

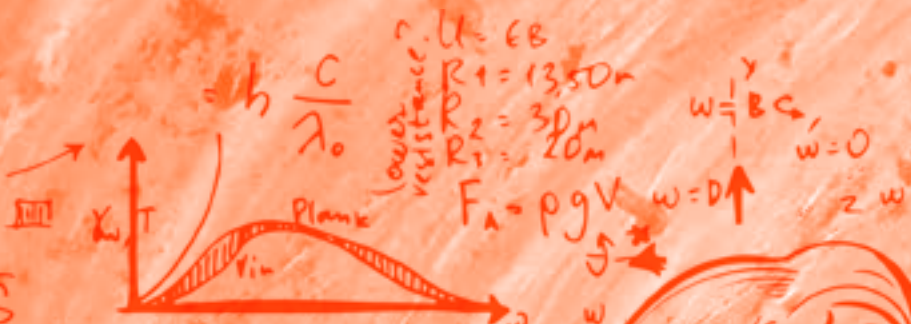


OMESTI

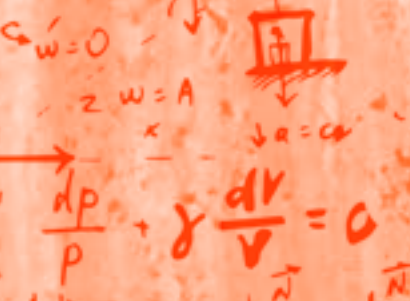
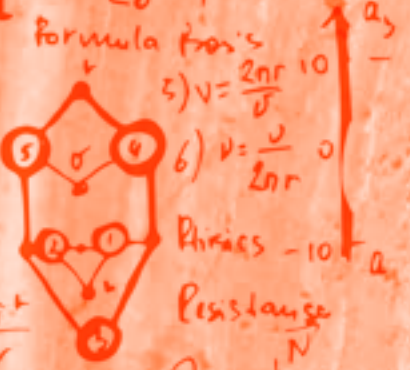


# INSPIRING Innovation





$x = \rho \cos \varphi, y = \rho \sin \varphi$   
 $\rho = \sqrt{x^2 + y^2}$   
 $T = \frac{2\pi}{\omega} = 2\pi \sqrt{\frac{mgl}{mg}}$   
 $x = x_0 + mt$   
 $y = y_0 + nt$   
 $z = z_0 + pt$





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# Management Discussion & Analysis

## Introduction

OMESTI Berhad (OMESTI Group) is one of the main technology players in the Malaysian market that brings together a diverse range of enterprise and as-a-service solutions for Infrastructure – IaaS, Platform – PaaS, Data – DaaS and Software – SaaS. The Group fields the appropriate skillsets to serve multiple industries across a range of projects within the private and public sectors.

## OVERVIEW OF BUSINESS OPERATIONS

The businesses within the Group are organised along broad business lines of:

- Business Performance Services
- As-A-Service Solutions
- Trading & Distribution Services
- Digital & Infrastructure Services

In the **Business Performance Services** segment, the Group develops and deploys technology solutions for enterprise architecture, digital court solutions, digital registry solutions, core banking, core insurance, IoT cloud/analytics/mobile applications and large-scale complex ICT implementations.

In the **As-A-Service Solutions** space, the Group leverages its large-scale technology deployment expertise to provide powerful data solutions and consulting services to companies looking to optimise the potential of their data.

For smaller businesses, the Group provides a range of solutions that help to streamline operations and provide flexibility for expansion. These subscription-based solutions include Digital HR, Accounting & Inventory, Payroll Services, Intelligent Video Analytics and Corporate Secretarial Services.

In the **Trading & Distribution Services** segment, business involves distribution and systems integration of hardware and software solutions from some of the leading industry principals including Hitachi Vantara, IBM, Lenovo and Oracle as well as partnerships with Amazon Web Services (AWS), Google and Microsoft.

In the **Digital & Infrastructure Services** space, OMESTI provides large-scale networking, telecommunications and other communication systems, through its affiliate Diversified Gateway Berhad, while Fiber At Home City Networks Sdn Bhd and OHANA Communications Sdn Bhd provide last mile infrastructure for connected communities and internet and Metro E services to business customers, respectively.



## OBJECTIVES & STRATEGIES

The primary goal of the OMESTI Group is to deliver best-of-breed solutions that simplify the complexities of business operations for its customers.

One of the key strategies during the year has been to continue its pursuit of business that generates recurring revenue with the aim of providing long-term business sustainability. A specific objective has also been to pursue opportunities where OMESTI acts as an IT Managed Services provider on an OPEX-based commercial approach to allow existing and new clients to continue with their digital journey, while working with them long-term to address their technology needs.

In tandem with this activity, the Group seeks to review its operations in the loss-making subsidiaries. This may result in forming strategic partnerships with external parties in order to turn around and grow these loss-making businesses. Where deemed appropriate, some businesses may even cease operations altogether.

### Short-Term Goals

In the short term, the Group is focused on ensuring its business ventures are equipped to pursue, win and execute new projects. It is committed to ensuring the continued successful delivery of its large-scale digital transformation projects while ensuring development of cutting-edge technology solutions for evolving market sectors.

*Development of a strong revenue recurring business model continues to be the main focus for the Group.*

### Long-Term Goals

Development of a strong revenue recurring business model continues to be the main focus for the Group where it will leverage the alliances it has formed with strategic partners to expand geographical coverage and access new industry sectors. A particular initiative is to harness the technology strengths of the Group to ensure opportunities in Artificial Intelligence and Machine Learning become a significant element of the Group's portfolio.

In this regard, in the mid- to long-term, the Group will focus on building its data footprint, providing services to help businesses understand their data and so improve efficiency, enable more insightful decision-making and increase revenues. A solid track record of providing data analysis and consulting services to a range of companies in the media space is helping to build the foundation of this initiative.

The Group will also continue to build its footprint as a mainstream Managed Services provider, both in the domestic market and across the ASEAN region.

## REVIEW OF OPERATING ACTIVITIES

A number of key projects were secured across the public sector and for Government-Linked Corporations (GLCs) during the year. With a total round-up value of RM50 million, these included:

- Water Management System & Geographical Information System (GIS) for Perak Water Department (Lembaga Air Perak)
- Network Security Monitoring System (DDOS) for Telekom Malaysia
- ePBT (Local Council) Infrastructure Project - Phase 3 - for the Ministry of Housing & Local Development (Kementerian Perumahan dan Kerajaan Tempatan) and
- Leasing of computer equipment for all Universiti Teknologi MARA (UiTM) branches nationwide

The Group also completed a project for UiTM involving the implementation of an Oracle Server & Database for hosting of its Campus Management, Student Information System and HR System.

Phase 2 of the ePBT Infrastructure Project for the Ministry of Housing & Local Development was also completed, which included systems to improve service quality for hosting local council systems and a OSC (One Stop Centre) system for easy access for public interaction with local councils nationwide. This project is part of the Smart Local Government Governance Agenda (SLGGA).

Other projects were also completed for Petronas Dagangan Berhad - hosting, management and support of applications from AIMS Data Centre; and for Tenaga Nasional Berhad - implementation of Hardware on Demand (Server & Storage); Hosting SmartMeter Application (Load Balancer, Firewall); Development of Mobile Application Management Systems and Hosting at the TNB Data Centre.

## DIGITAL REGISTRY SOLUTIONS

The Project for **Suruhanjaya Syarikat Malaysia** (SSM) (Companies Commission of Malaysia) to develop and implement an XBRL (Extensible Business Reporting Language) financial reporting standards platform has been completed and has involved a comprehensive reengineering of the SSM online infrastructure to an XBRL domain, which will enable companies to file annual returns and audited accounts electronically. As of July 2018, the platform has been brought on stream with a pilot batch of 20 companies.

The initiative will also enable SSM to capture critical financial information and other key data from registered companies, to provide powerful analytical insights into the Malaysian corporate landscape and enhance transparency in cross-border dealings.

In November 2017, SSM awarded a second contract to OMESTI for the design, development, implementation, training, support and maintenance of a Core Digital Registry Solution. OMESTI is currently engaged in the design and deployment of the solution which will enable comprehensive searches on information such as company ownership and shareholding, directors and other pertinent corporate data.

Organisations will be able to file company incorporation submissions, conduct name searches or name change applications, submit updates on company directors' details and perform various other corporate filing requirements in a fully digital format.

Work is ongoing on the development of the platform architecture and associated modules.

## COURT INFRASTRUCTURE SOLUTIONS

### New Digital eCOURTS Platform

Development and roll-out of the new eCOURTS Digital Court Infrastructure platform continued during the period under review, with the full contingent of 20 locations brought on stream as of October 2017. Data migration of records and change management/user training activities were also completed.

This major project involved the end-to-end design and development of new Case Management and eFILING modules for civil and criminal cases, as well as a revamped public portal. A new mobile app enables lawyers and government agency users to view cause lists and case schedules, view their filing history, make payment via the mobile portal and access the search function.





The eCOURTS system is also now linked to external government agencies including Polis Diraja Malaysia, Jabatan Pengangkutan Jalan, the Land Office, the Malaysian Bar and others, enabling much improved coordination and interface between the respective bodies.

### **eLELONG Property Portal**

In August 2017, the eLELONG court auction platform was launched enabling those interested in bidding for real estate properties to participate in auctions in real-time through any electronic medium with internet access.

Designed and deployed by the OMESTI eCOURTS team, the system is due to be rolled out to a total of 15 High Court locations across the country. Key benefits include greater transparency, enhanced security and confidentiality, as well as improved efficiency. Registered bidders save time and costs by being able to participate via smartphone, tablet or other device over the internet, even if they are overseas. The identity of bidders remains confidential and market price on the properties to be sold will also be easier to achieve.

### **eCOURTS Maintenance**

In November 2017, the Group was awarded a contract valued at RM16.78 million for the maintenance of the eCOURTS infrastructure. The contract runs for a period of two years from 1 November 2017 and covers all 20 locations across Peninsular Malaysia where the new eCOURTS platform has been rolled out. It applies to maintenance of all system applications and hardware.

### **Special Courts**

Following the launch in June 2017 of the inaugural Court for Sexual Offences Against Children in Putrajaya, OMESTI is continuing in its role as ICT Partner to the Court Department for implementation of CRT Systems at a further nine Special Courts due to be rolled by the end of 2018.

Concerted efforts are ongoing to market the eCOURTS solution to a number of international jurisdictions.

### **DIGITAL HR**

Via its partnership with Microimage HCM of Sri Lanka, the Group has secured and implemented a number of key opportunities for the proprietary Digital HR platform HCM Cloud. These include projects for a range of clients in Myanmar, Cambodia, Laos, Thailand, Singapore, Malaysia, Brunei and Philippines across a wide spread of industry sectors that covers manufacturing, engineering services, financial services, regulatory bodies, accountancy & audit, brewing, leisure & travel, and professional services.

The business has embarked on building a strong direct channel strategy in ASEAN territories, with new partners established in Singapore and Thailand to complement its existing partnership with VDB-Loi in Myanmar/ Cambodia/ Laos.

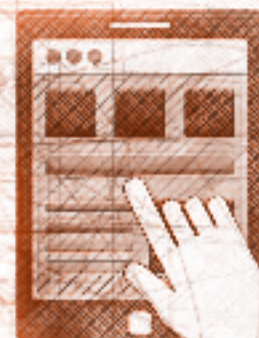
The potential of the Microimage HCM Cloud solution has been recognised by Microsoft Corporation Regional HQ in Singapore. As a result, Microimage is now enrolled as a Global IP Co-Sell ISV (Independent Software Vendor) of Microsoft Corporation since 2018.

