid (CEB)	400,000	0.48
17	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yew Kim Wong (CCTS)	380,000	0.46
18	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Francis Chia Mong Tet (CEB)	357,100	0.43
19	Lim Bee Kua	350,000	0.42
20	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Gan Kong Hiok (001)	338,700	0.41
21	Teh Soo Wah	303,600	0.37
22	CimSec Nominees (Tempatan) Sdn Bhd CIMB for Fardan Bin Abdul Majeed (PB)	300,000	0.36
23	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Soo Hoong (E-MLB)	300,000	0.36
24	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Jaganath Derek Steven Sabapathy	300,000	0.36
25	RHB Capital Nominees (Tempatan) Sdn Bhd Francis Chia Mong Tet	295,000	0.35
26	Goh Kiang Teng	280,000	0.34
27	Khoo Lee Chin	272,600	0.33
28	Chong Siew Chi	257,600	0.31
29	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cheong Chen Yue	255,000	0.31
30	Chin Hock Yee	250,000	0.30
	Total	75,768,835	91.13

ANALYSIS OF WARRANTS HOLDINGS

WARRANTS 2013/2018 (CONT'D.)

AS AT 30 JUNE 2017

DIRECTORS' INTERESTS IN WARRANTS B

According to the Register of Directors' Warrants B holdings as at 30 June 2017

		<----- No. of Warrants B Held ----->			
Name		Direct Interest	%	Deemed Interest	%
1	Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas	–	–	–	–
2	Dato' Mah Siew Kwok ⁽¹⁾	26,244,135	31.56	–	–
3	Mah Xian-Zhen ⁽¹⁾	–	–	–	–
4	Monteiro Gerard Clair	71,000	0.09	20,382,500 ⁽²⁾	24.52
5	Dato' Sri Thong Kok Khoo	–	–	7,671,100 ⁽³⁾	9.23
6	Hj. Ahmad Bin Khalid	–	–	–	–
7	Tai Keat Chai	–	–	–	–
8	Mah Yong Sun	750,000	0.90	–	–

NOTES:

⁽¹⁾ The parties are deemed to be connected persons by virtue of Section 197 of the Companies Act, 2016.

⁽²⁾ Deemed interest by virtue of his substantial interest in Red Zone Development Sdn Bhd pursuant to Section 8(4) of the Companies Act, 2016.

⁽³⁾ Deemed interest by virtue of his substantial interest in Insas Berhad pursuant to Section 8(4) of the Companies Act, 2016.

OTHER COMPLIANCE INFORMATION

SHARE BUY-BACK

The Company did not purchase any of its own shares during the financial year ended (FYE) 31 March 2017.

OPTION, WARRANTS OR CONVERTIBLE SECURITIES

During FYE 31 March 2017, a total of 317 warrants 2011/2016 (Warrants A) were exercised at an exercise price of RM0.96. Pursuant to the Notice to Holders of Warrants A in relation to the Expiry and Last Date for the Exercise of Warrants A dated 18 March 2016, the Warrants A had expired on 19 April 2016.

As at 31 March 2017, 83,142,487 warrants 2013/2018 remained unexercised.

During FYE 31 March 2017, the Company had made a total award of 1,883,100 new ordinary shares (Award Shares) under the Restricted Share Plan (RSP) under the Employees' Share Grant Plan (ESGP) pursuant to the Long-Term Incentive Plan (LTIP). The LTIP is the only scheme that is in existence during FYE 31 March 2017. The Award Shares were vested on 1 July 2016, 18 August 2016, 4 October 2016, 3 January 2017 and 3 April 2017 respectively.

The number of Option Shares granted to the Directors is disclosed on page 4 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 FYE 31 March 2014, 31 March 2015, 31 March 2016 and 31 March 2017 are set out below:

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
1 April 2014 to 31 March 2015	Total	Directors	Senior Management	Other Entitled Employees
RSP under the ESGP				
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

OTHER COMPLIANCE INFORMATION (CONT'D.)