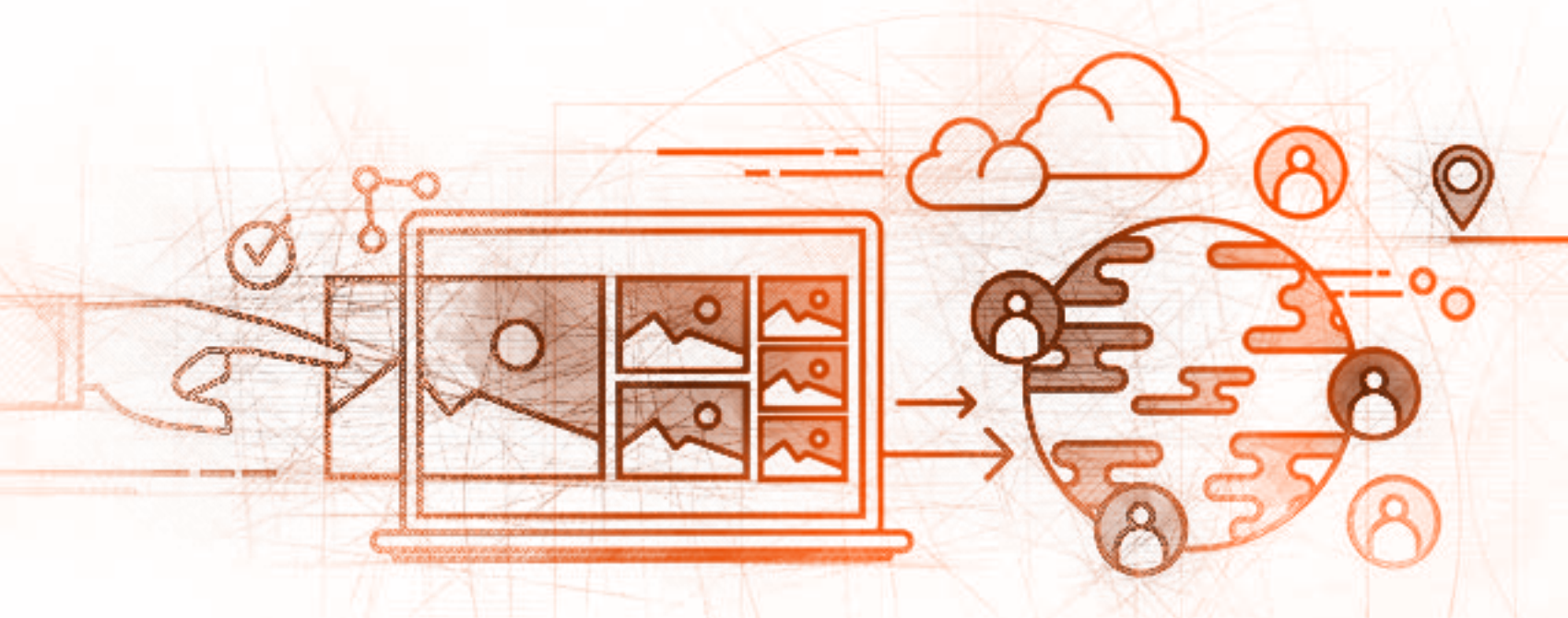
The HCM Cloud solution has also been selected to be showcased at the Microsoft Technology Center in Singapore, where any C-Level management from ASEAN can now explore modern workplace solutions.

### **ePAYMENT SYSTEMS**

Through its partnership with Touch N Go, the Malaysian national prepaid payment card provider, OMESTI has continued its deployment of e-top-up kiosks at strategic locations around the country.

During the year, the Group has also been awarded a contract by Syarikat Air Melaka Berhad (SAMB) to build and deploy digital transaction kiosks for cash bill payments. Target deployment of 17 kiosks is slated for delivery in July/August 2018.





**OTHER AS-A-SERVICE SOLUTIONS:**

**Accounting & Inventory:** New customers have been acquired for cloud-based accounting and inventory services, using the Account365 platform, for which OMESTI is an approved reseller.

**Payroll Services:** SMEs looking to remove some of their in-house administrative overheads are utilising OMESTI's outsourced payroll services.

**Intelligent Video Analytics:** Project wins with selected retailers and mall operators have been secured for OMESTI's intelligent video analytics solution VIDA. VIDA provides mall operators and retailers with a range of analytics extracted from video footage to enhance business and security intelligence, providing greater insights into customer behaviour and enabling better optimisation of resources.

**Corporate Secretarial Services:** The Group's portfolio of outsourced corporate secretarial services is being used by a number of companies, helping them to ensure compliance with statutory requirements, particularly following the changes brought into effect with the Companies Act, 2016.

**SIGNIFICANT CHANGES**

**Innovation Team**

A new Innovation Team has been established for the OMESTI Group with responsibility for development of new products, services and solutions. Initiatives to date have included:

- Enhancement of the digital transactions kiosk platform
- Development of a new data search platform known as aXcess

- Development and deployment of a digital Company Secretarial Platform, a cloud-based platform that will allow company secretaries to better manage their clients.
- Collaboration with various technology partners to sell their respective solutions/services in Malaysia and the region. These include RMSS – risk management solutions; Foster Moore – outsourcing services; Georgia - encryption technologies.

**Fibre Broadband & Open Access Networks**

As part of its strategy to turn around its loss-making subsidiaries in the telecommunications sector, OMESTI has partnered with ViewQwest Holdings for the latter to assume operational responsibility of its two subsidiaries Fiber At Home City Networks Sdn Bhd and OHANA Communications Sdn Bhd. ViewQwest is an ICT company providing high performance enterprise connectivity solutions, data centre services, security services and more. It began operations in 2001 in Singapore and launched in Malaysia in 2016. This collaboration will help deliver improved quality of service for customers, as well as enabling the businesses to improve margins.

**eWALLET Platform**

Bancore Asia, the e-wallet solution provider, has been making slow headway despite concerted efforts to achieve positive revenue generation and business operations.

*A new Innovation Team has been established for the OMESTI Group with responsibility for development of new products services and solutions.*





## MANAGING RISK

One of the most significant risks to the business is the long lead times involved between first identifying a potential opportunity through the process of qualification, formal tender, to proof of concept in certain cases, contract negotiations and finally project award.

A further risk is posed by the slow adoption of new technology solutions by client organisations in a number of industry sectors, particularly where legacy systems have been in place for long periods.

In mitigation, the Group has forged strategic alliances and partnerships with several of the leading technology players in the industry to ensure that it can go to market with strong fundamentals, while remaining agile and flexible. The Group is also focused on building closer relationships with customers and channel partners in order to ensure the key benefits of its solutions and services are conveyed and understood clearly.

Efforts are very much focused on ensuring a solid project pipeline is in place to provide sustainable revenue for the Group.

Foreign exchange risks, especially in connection with borrowings and procurement activity in foreign currencies, is also one of the principal risks facing the organisation. To minimise the impact of any fluctuation of the Malaysian Ringgit, the Group and its subsidiaries have adopted a policy of limiting the validity on price quotations and quoting wherever possible in US Dollars. The Group is also sourcing from local sources wherever practicable.

Prompt collection from trade receivables continues to be a concern for the business in the current challenging market environment.

## FINANCIAL PERFORMANCE

Omesti Berhad reports its financial performance along the three business segments referenced above, namely:

- Business Performance Services
- Digital & Infrastructure Services
- Trading & Distribution Services

A snapshot of the Five-Year Financial Highlights for the OMESTI Group is presented on page 24 of Volume 1 of this Annual Report.

During the financial year ended (FYE) 31 March 2018, the Group has decided to take the painful but prudent steps of making the necessary non-recurring impairments which arose from the aggressive foray into several IT-related businesses which did not turn out well. These impairments, together with the impact of the demerger of Diversified Gateway Solutions Berhad (DGSB) from the OMESTI Group on 7 March 2018, imposed significant impact on the financials of the Group.

## REVENUE

The Group revenue for FYE 31 March 2018 was RM354.60 million, a decrease of 15.6% amounting to RM65.61 million, as compared to the previous financial year due to lower fulfillment. Revenue for the DGSB Group for the post-demerger period was RM10.65 million.

The Business Performance Services segment's revenue for the financial year decreased by 7.1% from RM249.85 million to RM232.04 million. For the post-demerger period of DGSB Group, the revenue for the segment was RM9.85 million.

Total revenue generated from the Trading & Distribution Services segment decreased by 26.4% to RM152.78 million in 2018, as compared to RM207.60 million in 2017. The decrease was mainly due to lower orders fulfilment arising from the competitive business environment.

The Digital & Infrastructure Services segment's revenue for the financial year decreased by 46.8% from RM37.03 million to RM19.69 million due to lower orders and projects fulfillment.

### **COSTS AND EXPENSES**

The cost of sales for the Group for the financial year was RM244.06 million, as compared to RM305.68 million in the previous financial year. The Group's gross profit margin has improved to 31.2% in the current financial year, as compared to 27.3% in the previous financial year, which was mainly due to improved cost efficiency.

The operating cost for the Group during the financial year under review was RM259.30 million, compared to RM128.65 million in the previous financial year. The increase of RM130.65 million was mainly due to the following non-recurring impairments: -

- (i) Loss on demerger of DGSB, fair value adjustment and impairment of amount owing of RM27.91 million;
- (ii) Impairment loss on other investments and investment in an associate of RM28.32 million;
- (iii) Impairment loss on goodwill, stocks and work in progress of RM23.77 million;
- (iv) Impairment loss on receivables of RM11.27 million;
- (v) Impairment loss on software development costs of RM39.69 million.

The operating expenses for the post-demerger period of DGSB Group were RM14.33 million.

### **LOSS BEFORE TAX**

The Group's loss before tax was RM150.32 million in 2018, as compared to RM11.13 million in 2017. This was mainly due to the non-recurring impairments as discussed above.

Without the impairments, the Group would have recorded a loss before tax of RM19.36 million for FYE 31 March 2018. The start-up businesses have also continued to weigh down the Group's financial performance with loss contributions of RM12.10 million during the year under review, a slight improvement compared to RM12.77 million in 2017.

### **TAXATION**

The Group incurred an income tax expense despite recording a loss before tax for the current financial year as profits of certain subsidiaries cannot be set off against losses of other subsidiaries for tax purposes as these subsidiaries are not able to satisfy the conditions for group relief and certain expenses were disallowed for tax deductions. The impairments and provisions made during the FYE 31 March 2018 are also not tax deductible.

### **LIQUIDITY AND CAPITAL RESOURCES**

The Group's capital expenditure and working capital requirements have been financed by borrowings, internally generated funds from its business operations and proceeds from the disposal of interests in subsidiaries and other investments.

Cash and bank balances reduced to RM40.38 million in 2018, as compared to RM73.39 million in 2017. This was mainly due to the following:

- (i) Cash used in operating activities amounting to RM17.56 million during FYE 31 March 2018;
- (ii) Net cash used in financing activities amounting to RM27.28 million;
- (iii) The impact from the demerger of DGSB Group of RM11.51 million.

Total borrowings of the Group decreased from RM112.11 million in 2017 to RM90.86 million in 2018. The decrease was mainly due to repayment of banking and share margin facilities from the proceeds of the disposals of subsidiaries and other investments.



## OUTLOOK

In May 2018, Malaysia saw a change in Government for the first time in over 60 years. The full impact of this change on the business landscape and the Malaysian economy in general is still unfolding. New initiatives and policies are being formulated and it remains to be seen how these policies will affect the business activities of the OMESTI Group. A watching brief is being maintained in order to take advantage of any new opportunities as they arise.

In the technology sector, several global trends do however present significant opportunities for the Group. These include:

**Artificial Intelligence:** A recent Gartner survey indicates that 59% of organisations are gathering information to build an AI strategy, while the rest are piloting or adopting AI programmes. Gartner also estimates that by 2020, 30% of CIOs will include AI in their top 5 investment priorities.

**Data-As-A-Service (DaaS):** The DaaS market is expected to register a CAGR of over 10% from 2018 to 2023. In terms of volume, big data in data centre storage is expected to quadruple between 2018 to 2021, from 124 exabytes to 403 exabytes (Mordor Intelligence). As organisations generate an increasing amount and variety of data, they are seeking to leverage this data to derive invaluable insights for enhancing business performance. While the finance and investment related industry is expected to remain the largest sector, the Asian region is expected to witness the fastest growth.

**Blockchain:** The shared, distributed decentralised and tokenised ledger that removes business friction by being independent of individual applications or participants. Its applications go beyond that of being the bedrock for cryptocurrencies and into other more critical sectors including healthcare.

**Touchless Interface.** Voice recognition software is significantly improved, and in some cases is better at recognising speech than human transcribers. Similarly, robotic speech and chatbots are growing more sophisticated. As such, it will soon be possible to communicate with devices, both ways, without issue.

**Service Provider Strategy:** By 2020, it is predicted that 60% of enterprises will reconsider their current service providers, causing a shift in the systems integrator's function from traditional to digital and the emergence of new services roles.

The OMESTI Group is focused on tapping into these trends wherever it can deploy its considerable skillset to help its clients achieve their digital transformation objectives.

# Sustainability Statement

As a leading technology solutions provider, Omesti Berhad (OMESTI) aspires to achieve excellence in sustainability by integrating sustainable practices into all its business activities in line with the Group's vision and core values.

The OMESTI Board has oversight responsibility to deliver sustainable value to stakeholders and this is achieved through implementation of the principles, policies, objectives and strategies of the Group and all its subsidiaries.

The integration of sustainability into all our operations is a continuous process. Going forward, in compliance with MMLR requirements, our activities will be measured based on the criteria detailed in the Global Reporting Initiative or GRI. These span economic, environmental and social factors that impact our business and in turn the communities where we operate.