1 April 2015 to 31 March 2016	Total	Directors	Senior Management	Other Entitled Employees
RSP under the EGSP				
Number of Shares granted	1,893,700	1,693,700	200,000	-
Number of Shares vested	1,571,500	1,471,500	100,000	-
Number of Shares lapsed	-	-	-	-
Number of Shares outstanding as at 31 March 2016	322,200	222,200	100,000	-
ESOS				
As at 1 April 2015	9,974,400	5,533,200	2,758,400	1,682,800
Number of Options granted	10,644,800	5,533,200	2,250,000	2,861,600
Number of Options exercised	205,000	180,000	-	25,000
Number of Options lapsed	810,600	-	-	810,600
Number of Options outstanding as at 31 March 2016	19,603,600	10,886,400	5,008,400	3,708,800
1 April 2016 to 31 March 2017	Total	Directors	Senior Management	Other Entitled Employees
RSP under the EGSP				
Number of Shares outstanding as at 1 April 2016	322,200	222,200	100,000	-
Number of Shares granted	1,883,100	1,641,700	241,400	-
Number of Shares vested	2,013,700	1,672,300	341,400	-
Number of Shares lapsed	-	-	-	-
Number of Shares outstanding as at 31 March 2017	191,600	191,600	-	-
ESOS				
As at 1 April 2016	19,603,600	10,886,400	5,008,400	3,708,800
Number of Options granted	-	-	-	-
Number of Options exercised	-	-	-	-
Number of Options lapsed	19,603,600	10,886,400	5,008,400	3,708,800
Number of Options outstanding as at 31 March 2017	-	-	-	-

Pursuant to the Circular to Shareholders in relation to the (i) Proposed Share Buy-Back by Formis Resources Berhad (FRB or the Company) (now known as Omesti Berhad) of up to Ten Percent (10%) of its Issued and Paid-Up Share Capital (Proposed Share Buy-Back); and (ii) Proposed Establishment of a Long-Term Incentive Plan for the Eligible Employees and Directors of FRB and its subsidiaries which are not dormant (Proposed LTIP) dated 9 September 2013 and with reference to the announcements released to Bursa Securities Malaysia Berhad on 6 January 2014 and 6 April 2015 respectively in relation to the first offer of 10,802,800 new ordinary shares and second offer of 11,039,800 new ordinary shares respectively under the ESOS pursuant to a LTIP to the eligible employees and Directors of Omesti and its subsidiaries, the vesting period of the options offered were for the period of three (3) years from the dates of first offer and second offer respectively up to 5 January 2017.

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).

RSP awards under ESGP were granted to the Executive Directors and Senior Management of the Company during FYE 31 March 2017 and since the commencement of the LTIP.

AUDIT AND NON-STATUTORY AUDIT FEES

The amounts of audit and non-audit fees paid or payable by the Company and the Group to the External Auditors for the financial year ended 31 March 2017 are as follows:

	Company (RM)	Group (RM)
Audit fees	50,000	613,662
Non-audit fees	6,000	23,500

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 FYE 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 FYE 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 totalling RM20,014,074 in full by nineteen (19) monthly instalments of RM1,000,000 each and a final instalment of RM1,014,074.

As of 31 March 2017, RM7,614,229 remains outstanding and is expected to be fully settled within FYE 31 March 2018.

MATERIAL CONTRACTS

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by Omesti 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 16th Annual General Meeting of Omesti held on 8 September 2016, 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 8 September 2016 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 FYE 31 March 2017 pursuant to the said shareholders' mandate are as follows:

OTHER COMPLIANCE INFORMATION (CONT'D.)