These criteria cover our performance on key non-financial metrics and highlight areas where our sustainability management and processes can be strengthened and provide a basis on which we can continually improve our reporting to better meet the expectations of our stakeholders.

Key focus areas include:

ECONOMIC	ENVIRONMENT	SOCIAL
Client Satisfaction & Engagement	Procurement & Supply Chain Management	Health & Safety
Product Development & Innovation	Energy & Resource Utilisation	Talent Attraction & Retention
Legal & Regulatory Compliance		Diversity
Ethical Conduct		Employee Welfare & Satisfaction
Profitability		Community Investment
Brand & Reputation		Local Wealth Creation



## ECONOMIC

### CODE OF CONDUCT & ETHICS

The Group is committed to conducting its businesses in compliance with local laws and regulations and with integrity, transparency and accountability. A code of conduct and ethics, which is included in our respective Group employee handbooks and can be found on our website – [www.omesti.com/policy/](http://www.omesti.com/policy/) – sets out the standards of conduct and personal behaviour all our directors and employees are required to observe to ensure that the Group's commitment is upheld.

### ANTI-CORRUPTION

The Group firmly believes in operating its businesses based on high standards of integrity, transparency, ethics and accountability and is against corruption in all its forms. Our code of conduct and ethics sets out the Group's business values and practices by which all our directors and employees are required to abide. We also have in place a Group-wide whistle-blowing policy with mechanisms to enable employees and external parties to confidentially report any breach, or suspected breach, of any law or of our policies and practices. This policy can be found on our website at [www.omesti.com/policy/](http://www.omesti.com/policy/).

### CLIENT SATISFACTION & ENGAGEMENT

The Group understands that client satisfaction and engagement are important material issues that have an impact on our reputation, brand and opportunity for repeat business. Given that many of our technology solutions are customised to meet specific client requirements, it is vital that we understand the market conditions where those clients operate. We therefore engage in regular communication with our clients, conducting product briefing sessions and seminars where applicable.

### INNOVATION & TECHNOLOGY DEVELOPMENT

As a technology-first organisation, it is vital that a significant proportion of our resources is allocated to the research, development and commercialisation of future-ready digital solutions that help our clients go to market early and remain competitive.

During the year under review, we have restructured our resources to enable such activity to continue in parallel with the execution of the large scale projects in our core areas of capability. The team comprises experienced business analysts, solution architects and developers that will enable us to identify upcoming digital requirements and add the required solutions to our portfolio, either through in-house development or in partnership with subject matter experts.

## ENVIRONMENTAL

### PROCUREMENT & SUPPLY CHAIN MANAGEMENT

We are committed to minimising our carbon footprint. Wherever possible, we source the materials, supplies and equipment required for our business operations from locations that offer the least impact on the environment. We also consolidate our purchasing activities to ensure economies of scale both in terms of expenditure and logistics.

### ENERGY & RESOURCE UTILISATION

Similarly, we aim to minimise our energy consumption through mindful usage of energy. We also apply stringent recycling policies at all our premises. Campaigns are also held during the year where employees are encouraged to upcycle preloved items which are then donated to underprivileged communities.

## SOCIAL

### HEALTH & WELL-BEING

We recognise that employees are the driving force of a strong business. We believe a motivated workforce delivers value to our stakeholders. We seek to provide a healthy, engaging and supportive culture that inspires and empowers individuals to reach their full potential. The majority of our employees work within a KPI framework which covers a range of parameters including their own well-being and commitment to community engagement.

### TALENT ATTRACTION & RETENTION

A major sustainability issue faced by all industry sectors in Malaysia today is the recruitment and retention of employees – from unskilled workers to highly skilled professionals. Our approach to this challenge is to focus on creating and maintaining safe workplaces and an engaging and supportive work culture that empowers talented individuals to succeed.

### DIVERSITY

The OMESTI Group practises a policy of full inclusion and diversity at the workplace. Appointments, promotions and other employee-related decisions are made solely on the basis of suitability of skills, experience and performance.

Our employee population comprises a well-balanced team that is results-oriented and focused on achieving the highest standards of excellence. Some 68% of our employees are male, while 32% are female. In terms of age, there is a balanced spread of youth and experience: 39% are aged 20 to 30 years old, 33% are aged 31 to 40, while some 20% are aged between 41 and 50 years old. In the upper age bracket, 6% are between 51 and 60 years old, while 2% are aged over 60.



## TRAINING

Employees in all divisions receive training in areas relevant to their function. Relevant employees receive ongoing training on the latest legal and regulatory requirements, such as updates to the Employment Act, the Competition Act, the Malaysian Code on Corporate Governance and the tax law. Leadership and coaching programmes are also provided from time to time to strengthen management skills.

## UPHOLDING LABOUR PRACTICES & EMPLOYEE RIGHTS

The Group is committed to treating its employees fairly and with dignity and respect. The Group complies with all applicable labour laws, rules and regulations where it operates, including the Malaysian Employment Act 1955, Industrial Relations Act and regulations governing key issues such as child labour and forced labour. The Group has a zero-tolerance policy against discrimination in any form and all employees have access to a grievance mechanism to raise concerns related to workplace practices.

## ENSURING SAFER WORKING ENVIRONMENTS

We are committed to conducting our businesses in a way that protects the health and safety of our employees. We ensure our employees understand that they share in this responsibility, and that we are all accountable for our own health and safety, and that of our colleagues.

## COMMUNITY INVESTMENT

During the year under review, we rolled out the practical aspects of our community investment programme, known as ANAHO – Our ANak, Our Hope. The key aim of the ANAHO programme is to inspire and empower people across all ages to enable them to reach their fullest potential.

The primary focus of our activities this year has been to embark on initiatives that provide underprivileged children with educational experiences that expose them to different perspectives and new ideas.

One such initiative has been to team up with Yayasan Chow Kit (YCK) which provides a safe haven for undocumented children of the Chow Kit area in Kuala Lumpur. This has seen OMESTI employees working with some of the children on different programmes to open up new experiences. These have included a Lego Building Workshop and distribution of food to the homeless. A further project has involved a team of youngsters from YCK and OMESTI employees working together at Me.reka Makerspace, a young social entrepreneur organisation, to build bookshelves for the YCK shelter.

Aligned to this, the Group has continued its support of youth development initiatives during the year. This has included support for the OHANA National Squash Championships and the second round of the OHANA-SRAM Squash League. The company also continued its partnership with the Kuala Lumpur Cricket Association (KLCA) to support its programme of cricket development for juniors.

Our internship programme is also a key part of the ANAHO Programme, where young students can gain first-hand exposure to the work environment and culture. During the year, a total of 15 students have been involved in technology development and execution work on live projects across the organisation.

These interns, including nine from the SL1M (Skim Latihan 1Malaysia) Programme, are from selected universities including Asia Pacific Institute of Information Technology (APIIT), UniKL, Politeknik Port Dickson and Asia Pacific University (APU) and are studying subjects such as Software Engineering, Computer Science and Business Management.



# Corporate Information

## Board of Directors

### Non-Executive Vice-Chairman

Dato' Mah Siew Kwok

### Executive Directors

Monteiro Gerard Clair

Mah Xian-Zhen

### Non-Executive Directors

Dato' Sri Thong Kok Khee (Non-Independent)

Tai Keat Chai (Independent)

Mah Yong Sun (Independent)

Tan Wee Hoong (Independent) (Appointed on 2 January 2018)

Wan Mai Gan (Independent) (Appointed on 2 January 2018)

Tan Sri Dato' Seri Megat Najmuddin Bin Datuk

Seri Dr. Hj. Megat Khas (Resigned on 2 January 2018)

Hj. Ahmad Bin Khalid (Resigned on 2 January 2018)

## BOARD COMMITTEES

### EXECUTIVE COMMITTEE

Dato' Mah Siew Kwok (Chairman)

Mah Xian-Zhen

Monteiro Gerard Clair

### AUDIT & RISK MANAGEMENT COMMITTEE

Tai Keat Chai (Chairman)

Dato' Mah Siew Kwok

Tan Wee Hoong

### NOMINATING COMMITTEE

Wan Mai Gan (Chairman)

Mah Yong Sun

Dato' Mah Siew Kwok

### REMUNERATION COMMITTEE

Dato' Sri Thong Kok Khee (Chairman)

Tan Wee Hoong

Wan Mai Gan

### LONG-TERM INCENTIVE PLAN COMMITTEE

Mah Yong Sun (Chairman)

Tai Keat Chai

Mah Xian-Zhen

## COMPANY SECRETARY

Phang Ai Tee  
(MAICSA No. 7013346)

## REGISTERED OFFICE

10<sup>th</sup> Floor, Menara SMI  
6 Lorong P Ramlee  
50250 Kuala Lumpur  
T +603 2078 4488  
F +603 2070 6893

## AUDITORS

BDO  
Level 8  
BDO @ Menara CenTARa  
360 Jalan Tuanku Abdul Rahman  
50100 Kuala Lumpur  
T +603 2616 2888  
F +603 2616 3190/3191

## PRINCIPAL BANKERS

AmBank (M) Berhad  
CIMB Bank Berhad  
OCBC Bank (Malaysia) Berhad  
Standard Chartered Bank Malaysia Berhad

## SHARE REGISTRAR

Bina Management (M) Sdn Bhd  
Lot 10, The Highway Centre  
Jalan 51/205, 46050 Petaling Jaya  
Selangor Darul Ehsan  
T +603 7784 3922  
F +603 7784 1988

## STOCK EXCHANGE LISTING

Main Market, Bursa Malaysia Securities Berhad  
Stock Code: 9008  
Stock Name: OMESTI  
Sector: Technology

## WEBSITE

[www.omesti.com](http://www.omesti.com)



@OMESTIGroup



OMESTI

# Profile of Directors

## DATO' MAH SIEW KWOK

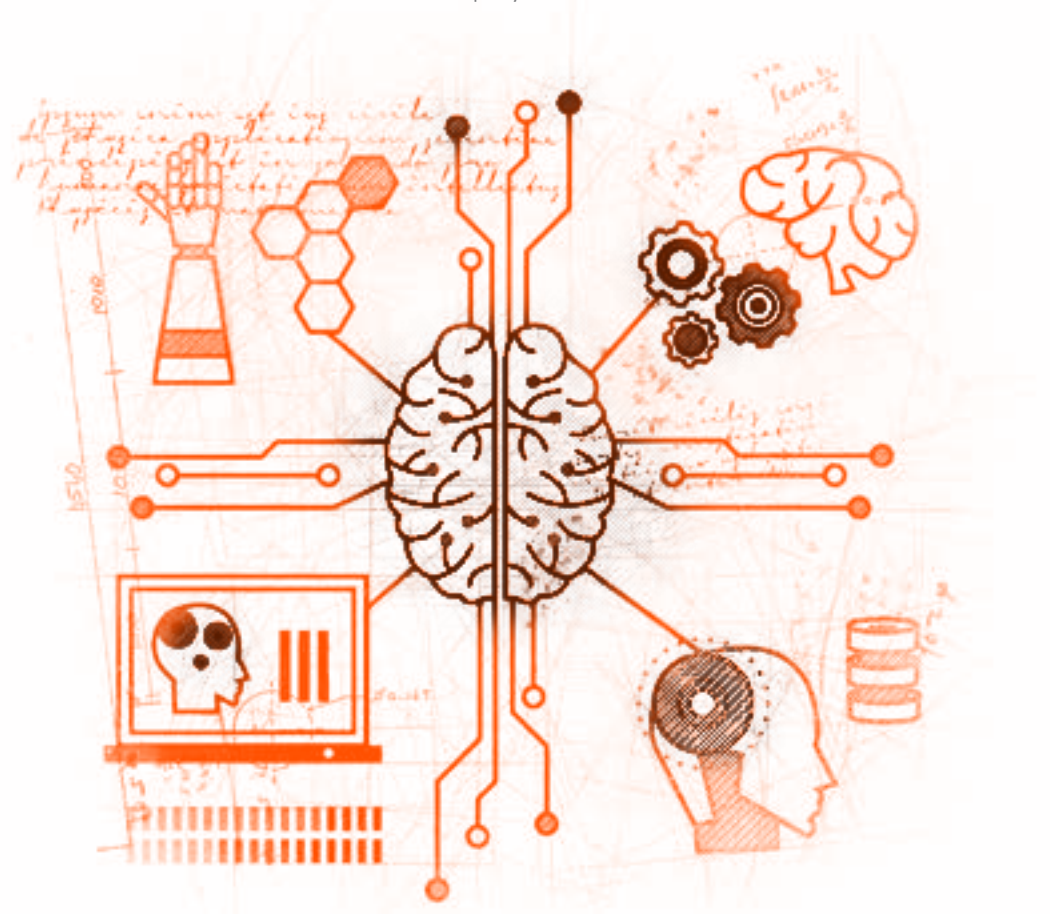
### NON-EXECUTIVE VICE CHAIRMAN

- Age 70, Male, Malaysian
- Appointed to the Board as an Executive Director on 22 January 2002
- Re-designated as Executive Vice Chairman and Chief Executive Officer on 1 April 2006 and then as Non-Executive Vice Chairman on 31 July 2012
- Chairman of Executive Committee and member of Audit & Risk Management Committee and Nominating Committee

Dato' Mah qualified in law and was called to the English Bar in 1972. He was the founder and senior partner of Messrs Mah & Partners in 1975, specialising in Corporate Law, Banking Law and Land Law. He remained in practice for ten years before venturing into the commercial sector. From 1983 to 1994 he served as Managing Director of South Malaysia Industries Berhad.

He currently serves as Chairman of Diversified Gateway Solutions Berhad and Kian Joo Can Factory Berhad and as Deputy Chairman of Ho Hup Construction Company Berhad. He was appointed as an Independent Non-Executive Director of Vertice Berhad (formerly known as Voir Holdings Berhad) on 15 February 2017. He also serves on the board of several private companies. He is Deputy Chairman of Chong Hwa Independent High School and a trustee and member of Chong Hwa KL Foundation. He is also a member of the Board of Trustees of Kwan Inn Teng Foundation. He has been elected as Executive Committee Member of the Inns of Court Malaysia.

Dato' Mah is the father of Ms Mah Xian-Zhen, an Executive Director of the Company.





## MAH XIAN-ZHEN

### EXECUTIVE DIRECTOR

- Age 36, Female, Malaysian
- Appointed to the Board on 19 September 2011
- Member of Executive Committee and Long-Term Incentive Plan Committee

Ms Mah joined Omesti Berhad in October 2009 as Executive Assistant to the Chief Executive Officer before being appointed as an Executive Director of the Company. She is closely involved in developing, organising, implementing and monitoring strategic plans and programmes throughout the organisation.

She graduated with a Bachelor of Arts from Wellesley College, MA, USA, followed by a Graduate Diploma in Law from BPP Law School. She then attended the Bar Vocational Course in London and was called to Bar of England and Wales in 2006. On completing her Bar Vocational Course, she returned to Malaysia and in September 2006, joined Messrs Shook Lin & Bok. In 2007, she was called to the Malaysian Bar, and remained with the firm as a Legal Assistant until June 2009, focusing on corporate and commercial litigation. In 2009, she also obtained an Executive Diploma in Islamic Law (Islamic Banking) from International Islamic University, Malaysia.

Ms Mah currently serves as Non-Independent Non-Executive Director of Microlink Solutions Berhad and as a Director of Omesti Holdings Berhad and Man Yau Holdings Berhad. She also holds directorships of several subsidiary companies in the Group.

Ms Mah is the daughter of Dato' Mah Siew Kwok, Non-Executive Vice Chairman and a major shareholder of Omesti.

## MONTEIRO GERARD CLAIR

### EXECUTIVE DIRECTOR

- Age 47, Male, Malaysian
- Appointed to the Board on 2 July 2012
- Member of Executive 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 H2O Holdings Sdn Bhd (formerly known as Red Zone Development Sdn Bhd) (H2O), an investment holding company. He serves as a Director of H2O 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 Diversified Gateway Solutions Berhad and Omesti Holdings Berhad. He also sits on the Board of several companies within the Group.

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 63, Male, Malaysian
- Appointed to the Board on 19 September 2011
- Chairman of Remuneration Committee

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.

## MAH YONG SUN

### INDEPENDENT NON-EXECUTIVE DIRECTOR

- Age 55, Male, Singaporean
- 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 and Celcom Axiata Berhad. He also sits on the Development Board of Imperial College London.

## TAI KEAT CHAI

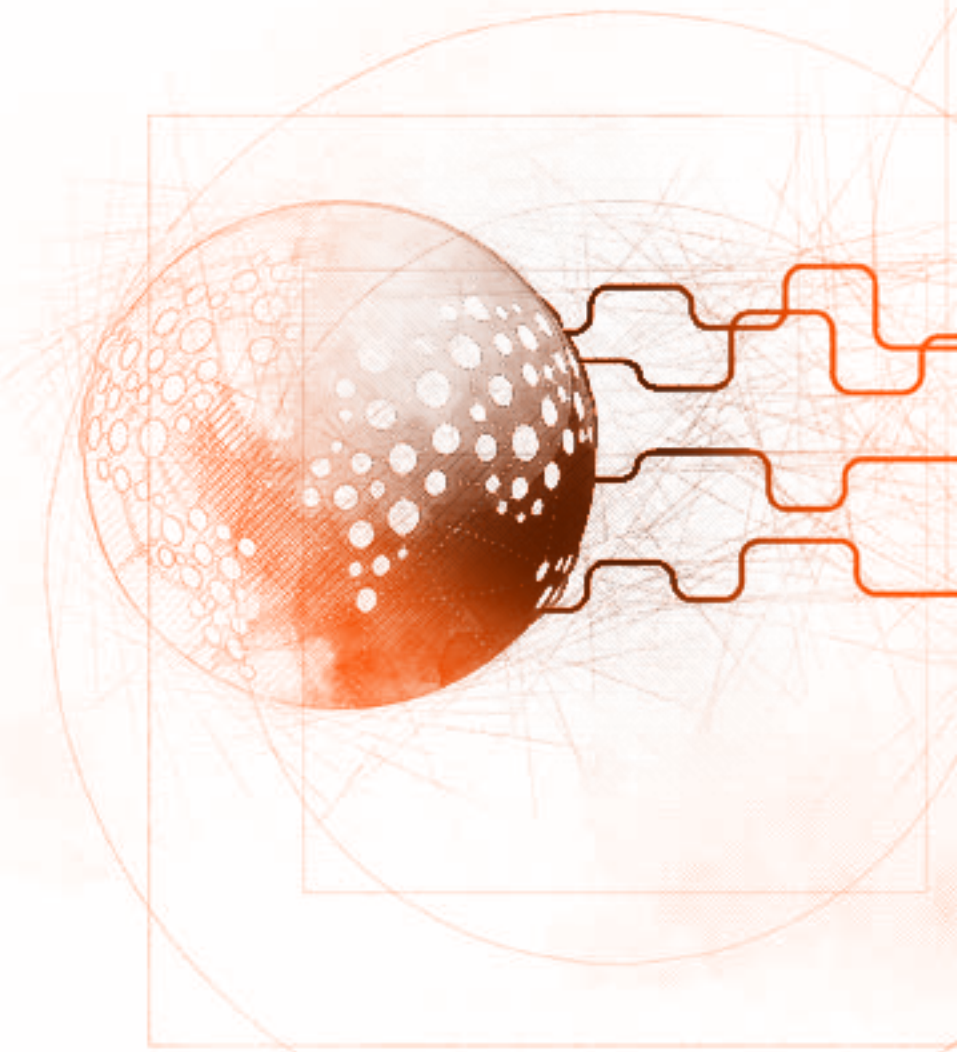
### INDEPENDENT NON-EXECUTIVE DIRECTOR

- Age 64, 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, MIDF Amanah Asset Management Berhad and several other unlisted companies.

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





## TAN WEE HOONG

### INDEPENDENT NON-EXECUTIVE DIRECTOR

- Age 57, Male, Malaysian
- Appointed to the Board on 2 January 2018
- Member of Audit & Risk Management Committee and Remuneration Committee

Mr Tan has more than 25 years' experience in capital markets, corporate advisory and finance, particularly in Malaysia and Singapore. He has worked for renowned Malaysian as well as regional securities houses including RHB Bank Berhad and Kay Hian HSBC (now known as UOB Kay Hian).

In the 1990s, during his stint as Director of Research at various securities houses, Mr Tan was consistently recognised as being among the top equity analysts in Malaysia by respected financial journals such as Asiamoney.

He has also been active, via his private consultancy practice in corporate advisory for public listed companies, including a number of reverse take-over transactions and general corporate strategies.

He is currently an Executive Director of Landmarks Berhad, a hospitality and resort developer listed in Bursa Malaysia Securities Berhad.

## WAN MAI GAN

### INDEPENDENT NON-EXECUTIVE DIRECTOR

- Age 54, Female, Malaysian
- Appointed to the Board on 2 January 2018
- Chairman of Nominating Committee and member of Remuneration Committee

Ms Wan Mai Gan is a 29-year veteran in the electronic payments industry with solid local and international exposure in product development, project delivery, post-live support and pre-sales support of mission critical software products.

She began her career with SunGard System Access Malaysia Sdn Bhd and held various key positions from 1988 to 2010, rising to become Vice President and Director. In July 2010, she joined NCR Payments and Services Malaysia Sdn Bhd (NCR) as General Manager, Operations. She was subsequently appointed as Head of Professional Services for the Payments division, Financial Services, with responsibility for Asia, Africa & Middle East regions. Ms Wan retired from NCR in July 2017.

Ms Wan is currently a Director of Diversified Gateway Solutions Berhad.

#### 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 Management Personnel

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

## Eddie Thoo W'y-Kit

### Group Chief Financial Officer - OMESTI Berhad

- Age 45, Male, Malaysian
- Appointed on 02 October 2017

Qualifications	Working Experience
CIMA, MBA from University of Strathclyde, Scotland	22 years

#### Profile

Eddie has more than 20 years of experience in corporate and operational finance in both public listed and private limited companies in the logistics and other sectors. His role at OMESTI includes ensuring timely and accurate reporting of all financial matters in compliance with the various regulatory and statutory requirements, as well as supporting the Directors and Management in delivering financial and non-financial targets.

Any directorship in public companies and listed issuers	Any family relationship with any director and/or major shareholder of the listed issuer
None	None

Any conflict of interests that the person has with the listed issuer	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	None

## Louis Tan Hai Aun

### Group Chief Innovation Officer - OMESTI Berhad

- Age 34, Male, Malaysian
- Appointed on 01 September 2017

Qualifications	Working Experience
BSc Computer Engineering	10 years

#### Profile

Louis is responsible for identifying new opportunities for the Group through innovation, research and development of new products, as well as how the Group can improve efficiency across the organisation with better use of technology.

Louis hails from the start-up world where, in 2009, he formed his first company in Silicon Valley, California, after leaving his first job at Inform Technologies Ltd. He has since returned to Malaysia after being abroad for nearly 10 years, and has been deeply involved in the creation of many successful start-ups ranging from technology consultancy - Red Ape Solutions, luxury villa rentals - TheLuxeNomad, private equity conferences - PE-Techconference.com and a local pet food brand - PledgeCare.Org.

Any directorship in public companies and listed issuers	Any family relationship with any director and/or major shareholder of the listed issuer
None	None

Any conflict of interests that the person has with the listed issuer	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	None





## Nurman Rummel Bin Sanusi

### Chief Operating Officer, eCOURTS - OMESTI Berhad

- Age 34, Male, Malaysian
- Appointed on 01 January 2015

Qualifications	Working Experience
LLB (Hons)	9 years

#### Profile

Rummel 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	Any family relationship with any director and/or major shareholder of the listed issuer
None	None

Any conflict of interests that the person has with the listed issuer	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	None