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 March 17 (RM)
Continuous Network Services Sdn Bhd (CNS)	Provision of corporate secretarial, accounting and payroll services by CNS to the Related Parties	Family-owned companies of RT ⁽¹⁰⁾	Interested Major Shareholder <ul style="list-style-type: none"> Datuk Raymond Tan (RT) ⁽⁶⁾ Interested Person Connected with Major Shareholder <ul style="list-style-type: none"> Red Zone Development Sdn Bhd (RZD) ⁽⁷⁾ 	20,911
		Family-owned companies of MGC ⁽¹¹⁾	Interested Director <ul style="list-style-type: none"> Monteiro Gerard Clair (MGC) ⁽⁸⁾ Interested Person Connected with Director and Major Shareholder <ul style="list-style-type: none"> RZD ⁽⁷⁾ 	4,721
Omesti Group	Provision of network connectivity and bandwidth services and project management services in relation to telecommunications by Omesti Group to Ho Hup Group	Ho Hup Group ⁽⁹⁾	Interested Directors/Major Shareholder <ul style="list-style-type: none"> Dato' Sri Thong Kok Khee (Dato' Sri Thong) ⁽¹⁾ Insas Berhad ⁽²⁾ Interested Persons Connected with Directors/Major Shareholder <ul style="list-style-type: none"> Insas Plaza Sdn Bhd ⁽³⁾ M&A Securities Sdn Bhd ⁽⁴⁾ Gryphon Asset Management Sdn Bhd ⁽⁵⁾ 	5,507
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 ⁽¹⁰⁾	Interested Major Shareholder <ul style="list-style-type: none"> RT ⁽⁶⁾ Interested Person Connected with Director and Major Shareholder <ul style="list-style-type: none"> RZD ⁽⁷⁾ 	4,056
		Family-owned companies of MGC ⁽¹¹⁾	Interested Director <ul style="list-style-type: none"> MGC ⁽⁸⁾ Interested Person Connected with Director and Major Shareholder <ul style="list-style-type: none"> RZD ⁽⁷⁾ 	6,797
Omesti Group	Renting of office spaces and procurement of other related services such as general maintenance services from Ho Hup Group [®]	Ho Hup Group ⁽⁹⁾	Interested Directors/Major Shareholder <ul style="list-style-type: none"> Dato' Sri Thong ⁽¹⁾ Insas Berhad ⁽²⁾ Interested Persons Connected with Directors/Major Shareholder <ul style="list-style-type: none"> Insas Plaza Sdn Bhd ⁽³⁾ M&A Securities Sdn Bhd ⁽⁴⁾ Gryphon Asset Management Sdn Bhd ⁽⁵⁾ 	0

[®] The tenure of the office spaces will be for a rental period of not more than three (3) years and rental payment will be on a monthly basis. The address and build-up area in sq ft cannot be determined as of now as the property is currently under construction and is expected to be ready for occupancy in year 2017/2018.

OTHER COMPLIANCE INFORMATION (CONT'D.)

Notes:

- (1) Dato' Sri Thong is a common Director and common major shareholder of Omesti and Ho Hup. His direct and indirect interests in Omesti and Ho Hup as at 31 March 2017 are set out below:-

Name of Company	% of Interest	
	Direct	Indirect
Omesti	–	9.92 ^(a)
Ho Hup	–	13.52 ^(a)

(a) Deemed interest by virtue of his substantial interest in Insas Berhad pursuant to Section 8(4) of the Companies Act, 2016 (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, Gryphon Asset Management Sdn Bhd and M & A Securities Sdn Bhd, which are subsidiaries of Insas Berhad pursuant to Section 8(4) 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 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) Gryphon Asset Management Sdn Bhd (GAMSB) is a person connected to Dato' Sri Thong. GAMSB is a wholly-owned subsidiary of Insas Berhad and a shareholder of Omesti.
- (6) 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.
- (7) RZD is a major shareholder of Omesti, holding 15.91% equity interest in Omesti as at 31 March 2017.
- (8) 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 2017 are set out below:-

Name of Company	% of Interest	
	Direct	Indirect
Omesti	1.74	15.91 ^(b)
RZD	37.00	–

(b) Deemed interest by virtue of his substantial interest in RZD pursuant to Section 8(4) of the Act.

- (9) Ho Hup Group is principally involved in foundation engineering, civil engineering, building contracting works and hire of plant and machinery.
- (10) 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.
- (11) 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.

NOTICE OF 17TH ANNUAL GENERAL MEETING

OMESTI BERHAD

(Company No. 530701-T)
(Incorporated in Malaysia)



NOTICE IS HEREBY GIVEN THAT the 17th 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 Friday, 15 September 2017 at 10.00am for the following purposes:

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 March 2017 together with the Reports of the Directors and Auditors thereon. (Please refer to Explanatory Note)
2. To approve payment of Directors' Fees amounting to RM492,000 for the financial year ended 31 March 2017. Resolution 1
3. To approve the payment of Directors' Fees and benefits of up to RM807,000 for the period from 1 April 2017 until the conclusion of the next Annual General Meeting (AGM) of the Company. Resolution 2
4. 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) Mah Xian-Zhen Resolution 3
 - (b) Dato' Sri Thong Kok Khee Resolution 4
 - (c) Monteiro Gerard Clair Resolution 5
5. 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:

6. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:
RE-APPOINTMENT OF DIRECTOR Resolution 7
"THAT Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas be and is hereby re-appointed as Director of the Company."
7. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:
RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR Resolution 8
"THAT Hj. Ahmad Bin Khalid, whose tenure on the Board exceeds a cumulative term of more than nine (9) years be hereby re-appointed as Independent Non-Executive Director of the Company."
8. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:
AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 Resolution 9
"THAT subject always to the Companies Act, 2016 and the approvals of the relevant authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act, 2016 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 Bursa Malaysia Securities Berhad (Bursa Securities) and that such authority shall continue to be in force until the conclusion of the next AGM of the Company."

9. 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 10

"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 31 July 2017 subject to the following:-

- i) the transactions are of a revenue or trading 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 Securities;

THAT the mandate given by the shareholders of the Company shall only continue to be in force until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (the Act) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) 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."

10. 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 11

"THAT, subject to the provisions of the Companies Act, 2016, the Articles of Association of the Company, the Main Market Listing Requirements of 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 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 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 of the Company for the Proposed Renewal of Share Buy-Back Authority;

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;

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 AGM 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 AGM 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."

11. To transact any other business of which due notice shall have been given.

By Order of the Board

PHANG AI TEE [MAICSA No. 7013346]

Company Secretary

Kuala Lumpur

31 July 2017

NOTES:

- i) A member of the Company may appoint more than two (2) proxies to attend at the same meeting. 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. 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 8 September 2017 shall be entitled to attend, speak and vote at this meeting or appoint proxy/proxies to attend and/or vote on his/her behalf.
- vi) The resolutions set out in the notice of 17th Annual General Meeting will be put to vote by poll pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities.

EXPLANATORY NOTES

- Agenda 1** **Audited Financial Statements for the financial year ended (FYE) 31 March 2017**
The audited financial statements are for discussion only under Agenda 1, as they do not require shareholders' approval under the provision of Section 340(1)(a) of the Companies Act, 2016. Hence, they will not be put for voting.
- Resolution 1** **Directors' Fees**
- Resolution 2** **Directors' Fees and Benefits**
Section 230 of the Companies Act, 2016, which came into effect on 31 January 2017, provides amongst others, that the fee of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.
- The proposed Resolution 1, if passed, will authorise the payment of Directors' Fees in respect of financial year ended 31 March 2017 amounting to RM492,000. (2016: RM492,000).*
- The proposed Resolution 2, if passed, will authorise the payment of Directors' Fees on quarterly basis in arrears and benefits comprising meeting attendance allowance payable to the Directors for the current financial year ending 31 March 2018 until the conclusion of the next AGM of the Company. 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.*
- The total estimated amount of benefits payable is calculated based on the number of scheduled Board and Board Committee meetings and the composition of Board and Board Committees remained unchanged. One (1) additional meeting was provided for each of the Board and Board Committees in the event there are any emergency matters which required meetings to be held for such purposes.*
- The Board is of the view that it is just and equitable for these Directors' Fees and benefits to be paid quarterly and as and when incurred respectively, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the said period.*
- Resolution 7** **Re-appointment of Director**
There is no age limit to act as directors in a public company pursuant to the Companies Act, 2016 which came in force on 31 January 2017. In this respect, Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas (Tan Sri Megat), aged above 70 who was re-appointed pursuant to Section 129(6) of the Companies Act, 1965 at the last AGM of the Company, his term in office will end at conclusion of the forthcoming 17th AGM of the Company to be held on 15 September 2017.
- The proposed resolution 7, if passed, will enable Tan Sri Megat, who has offered himself for re-appointment to continue to act as a director of the Company and he shall subject to retirement by rotation at a later date.*
- Resolution 8** **Retention of Independent Non-Executive Director**
Pursuant to the Malaysian Code on Corporate Governance 2012, the Board of Directors has vide the Nominating Committee, conducted an assessment to assess the independence of Hj. 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:
- The Board is satisfied with the skills, contribution and independent judgment that Hj. Ahmad Bin Khalid delivers to the Board. He has satisfactorily demonstrated that he is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement, objectivity or the ability to act in the best interest of the Company.*
- Resolution 9** **Authority to Allot Shares**
Further information in relation to the general mandate for issue of securities is set out in the Statement Accompanying Notice of 17th AGM.
- Resolution 10** **Resolution pertaining to the Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**
Further information on the Recurrent Related Party Transactions is set out in Part B of the Statement/Circular to Shareholders dated 31 July 2017 which is dispatched together with the Company's Annual Report 2017.
- Resolution 11** **Proposed Renewal of Authority for the Company to Purchase Its Own Shares (Proposed Renewal of Share Buy-Back Authority)**
Further information on the Proposed Renewal of Share Buy-Back Authority is set out in Part A of the Statement/Circular to shareholders dated 31 July 2017 which is dispatched together with the Company's Annual Report 2017.