## Mohamed Maaruf Bin Vaheed

### General Manager - Formis Network Services Sdn Bhd

- Age 49, Male, Malaysian
- Appointed on 01 October 2012

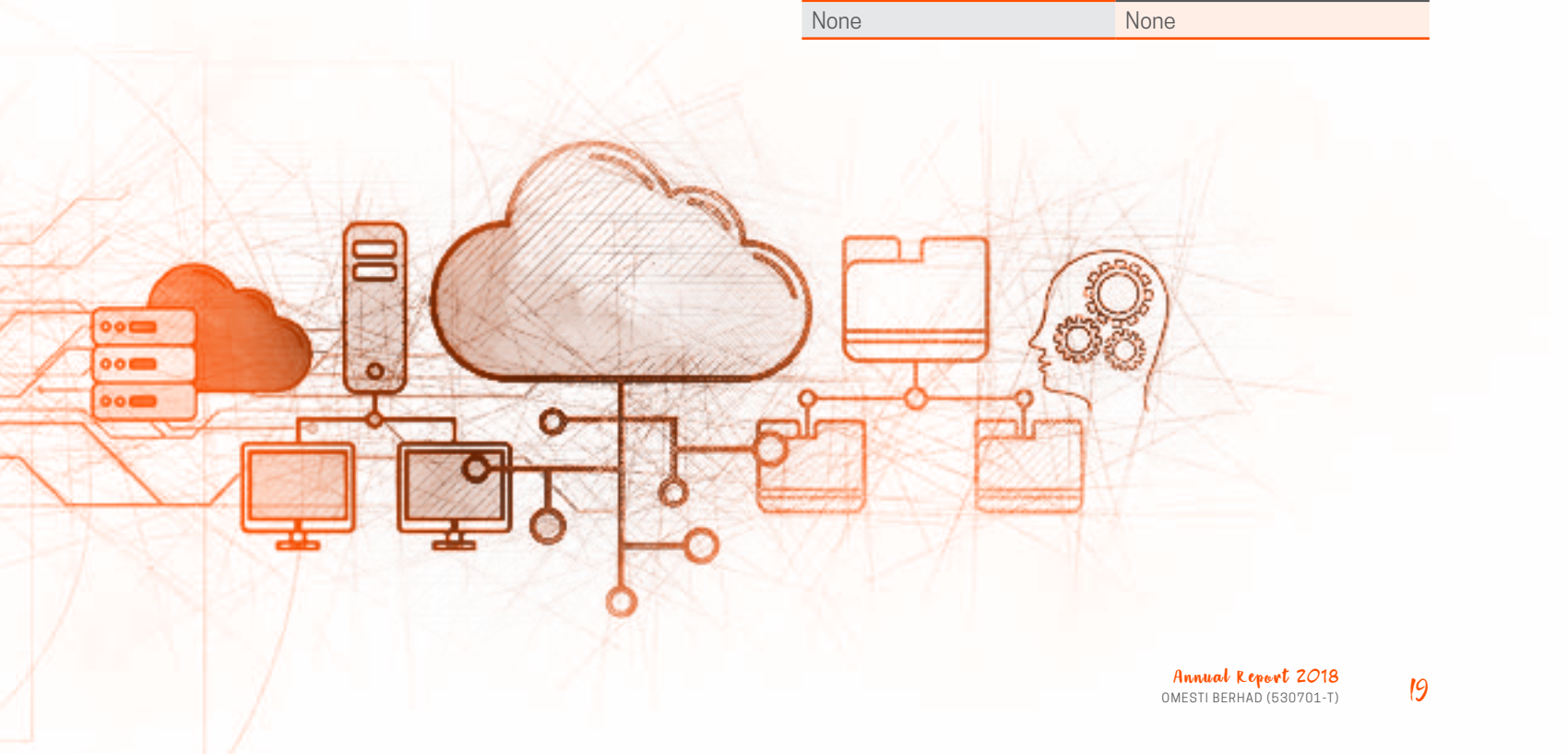
Qualifications	Working Experience
Degree in Electrical Engineering, MBA	26 years

#### Profile

Maaruf 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	Any family relationship with any director and/or major shareholder of the listed issuer
None	None

Any conflict of interests that the person has with the listed issuer	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	None



# Business Structure by Segment

**BANCORE**

Bancore Asia Pte Ltd  
Bancore Vietnam Company Limited



CA IT Infrastructure  
Solutions Sdn Bhd



Formis Network Services  
Sdn Bhd

**FORMIS**  
COMPUTER SERVICES

Formis Computer Services  
Sdn Bhd

**FRDEV**

Formis Research &  
Development Sdn Bhd

**microlink**

Microlink Solutions Berhad  
Microlink Systems Sdn Bhd  
Microlink Innovation Sdn Bhd  
Microlink Software Sdn Bhd  
PT Microlink International Maju

OMESTI  
**actify**

Omesti Actify Sdn Bhd

**FORMIS**  
automation

Formis Automation  
Sdn Bhd



Omesti Innovation Lab (Malaysia)  
Sdn Bhd



Formis Software &  
Technologies Sdn Bhd

**Business  
Performance  
Services**

**myATM**

MYATM Sdn Bhd

Omesti Assist Sdn Bhd  
(fka Nostalgic Properties Sdn Bhd)

**PRIMA**  
Arenaniaga

Prima Arenaniaga Sdn Bhd

**YAKIMBI**

Yakimbi ICT Sdn Bhd





*Digital &  
Infrastructure  
Services*

**Fiber@Home™**

Fiber At Home City Networks Sdn Bhd

**OHANA**

Ohana Communications  
Sdn Bhd

**ABS**  
Applied Business Systems

Applied Business Systems  
Sdn Bhd

**FIRST**  
*solution*

First Solution Sdn Bhd

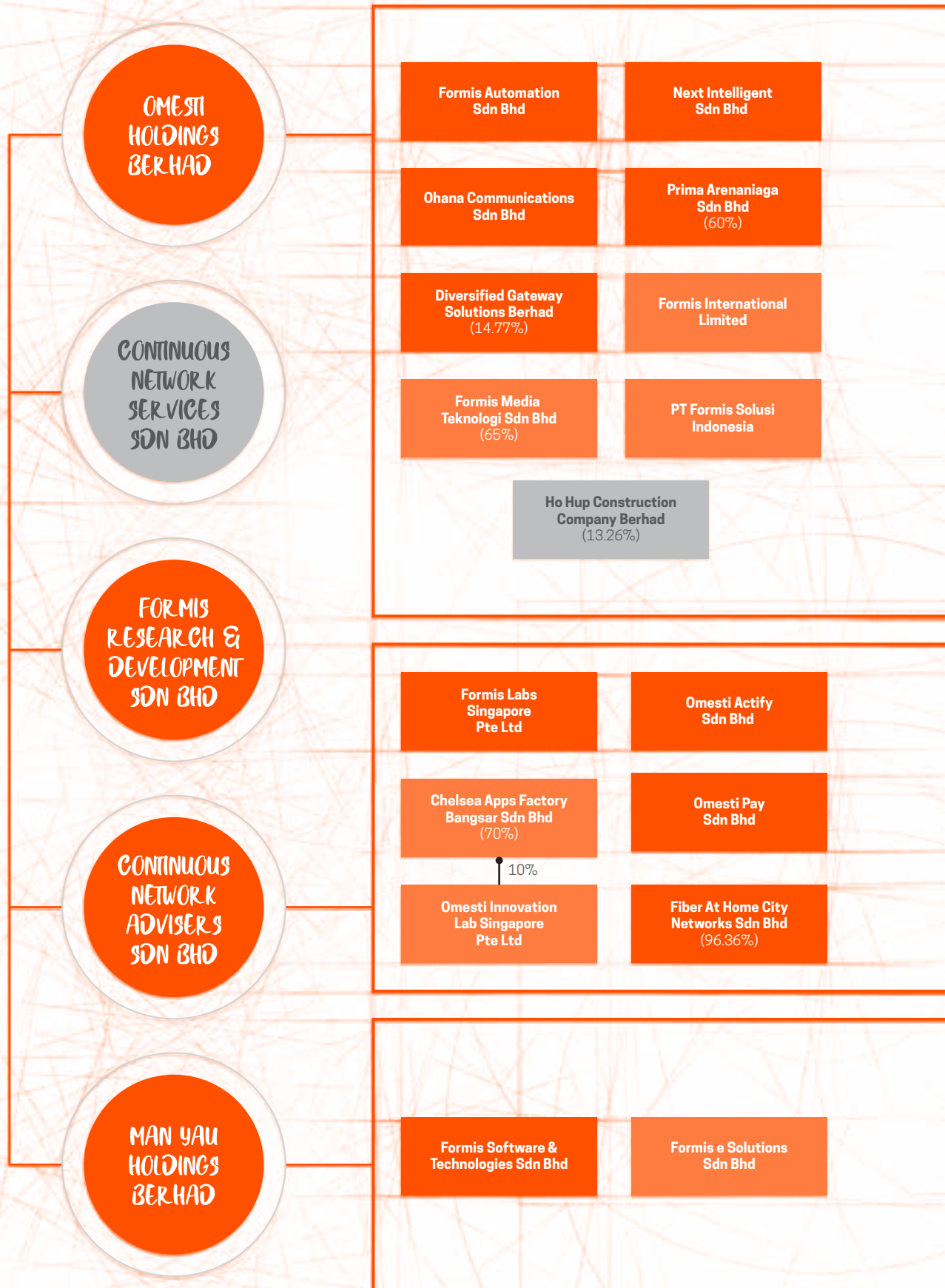
**FST**

FORMIS Systems & Technology

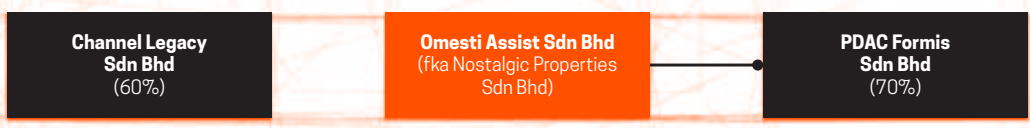
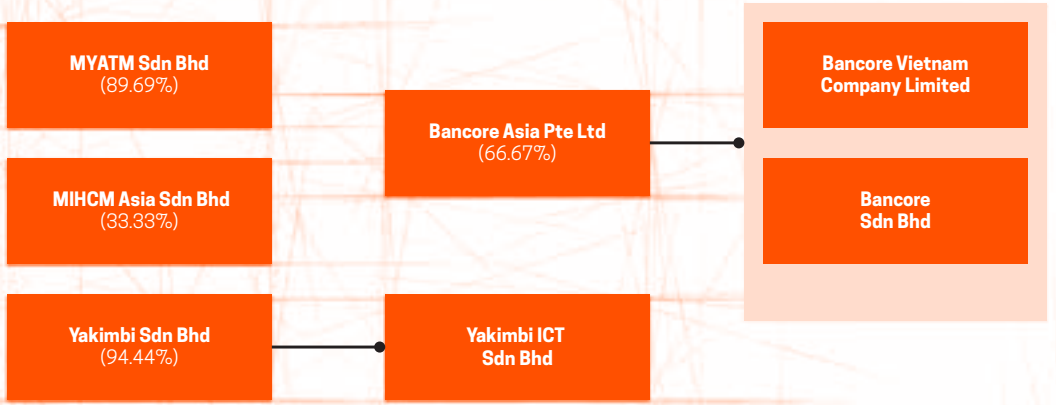
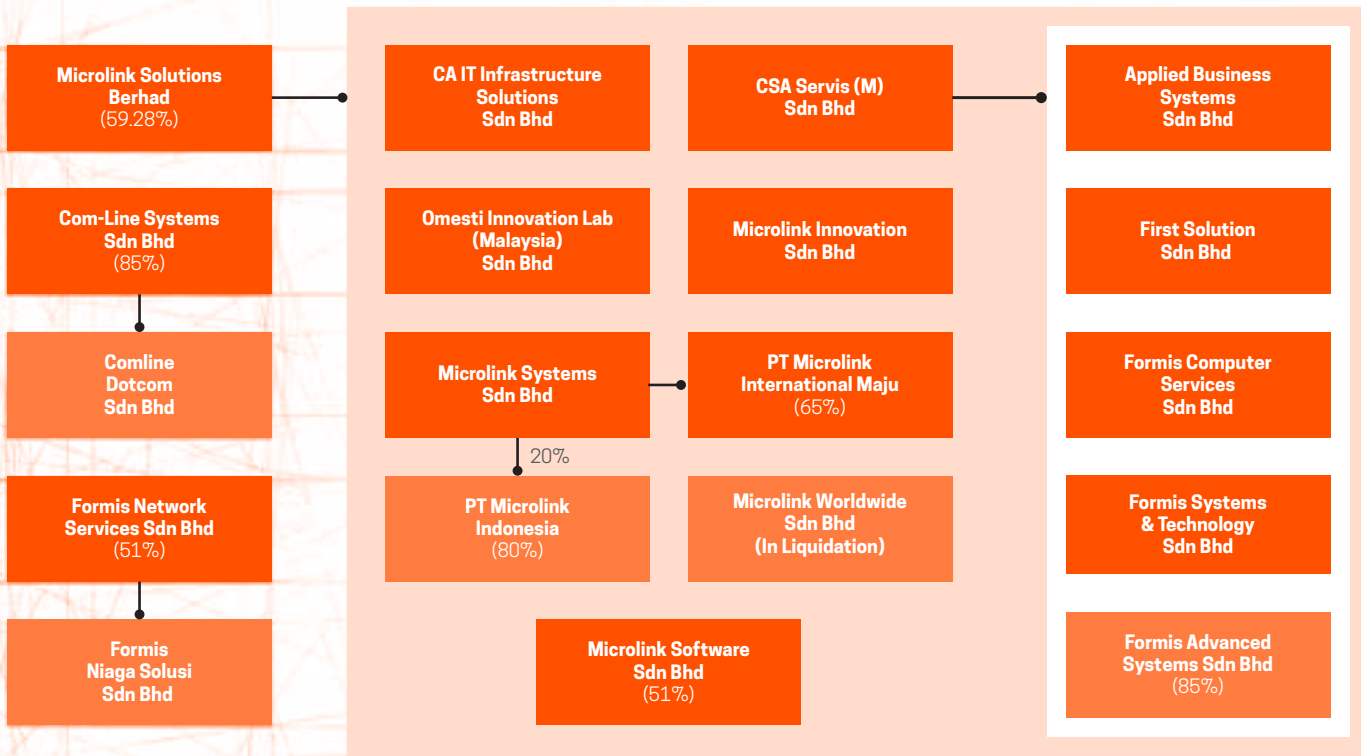
Formis Systems &  
Technology Sdn Bhd

CSA Servis (M) Sdn Bhd

# Corporate Structure







**CORPORATE STRUCTURE**  
AS AT 29 JUNE 2018

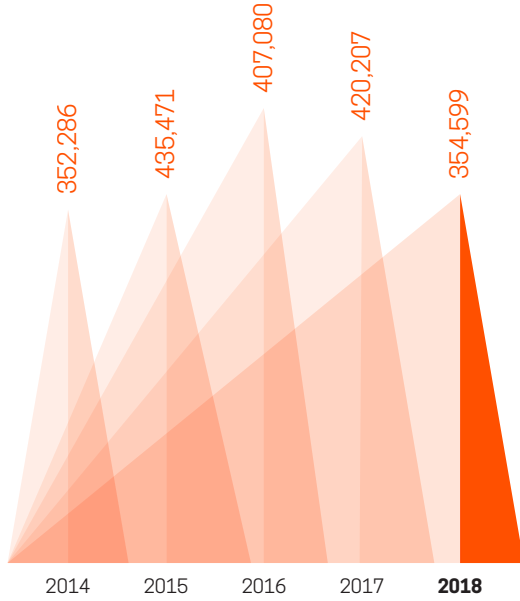
**LEGEND**

- IT Active
- IT Inactive
- Non-IT Active
- Non-IT Inactive

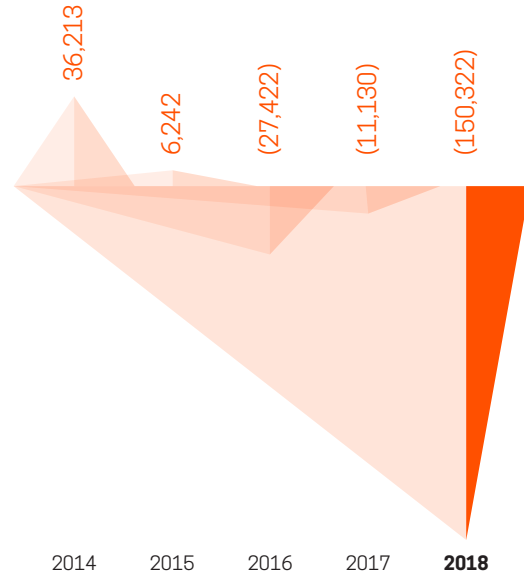
Unless stated otherwise, shareholding is 100%

# 5-Year Financial Highlights 2014-2018

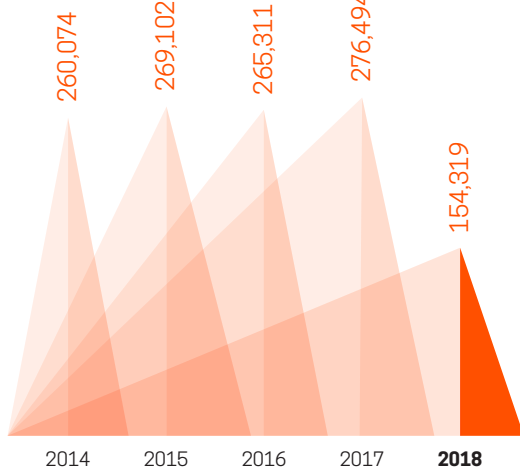
**REVENUE (RM'000)**



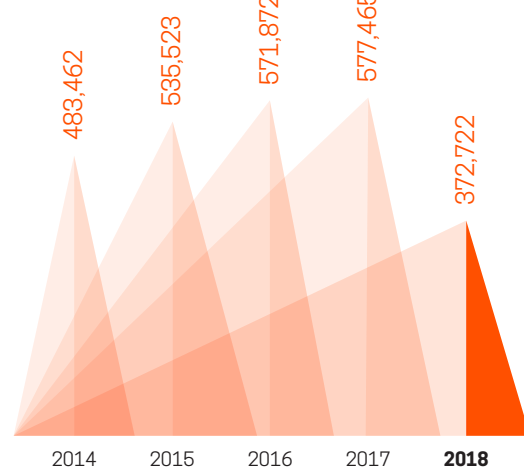
**PROFIT/(LOSS) BEFORE TAX (RM'000)**



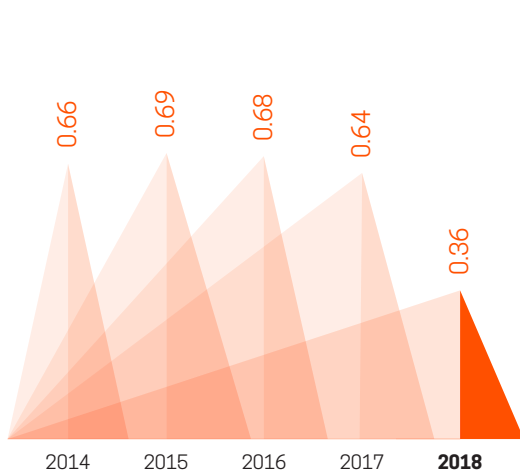
**SHAREHOLDERS' EQUITY (RM'000)**



**TOTAL ASSETS (RM'000)**



**NET ASSET/SHARE (RM)**





# Corporate Governance Overview Statement

The Board of Directors (Board) of Omesti Berhad (Company) is pleased to provide an overview of the corporate governance practices by the Company. The Board strongly believes in the importance of having and adhering to a sound corporate governance framework for delivering sustainable value, enhancing shareholders' confidence and achieving the corporate objectives and vision of the Company and its subsidiaries (Group).

The Board and Management are committed to ensuring that the business and affairs of the 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.

This Statement summarises the application of the following three (3) Principles set out in the new Malaysian Code on Corporate Governance (MCCG) which came into force in April 2017 and governance standards prescribed in the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities):

- (A) Board Leadership & Effectiveness;
- (B) Effective Audit & Risk Management; and
- (C) Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

The Company's detailed application of each Practice set out in the MCCG (CG Report) during the financial year end (FYE) 31 March 2018 was approved by the Board on 5 July 2018. This Statement is to be read together with the CG Report 2018 which is available for reference at the Company's website [www.omesti.com](http://www.omesti.com).

## PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

### (A) BOARD RESPONSIBILITIES

#### Board Leadership

The Board has the overall responsibility for corporate governance, strategic direction, corporate planning and overseeing the investment and business of the Group with the ultimate aim of creating and delivering sustainable value and long-term success.

#### Board Chairman

The Chairman is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board. Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas has resigned as the Chairman of the Board on 2 January 2018 and Dato' Mah Siew Kwok is deputising for the Chairman.

#### Separation of Positions of Chairman, Vice Chairman and Executive Directors

The positions of Chairman, Vice Chairman and Executive Directors are held by separate individuals and their roles and responsibilities are distinct as stated in the Board Charter.

#### 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.

#### Board Meetings

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 provide 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.



During FYE 31 March 2018, 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
Dato' Mah Siew Kwok	4/5
Mah Xian-Zhen	4/5
Monteiro Gerard Clair	5/5
Dato' Sri Thong Kok Khee	5/5
Tai Keat Chai	4/5
Mah Yong Sun	4/5
Tan Wee Hoong <sup>(a)</sup>	1/1
Wan Mai Gan <sup>(a)</sup>	1/1
Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas <sup>(b)</sup>	3/4
Hj. Ahmad Bin Khalid <sup>(c)</sup>	4/4

<sup>(a)</sup> Appointed as an Independent Non-Executive Director of the Company on 2 January 2018

<sup>(b)</sup> Resigned as an Independent Non-Executive Chairman of the Company on 2 January 2018

<sup>(c)</sup> Resigned as an Independent Non-Executive Director of the Company on 2 January 2018

All Directors have complied with the minimum 50 percent attendance requirement at Board meetings during FYE 31 March 2018 as stipulated by the MMLR. 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.

### 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 Charter was reviewed by the Board on 18 May 2018 for consistency with the MCGG

and Companies Act, 2016. The Board Charter is available for reference at the Company's website [www.omesti.com](http://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](http://www.omesti.com).

## (B) COMPOSITION & BOARD BALANCE

### Board Composition

The Board comprises eight (8) members:

- 4 Independent Non-Executive Directors
- 2 Non-Independent Non-Executive Directors
- 2 Executive Directors

The Board's composition complies with the requirements mandated by the MMLR of Bursa Securities. The Board, through annual review by the Nominating Committee (NC), 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, law, business, systems implementation and software products. 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 14 to 17 of Volume 1 of this Annual Report.



### Reinforce 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. This is conducted 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 MMLR.

In compliance with the recommendation of MCCG on the maximum tenure of Independent Directors not exceeding nine years, Hj. Ahmad Bin Khalid has resigned on 2 January 2018 as Independent Non-Executive Director of the Company.

## (C) STRENGTHEN COMPOSITION

### Board Committees

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

Standing Committees of the Board and their respective current composition are referenced on page 13 of Volume 1 of this Annual Report.

### Nominating Committee (NC)

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. The NC is comprised, in the majority, of Independent Non-Executive Directors with the Chairman being independent and able to contribute effectively to the NC. Meetings of the NC are held as and when required, and at least once a year.

The current composition of the NC is as set out on page 13 of Volume 1 of this Annual Report.

The terms of reference of the NC are available for reference at the Company's website [www.omesti.com](http://www.omesti.com).

During the FYE31 March 2018, two (2) NC meetings were held. The NC 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 Audit & Risk Management Committee (ARMC) and each of its members
- evaluated the training needs of the Board
- discussed on nomination and appointment of new candidates as Directors of the Company

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.

The Board currently is 75% male and 25% female. In terms of age, 12.5% are aged 31-40 and 41-50, 37.5% aged 51-60 and 61-70 years old respectively.

### Directors' Training

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 MMLR.

During the 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.

The training/courses attended by the Directors during FYE 31 March 2018 are as follows:-

Director	Training Attended	Date
Dato' Mah Siew Kwok	▪ Duties and Responsibilities under the Malaysian Companies Act 2016 (Act 777)	5 May 2017
	▪ Malaysian Private Equity Tech Conference 2017	18 May 2017
	▪ Fraud Risk Management Workshop	26 September 2017
	▪ Case Study Workshop for Independent Directors Rethinking – Independent Directors: A New Frontier	9 November 2017
	▪ In-house Talk by BDO – “Budget Tax Briefing 2018”	15 November 2017
Mah Xian-Zhen	▪ Design Thinking Workshop	18 April 2017 to 20 April 2017
	▪ The Release of the Malaysian Code on Corporate Governance	26 April 2017
	▪ Malaysian Private Equity Tech Conference 2017	18 May 2017
	▪ Driving Financial Integrity and Performance – Enhancing Financial Literacy for Audit Committees	3 August 2017
	▪ AWS re: Invent Conference, Las Vegas, USA	26 November 2017 to 1 December 2017
▪ Corporate Governance Briefing Sessions: MSSG Reporting and CG Guide	15 March 2018	
Monteiro Gerard Clair	▪ 2017 Hitachi ASEAN Partner Leaders Forum	18 to 20 July 2017
Dato' Sri Thong Kok Khee	▪ The Malaysian Code on Corporate Governance	8 August 2017
Tai Keat Chai	▪ Bursa Risk Management Programme – “I Am Ready to Manage Risks”	13 September 2017
	▪ Conversation with Audit Committees of Public Listed Companies	14 November 2017
Mah Yong Sun	▪ Wild Digital	25 to 26 May 2017
Tan Wee Hoong <sup>(a)</sup>	▪ Companies Commission of Malaysia – Key Offences under the Companies Act 2016 and Interest Schemes Act 2016	20 November 2017
Wan Mai Gan <sup>(a)</sup>	▪ Corporate Governance Briefing Sessions: MSSG Reporting & CG Guide	1 March 2018
	▪ Mandatory Accreditation Programme	12 March 2018 to 13 March 2018



Director	Training Attended	Date
Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas (b)	▪ Assessment of Directors	11 April 2017
	▪ Fraud Risk Management Workshop	13 July 2017
	▪ Bursa Corporate Governance Breakfast Series – “Board Excellence: How to Engage and Enthuse Beyond Compliance with Sustainability”	17 July 2017
	▪ Stepping up Corporate Governance, Compliance and Anti-Corruption Practices	20 July 2017
	▪ The Asian Captive Conference 2017	16 August 2017 to 17 August 2017
	▪ Khazanah Megatrends Forum 2017	2 October 2017 to 3 October 2017
	▪ Corporate Governance Breakfast Series entitled Integrating an Innovation Mindset with Effective Governance	7 October 2017
Hj. Ahmad Bin Khalid (c)	▪ Malaysian Code on Corporate Governance 2017 – Key Features and Enhancements	6 December 2017

All the Directors have attended training during the financial year under review. 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 Board Committee meetings and Board meetings. The Board will continue to evaluate and determine the training needs of its Directors to enhance their skills and knowledge.