STATEMENT ACCOMPANYING NOTICE OF 17TH 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

No individuals are standing for election as directors (excluding Directors standing for re-election) at the forthcoming 17th Annual General Meeting (AGM) of the Company.

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 Sections 75 and 76 of the Companies Act, 2016 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 held on 8 September 2016.

Under the previous mandate, 38,979,200 new ordinary shares of RM0.50 each were issued on 22 July 2016 and 22 August 2016 respectively for cash via private placement at an issue price of RM0.50 per placement share and a total cash proceeds of RM19,489,600 were raised. As at 30 June 2017, the status of utilisation of the proceeds raised is as follows:-

	Intended Timeframe	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Utilisation	
				RM'000	%
Repayment of Bank Borrowings	Within six (6) months	3,000	3,000	–	–
Working Capital for General Business Purposes	Within twelve (12) months	11,055	8,268	2,787	25.21
Capital Expenditure for Fiber At Home City Networks Sdn Bhd	Within twelve (12) months	4,888	2,092	2,796	57.20
Estimated Expenses for the Private Placement	Within one (1) month	547	547	–	–
Total		19,490	13,907	5,583	

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.

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 (including any personal data previously collected from you) 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 (termasuk data peribadi yang telah dikumpulkan sebelum ini) 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, urusan 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.

FORM OF PROXY

OMESTI BERHAD

(Company No. 530701-T)
(Incorporated in Malaysia)



OMESTI

I/We, _____ NRIC No: _____

of _____

being a member/members of OMESTI 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 17th 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 Friday, 15 September 2017 at 10.00am and 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 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 _____ 2017.

Number of Ordinary Shares Held

Signature of Shareholder(s)

Notes:

- A member of the Company may appoint more than two (2) proxies to attend at the same meeting. 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.
- 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.
- 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. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- 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.
- Only members whose names appears in the Record of Depositors on 8 September 2017 shall be entitled to attend, speak and vote at this meeting or appoint proxy/proxies to attend and/or vote on his/her behalf.
- The resolutions set out in the notice of 17th Annual General Meeting will be put to vote by poll pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Fold this flap for sealing

AFFIX
STAMP
HERE

To: The COMPANY SECRETARY
OMESTI BERHAD
16th Floor, KH Tower,
8 Lorong P. Ramlee,
50250 Kuala Lumpur

Fold this flap for sealing

CONTACT DETAILS OF SUBSIDIARIES

APPLIED BUSINESS SYSTEMS SDN BHD

(Co. No. 188269-D)
13th Floor, Menara SMI,
6 Lorong P. Ramlee,
50250 Kuala Lumpur, Malaysia.
T +603 2781 0888
F +603 2078 5496

BANCORE ASIA PTE LTD

(Co No 201329299Z)

ISS CONSULTING (S) PTE LTD

(Co No 199805226N)
51 Cuppage Road, #07-04,
Singapore 229469.
T +65 6887 3418/6325 2735
F +65 6887 3581

BANCORE VIETNAM CO LTD

(Co No 011043002559)
Room 519 5th Floor,
Regus Center Press Club,
59A Ly Thai To Trang Tien Ward,
Hoan Kiem District,
Ha Noi City, Vietnam.
T +84 4 6297 9744
F +84 4 3936 8069

CONTINUOUS NETWORK ADVISERS SDN BHD

(Co No 367357-K)

FORMIS RESEARCH & DEVELOPMENT SDN BHD

(Co No 1031746-T)

FORMIS SOFTWARE & TECHNOLOGIES SDN BHD

(Co No 22962-U)

NOSTALGIC PROPERTIES SDN BHD

(Co No 330351-M)

OHANA COMMUNICATIONS SDN BHD

(Co No 510513-H)

OMESTI ACTIFY SDN BHD

(Co No 1051688-X)

OMESTI INNOVATION LAB (MALAYSIA) SDN BHD

(Co No 486609-V)

OMESTI PAY SDN BHD

(Co No 1207190-P)

PRIMA ARENANIAGA SDN BHD

(Co No 1186527-K)

YAKIMBI ICT SDN BHD

(Co No 951043-T)

3.02 C (East Wing) Level 3, Menara BRDB,
285 Jalan Maarof, Bukit Bandaraya,
59000 Kuala Lumpur, Malaysia.
T +603 2721 4920
F +603 2283 4921

CONTINUOUS NETWORK SERVICES SDN BHD

(Co No 495072-P)

FORMIS AUTOMATION SDN BHD

(Co No 378155-P)

FORMIS COMPUTER SERVICES SDN BHD

(Co No 112344-P)

FORMIS SYSTEMS & TECHNOLOGY SDN BHD

(Co No 312258-W)

MYATM SDN BHD

(Co No 918073-H)

OMESTI HOLDINGS BERHAD

(Co No 281000-K)

16th Floor, KH Tower,
8 Lorong P. Ramlee,
50250 Kuala Lumpur, Malaysia.
T +603 2078 4488
F +603 2070 6893

DIVERSIFIED GATEWAY SOLUTIONS BERHAD

(Co No 675362-P)

DIVERSIFIED GATEWAY BERHAD

(Co No 301306-T)

ISS CONSULTING (MALAYSIA) SDN BHD

(Co No 446809-P)

RANGKAIAN RINGKAS SDN BHD

(Co No 1013227-M)

Level 16, Menara Maxisegar,
Jalan Pandan Indah 4/2, Pandan Indah,
55100 Kuala Lumpur, Malaysia.
T +603 4291 9233
F +603 4291 7633

FIBER AT HOME CITY NETWORKS SDN BHD

(Co No 736932-U)

Lot 12 Jalan Tandang 51/205A,
PJ51 Commercial Center,
46050 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.
T +603 7773 3310

Branch Office:

No 36 & 36A Jalan BLM 1/4,
Laguna Merbok Business Park,
Bandar Laguna Merbok,
08000 Sungai Petani,
Kedah Darul Aman, Malaysia.
T +604 428 1002
F +604 448 7889

No 07-02 Jalan Molek 3/20,
Taman Molek,
81100 Johor Bahru,
Johor Bahru Darul Takzim, Malaysia.

CONTACT DETAILS OF SUBSIDIARIES (CONT'D.)

FIRST SOLUTION SDN BHD

(Co No 398017-P)

13th Floor Menara SMI,
6 Lorong P. Ramlee,
50250 Kuala Lumpur, Malaysia.
T +603 2781 0863
F +603 2078 5496

FORMIS NETWORK SERVICES SDN BHD

(Co No 188270-U)

6th & 10th Floor Menara SMI,
6 Lorong P. Ramlee,
50250 Kuala Lumpur, Malaysia.
T +603 2032 2633
F +603 2732 1310

ISS CONSULTING (THAILAND) LTD

(Co No (5) 1662/2542)

323 United Center Building, Level 19,
Unit 1902C & 1903A Silom Road,
Bangrak Bangkok 10500, Thailand.
T +662 237 0553
F +662 237 0554

MICROLINK SOLUTIONS BERHAD

(Co No 620782-P)

6th Floor Menara Atlan,
161B Jalan Ampang,
50450 Kuala Lumpur, Malaysia.
T +603 2171 2200
F +603 2171 2240

Branch Office:

No 12 Pusat Pedada,
Jalan Pedada,
96000 Sibu,
Sarawak, Malaysia.
T +6084 344 801/333 921/333 929
F +6084 333 950

CA IT INFRASTRUCTURE SOLUTIONS SDN BHD

(Co No 972041-X)

CSA SERVIS (M) SDN BHD

(Co No 232732-T)

MICROLINK INNOVATION SDN BHD

(Co No 839837-A)

MICROLINK SOFTWARE SDN BHD

(Co No 824378-V)

MICROLINK SYSTEMS SDN BHD

(Co No 309131-H)

6th Floor Menara Atlan,
161B Jalan Ampang,
50450 Kuala Lumpur, Malaysia.
T +603 2171 2200
F +603 2171 2240

PT MICROLINK INDONESIA

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