### 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 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 (RC)

The RC is comprised entirely 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 current composition of the RC is as set out on page 13 of Volume 1 of this Annual Report.

During FYE 31 March 2018, one (1) RC meeting was held. The RC, in discharging its functions and duties, carried out the following activities:

- reviewed and recommended the payment of Directors' Fees for FYE 31 March 2017 to be payable on a quarterly basis in arrears
- reviewed and recommended the payment of Directors' Fees and benefits for the period from 1 April 2017 until the next AGM of the Company
- reviewed and discussed the Directors' service contracts with the Company or with subsidiaries and ensured they be available at the Registered Office of the Company for inspection by the shareholders holding at least 5% of the total issued and paid-up share capital of the Company pursuant to Section 232 of the Companies Act, 2016
- reviewed and recommended the remuneration package for Executive Directors

### Directors' Remuneration

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)	Benefits-In-Kind (RM)	Total (RM)
<b>Executive Directors</b>	73,000 <sup>(1)</sup>	692,251 <sup>(2)</sup>	56,169 <sup>(3)</sup>	821,420
Mah Xian-Zhen				
Monteiro Gerard Clair	23,500 <sup>(1)</sup>	815,651 <sup>(2)</sup>	25,000 <sup>(3)</sup>	864,151
<b>Non-Executive Directors</b>	264,000 <sup>(4)</sup>	285,940 <sup>(2)</sup>	-	549,940
Dato' Mah Siew Kwok				
Dato' Sri Thong Kok Khee	60,000	5,000	-	65,000
Tai Keat Chai	171,000 <sup>(5)</sup>	27,000 <sup>(6)</sup>	-	198,000
Mah Yong Sun	132,000 <sup>(5)</sup>	15,000 <sup>(6)</sup>	-	147,000
Tan Wee Hoong <sup>(a)</sup>	15,000	1,000	-	16,000
Wan Mai Gan <sup>(a)</sup>	15,000	1,000	-	16,000
Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas <sup>(b)</sup>	90,000	7,000	28,000	125,000
Hj. Ahmad Bin Khalid <sup>(c)</sup>	135,000 <sup>(5)</sup>	24,000 <sup>(6)</sup>	-	159,000

(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) Benefits-In-Kind paid by the Company and/or subsidiary companies for acting as Director

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

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

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





## PRINCIPLE B: EFFECTIVE AUDIT & RISK MANAGEMENT

### (A) ARMC

The ARMC currently comprises three (3) members, all of whom are Non-Executive Directors, with a majority of them being independent Directors.

The ARMC Report is presented on pages 36 to 37 of Volume 1 of this Annual Report.

### (B) RISK FRAMEWORK

Details on the key features of the risk management framework are set out in the Statement on Risk Management & Internal Control on page 34 of Volume 1 of this Annual Report.

### (C) INTERNAL AUDIT FUNCTION

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 33 to 35 of Volume 1 of this Annual Report.

## PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### (A) 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 ARMC holds a key responsibility for ensuring that the financial statements of the Company comply with the Financial Reporting Standards in Malaysia. Such 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 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 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.

In this regard, in May 2018, 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 2018. 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





# 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 on 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 two (2) operating units within the Group. The results 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, order processing, 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 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/visit 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. At present, the Group is in the midst of updating the existing risk management 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 control 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 outsourced the internal audit function to a professional firm of auditors for which, during the year, a fee of RM25,000 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.

A detailed Internal Audit Plan is 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 business activities or level of activities of the operating units 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 2018 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 Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide (AAPG) 3 Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report 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 5 July 2018.



# Audit & Risk Management Committee Report

The Audit & Risk Management Committee (ARMC) was established by the Board of Directors (Board) to assist 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 comprises three (3) members, all of whom are Non-Executive Directors, with a majority of them being independent Directors.

- Tai Keat Chai – Independent Non-Executive Director (Chairman)
- Dato' Mah Siew Kwok – Non-Executive Vice Chairman
- Tan Wee Hoong – Independent Non-Executive Director

In compliance with the composition ruling, the ARMC Chairman, Mr. Tai Keat Chai, qualified as a Fellow of the Institute of Chartered Accountants in England and Wales and is a member of the Malaysian Institute of Accountants. He fulfills the requirements of Paragraph 15.09(1)(c)(i) and Paragraph 15.10 of the Main Market Listing Requirements (MMLR). He is not the Chairman of the Board which is in line with Practice 8.1 under the Malaysian Code on Corporate Governance.

## TERMS OF REFERENCE

The ARMC is guided by its Terms of Reference (TOR) in performing its duties and discharging its responsibilities. The TOR, which are available for reference at the Company's website [www.omesti.com](http://www.omesti.com), were reviewed on 13 February 2018.

## 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
Dato' Mah Siew Kwok	4/5
Tan Wee Hoong <i>(Appointed as a member of ARMC with effect from 28 March 2018)</i>	–
Hj. Ahmad Bin Khalid <i>(Resigned as a member of ARMC with effect from 2 January 2018)</i>	4/4

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

The ARMC meetings were also attended by the Chief Financial Officer, senior representatives of the Internal Auditors and External Auditors and the Company Secretaries. 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 following ARMC meeting and subsequently presented to the Board for notation.

## SUMMARY OF ACTIVITIES

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

## FINANCIAL REPORTING

- Reviewed and discussed the quarterly financial results of the Group including draft announcements pertaining thereto before recommending the same for the Board's consideration and approval; and

- Reviewed and deliberated the audited financial statements of the Company and Group for the financial year ended (FYE) 31 March 2018 and recommended the same for the Board's approval.

### INTERNAL AUDIT

- Reviewed and considered the Internal Auditors' scope of work, audit plans and fees for the Group to ensure adequate scope and comprehensive coverage over the activities of the Group;
- Reviewed and discussed the internal audit direction and appointment;
- Reviewed and deliberated 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 and considered the Internal Audit Plan of the outsourced internal audit function to ensure adequate scope and comprehensive coverage of the activities of the Group and authorised deployment of the necessary resources to address risk areas identified; and
- Reviewed and deliberated the Internal Audit Report of operating subsidiaries which were prepared on completion of each internal audit assignment.

### EXTERNAL AUDIT

- Reviewed and evaluated the performance and independence of the External Auditors, Messrs BDO, before recommending their re-appointment to the Board for consideration;
- Reviewed and deliberated the External Audit Planning;
- Reviewed and considered the Audit Review Memorandum of the Company;
- Reviewed and discussed 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
- Held private sessions with the External Auditors during the year without the presence of any Executive Director and Management to review and discuss key audit issues, the assistance given by the Management of the Group to the External Auditors and any difficulties and issues encountered during the course of audit.

### RELATED PARTY TRANSACTIONS

- Reviewed and discussed 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 and discussed 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; and
- Reviewed and deliberated the business progress of operating subsidiaries.

### INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to Crowe Horwath Governance Sdn Bhd and the selected internal audit team is independent of the activities audited by them and the External Auditors.

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

During FYE 31 March 2018, 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 page 35 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 2018, 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 29 June 2018

## SHARE CAPITAL

Issued and Paid-up Share Capital : 433,034,625 ordinary shares  
Class of Shares : Ordinary Shares  
Voting Rights : One (1) vote per ordinary share on a poll  
Number of Shareholders : 4,542

## DISTRIBUTION OF SHAREHOLDERS

according to statistical summary of the Record of Depositors as at 29 June 2018

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Less than 100 shares	613	13.50	22,036	0.01
100 to 1,000 shares	2,481	54.62	863,385	0.19
1,001 to 10,000 shares	715	15.74	3,787,210	0.87
10,001 to 100,000 shares	518	11.40	19,214,579	4.44
100,001 to less than 5% of issued shares	212	4.67	288,293,715	66.58
5% and above of issued shares	3	0.07	120,853,700	27.91
<b>Total</b>	<b>4,542</b>	<b>100.00</b>	<b>433,034,625</b>	<b>100.00</b>

## LIST OF THIRTY LARGEST SHAREHOLDERS

according to the Record of Depositors as at 29 June 2018

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	15.30
2. Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Siew Kwok (Margin)	28,550,000	6.59
3. Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Siew Kwok	26,030,000	6.01
4. Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Seow Voon Ping	20,000,000	4.62
5. Gryphon Asset Management Sdn Bhd	19,579,500	4.52
6. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Gan Nyap Liou @ Gan Nyap Liow	13,520,500	3.12
7. AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Monteiro Gerard Clair	11,180,700	2.58
8. Cartaban Nominees (Asing) Sdn Bhd Exempt An For Standard Chartered Bank Singapore Branch (SG PVB CL AC)	10,663,000	2.46
9. Insas Plaza Sdn Bhd	10,000,000	2.31
10. JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Siew Kwok (Margin)	9,275,403	2.14
11. Mah Xian-Zhen	8,503,700	1.96
12. AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for - AmBank (M) Berhad for Insas Plaza Sdn Bhd	7,500,000	1.73

**ANALYSIS OF SHAREHOLDINGS (CONT'D.)**

As at 29 June 2018

**LIST OF THIRTY LARGEST SHAREHOLDERS (CONT'D.)**  
according to the Record of Depositors as at 29 June 2018

Name	No. of Shares Held	%
13. M & A Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Mah Siew Kwok (M&A)	6,670,000	1.54
14. AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cheam Wooi Seong	6,343,000	1.46
15. AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Siew Booy (D18)	6,294,600	1.45
16. M & A Nominee (Asing) Sdn Bhd Montego Assets Limited	6,000,000	1.39
17. Mah Siew Kwok	5,691,386	1.31
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	1.23
19. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Low Choon Chong	5,175,000	1.20
20. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Tan Siew Booy (MY0267)	5,101,000	1.18
21. AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Hong Cheat	4,682,454	1.08
22. HSBC Nominees (Tempatan) Sdn Bhd Exempt An For Credit Suisse AG (SG-CLT-T-OS PR)	4,621,300	1.07
23. M & A Securities Sdn Bhd IVT (A)	4,080,000	0.94
24. HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Dato' Mah Siew Kwok(KLM 29988-3)	3,379,635	0.78
25. Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kok Tiu Wan	3,362,100	0.78
26. CitiGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lau Chi Chiang (472016)	3,305,900	0.76
27. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Jaganath Derek Steven Sabapathy	3,100,000	0.72
28. AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ahmad Aminnurdin Bin Dinyati	2,690,000	0.62
29. M & A Nominees (Tempatan) Sdn Bhd For H2Energy Corporation Sdn Bhd	2,423,900	0.56
30. HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for M & A Securities Sdn Bhd (IPH 2589)	2,300,000	0.53
<b>Total</b>	<b>311,613,183</b>	<b>71.96</b>



**ANALYSIS OF SHAREHOLDINGS (CONT'D.)**

As at 29 June 2018

**SUBSTANTIAL SHAREHOLDERS**

according to the Register of Substantial Shareholders as at 29 June 2018

Name	<----- No. of Ordinary Shares Held ----->			
	Direct Interest	%	Deemed Interest	%
1. Dato' Mah Siew Kwok	82,131,424	18.97	-	-
2. Insas Berhad	-	-	48,659,500 <sup>(1)</sup>	11.24
3. Dato' Sri Thong Kok Khee	-	-	48,659,500 <sup>(2)</sup>	11.24
4. H2O Holdings Sdn Bhd (formerly known as Red Zone Development Sdn Bhd)	67,998,300	15.70	-	-
5. Monteiro Gerard Clair	12,111,400	2.80	67,998,300 <sup>(3)</sup>	15.70
6. Dato' Wong Kit-Leong	-	-	67,998,300 <sup>(3)</sup>	15.70
7. Datuk Raymond Tan	-	-	67,998,300 <sup>(3)</sup>	15.70
8. Dato' Gan Nyap Liou @ Gan Nyap Liow	13,520,500	3.12	10,663,000 <sup>(5)</sup>	2.46

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

according to the Register of Directors' Shareholdings as at 29 June 2018

Omesti Berhad	<----- No. of Ordinary Shares Held ----->			
	Direct Interest	%	Deemed Interest	%
1. Dato' Mah Siew Kwok <sup>(4)</sup>	82,131,424	18.97	-	-
2. Mah Xian-Zhen <sup>(4)</sup>	9,703,700	2.241	-	-
3. Monteiro Gerard Clair	12,111,400	2.80	67,998,300 <sup>(3)</sup>	15.70
4. Dato' Sri Thong Kok Khee	-	-	48,659,500 <sup>(2)</sup>	11.24
5. Tai Keat Chai	-	-	-	-
6. Mah Yong Sun	4,621,300	1.07	-	-
7. Tan Wee Hoong	-	-	-	-
8. Wan Mai Gan	-	-	-	-

**RELATED COMPANY**

Microlink Solutions Berhad	<----- No. of Ordinary Shares Held ----->			
	Direct Interest	%	Deemed Interest	%
1. Dato' Mah Siew Kwok <sup>(4)</sup>	1,178,936	0.70	-	-
2. Mah Xian-Zhen <sup>(4)</sup>	118,666	0.07	-	-
3. Monteiro Gerard Clair	3,613,647	2.159	-	-
4. Dato' Sri Thong Kok Khee	-	-	426,595 <sup>(2)</sup>	0.25
5. Mah Yong Sun	1,173,413	0.70	-	-

**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 H2O Holdings Sdn Bhd (formerly known as 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.

# Other Compliance Information

## SHARE BUY-BACK

The Company did not purchase any of its own shares during the financial year ended (FYE) 31 March 2018.

## OPTION, WARRANTS OR CONVERTIBLE SECURITIES

As at 31 March 2018, 83,142,487 warrants 2013/2018 (Warrants B) remained unexercised. During the financial year ending 31 March 2019, a total of 1,728,334 Warrants B were exercised at an exercise price of RM0.50. Pursuant to the Notice to Holders of Warrants B in relation to the Expiry and Last Date for the Exercise of Warrants B dated 27 April 2018, the Warrants B had expired on 30 May 2018.

During FYE 31 March 2018, the Company had made a total award of 859,800 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 2018. The Award Shares were vested on 3 July 2017, 2 October 2017, 2 January 2018 and 2 April 2018 respectively.

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, 31 March 2017 and 31 March 2018 are set out below:

6 January 2014 to 31 March 2014	Total	Directors	Senior Management	Other Entitled Employees
<b>Employees' Share Option Scheme (ESOS)</b>				
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)
<b>Number of Options outstanding as at 31 March 2014</b>	<b>10,666,800</b>	<b>5,533,200</b>	<b>3,158,400</b>	<b>1,975,200</b>

1 April 2014 to 31 March 2015	Total	Directors	Senior Management	Other Entitled Employees
<b>RSP under the ESGP</b>				
Number of Shares granted	100,000	-	100,000	-
Number of Shares vested	(100,000)	-	(100,000)	-
Number of Shares lapsed	-	-	-	-
<b>Number of Shares outstanding as at 31 March 2015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>ESOS</b>				
<b>As at 1 April 2014</b>	<b>10,666,800</b>	<b>5,533,200</b>	<b>3,158,400</b>	<b>1,975,200</b>
Number of Options granted	-	-	-	-
Number of Options exercised	-	-	-	-
Number of Options lapsed	(692,400)	-	(400,000)	(292,400)
<b>Number of Options outstanding as at 31 March 2015</b>	<b>9,974,400</b>	<b>5,533,200</b>	<b>2,758,400</b>	<b>1,682,800</b>

OTHER COMPLIANCE INFORMATION (CONT'D.)

1 April 2015 to 31 March 2016	Total	Directors	Senior Management	Other Entitled Employees
<b>RSP under the EGSP</b>				
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	-	-	-	-
<b>Number of Shares outstanding as at 31 March 2016</b>	<b>322,200</b>	<b>222,200</b>	<b>100,000</b>	<b>-</b>

<b>ESOS</b>				
<b>As at 1 April 2015</b>	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)
<b>Number of Options outstanding as at 31 March 2016</b>	<b>19,603,600</b>	<b>10,886,400</b>	<b>5,008,400</b>	<b>3,708,800</b>

1 April 2016 to 31 March 2017	Total	Directors	Senior Management	Other Entitled Employees
<b>RSP under the EGSP</b>				
<b>Number of Shares outstanding as at 1 April 2016</b>	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	-	-	-	-
<b>Number of Shares outstanding as at 31 March 2017</b>	<b>191,600</b>	<b>191,600</b>	<b>-</b>	<b>-</b>

<b>ESOS</b>				
<b>As at 1 April 2016</b>	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)
<b>Number of Options outstanding as at 31 March 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

1 April 2017 to 31 March 2018	Total	Directors	Senior Management	Other Entitled Employees
<b>RSP under the EGSP</b>				
<b>Number of Shares outstanding as at 1 April 2017</b>	191,600	191,600	-	-
Number of Shares granted	859,800	859,800	-	-
Number of Shares vested	(820,600)	(820,600)	-	-
Number of Shares lapsed	-	-	-	-
<b>Number of Shares outstanding as at 31 March 2018</b>	<b>230,800</b>	<b>230,800</b>	<b>-</b>	<b>-</b>



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 2018 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 2018 are as follows:

	Company (RM)	Group (RM)
Audit fees	52,500	417,609
Non-audit fees	3,500	6,500

### 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 2018, RM5,486,000 was collected while the remaining balance is impaired.

## 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 17th Annual General Meeting of Omesti held on 15 September 2017, 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 15 September 2017 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 2018 pursuant to the said shareholders' mandate are as follows:

Companies within Omesti Group transacting with Related Parties	Nature of Transactions	Related Party	Interested Directors / Major Shareholders / Persons Connected	Aggregate Value of Transactions during FYE 31 March 18 (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 <sup>(11)</sup>	<b>Interested Major Shareholder</b> - Datuk Raymond Tan (RT) <sup>(7)</sup>  <b>Interested Person Connected with Major Shareholder</b> - H2O Holdings Sdn Bhd (formerly known as Red Zone Development Sdn Bhd) (H2O) <sup>(8)</sup>	20,897
		Family-owned companies of MGC <sup>(12)</sup>	<b>Interested Director</b> - Monteiro Gerard Clair (MGC) <sup>(9)</sup>  <b>Interested Person Connected with Director and Major Shareholder</b> - H2O <sup>(8)</sup>	4,989

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 18 (RM)
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 <sup>(10)</sup>	<b>Interested Directors / Major Shareholder</b> <ul style="list-style-type: none"> <li>- Dato' Sri Thong Kok Khee (Dato' Sri Thong) <sup>(1)</sup></li> <li>- Insas Berhad <sup>(2)</sup></li> </ul> <b>Interested Persons Connected with Directors / Major Shareholder</b> <ul style="list-style-type: none"> <li>- Insas Plaza Sdn Bhd <sup>(3)</sup></li> <li>- M&amp;A Securities Sdn Bhd <sup>(4)</sup></li> <li>- Gryphon Asset Management Sdn Bhd <sup>(5)</sup></li> <li>- Montego Assets Limited <sup>(6)</sup></li> </ul>	4,526
	Supply of network and software solutions, licences, network infrastructure, computer hardware and software and maintenance services by Omesti Group to Ho Hup Group	Ho Hup Group <sup>(10)</sup>	<b>Interested Directors / Major Shareholder</b> <ul style="list-style-type: none"> <li>- Dato' Sri Thong <sup>(1)</sup></li> <li>- Insas Berhad <sup>(2)</sup></li> </ul> <b>Interested Persons Connected with Directors / Major Shareholder</b> <ul style="list-style-type: none"> <li>- Insas Plaza Sdn Bhd <sup>(3)</sup></li> <li>- M&amp;A Securities Sdn Bhd <sup>(4)</sup></li> <li>- Gryphon Asset Management Sdn Bhd <sup>(5)</sup></li> <li>- Montego Assets Limited <sup>(6)</sup></li> </ul>	0
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 <sup>(11)</sup>	<b>Interested Major Shareholder</b> <ul style="list-style-type: none"> <li>- RT <sup>(7)</sup></li> </ul> <b>Interested Person Connected with Director and Major Shareholder</b> <ul style="list-style-type: none"> <li>- H20 <sup>(8)</sup></li> </ul>	4,016
		Family-owned companies of MGC <sup>(12)</sup>	<b>Interested Director</b> <ul style="list-style-type: none"> <li>- MGC <sup>(9)</sup></li> </ul> <b>Interested Person Connected with Director and Major Shareholder</b> <ul style="list-style-type: none"> <li>- H20 <sup>(8)</sup></li> </ul>	6,792



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 18 (RM)
Omesti Group	Renting of office spaces and procurement of other related services such as general maintenance services from Ho Hup Group <sup>ⓐ</sup>	Ho Hup Group <sup>(10)</sup>	<b>Interested Directors / Major Shareholder</b> <ul style="list-style-type: none"> <li>- Dato' Sri Thong <sup>(1)</sup></li> <li>- Insas Berhad <sup>(2)</sup></li> </ul> <b>Interested Persons Connected with Directors / Major Shareholder</b> <ul style="list-style-type: none"> <li>- Insas Plaza Sdn Bhd <sup>(3)</sup></li> <li>- M&amp;A Securities Sdn Bhd <sup>(4)</sup></li> <li>- Gryphon Asset Management Sdn Bhd <sup>(5)</sup></li> <li>- Montego Assets Limited <sup>(6)</sup></li> </ul>	0

<sup>ⓐ</sup> 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 2018/2019.

**Notes:**

<sup>(1)</sup> 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 2018 are set out below:-

Name of Company	% of Interest	
	Direct	Indirect
Omesti	-	11.29 <sup>(a)</sup>
Ho Hup	-	13.52 <sup>(a)</sup>

<sup>(a)</sup> Deemed interest by virtue of his substantial interest in Insas Berhad pursuant to Section 8(4) of the Companies Act, 2016 (Act).

<sup>(2)</sup> 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, M & A Securities Sdn Bhd and Montego Assets Limited which are subsidiaries of Insas Berhad pursuant to Section 8(4) of the Act.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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.

<sup>(5)</sup> 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.

<sup>(6)</sup> Montego Assets Limited (MAL) is a Person Connected to Dato' Sri Thong. MAL is a wholly-owned subsidiary of Insas Berhad and a shareholder of Omesti.

<sup>(7)</sup> RT is a major shareholder of Omesti by virtue of his substantial interests in H2O. He is also Director and shareholder of the companies which RT is interested.

<sup>(8)</sup> H2O is a major shareholder of Omesti, holding 15.81% equity interest in Omesti as at 31 March 2018.

<sup>(9)</sup> MGC is a common Director and common shareholder of Omesti and H2O. His direct and indirect interests in Omesti and H2O as at 31 March 2018 are set out below:-

Name of Company	% of Interest	
	Direct	Indirect
Omesti	2.14	15.81 <sup>(b)</sup>
H2O	37.00	-

<sup>(b)</sup> Deemed interest by virtue of his substantial interest in H2O pursuant to Section 8(4) of the Act.

<sup>(10)</sup> Ho Hup Group is principally involved in foundation engineering, civil engineering, building contracting works and hire of plant and machinery.

<sup>(11)</sup> 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.

<sup>(12)</sup> 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 18<sup>th</sup> Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 18<sup>th</sup> 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 **Tuesday, 18 September 2018** 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 2018 together with the Reports of the Directors and Auditors thereon. (Please refer to Explanatory Note)
2. To approve the payment of Directors' Fees and benefits to Non-Executive Directors of up to an amount of RM895,000 for the period from 19 September 2018 until the conclusion of the next Annual General Meeting (AGM) of the Company. Resolution 1
3. To re-elect the following Directors retiring pursuant to Article 74 of the Company's Articles of Association and being eligible, have offered themselves for re-election:
  - (a) Dato' Mah Siew Kwok Resolution 2
  - (b) Mr Tai Keat Chai Resolution 3
4. To re-elect the following Directors retiring pursuant to Article 80 of the Company's Articles of Association and being eligible, have offered themselves for re-election:
  - (a) Mr Tan Wee Hoong Resolution 4
  - (b) Ms Wan Mai Gan 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:  
**AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** Resolution 7

"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."

7. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

Resolution 8

“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 2018 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 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of Companies Act, 2016); unless revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting, whichever is the earlier;

AND THAT the Directors of the Company be authorised to complete and carry out such acts and actions as they may consider expedient or necessary to give effect to the shareholders' mandate.”

8. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

**PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES**

Resolution 9

“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.”

9. To consider, and if thought fit, to pass the following resolution as a Special Resolution:

**PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY (PROPOSED ADOPTION)**

Resolution 10

“THAT approval be and is hereby granted for the Company to revoke its existing Memorandum and Articles of Association with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in Part C of the Statement/Circular to Shareholders dated 31 July 2018 be and is hereby adopted as the Constitution of the Company with immediate effect;

AND THAT the Directors of the Company be and are hereby authorised to assent any conditions, modifications and/or amendments as may be required by any relevant authorities, and to do all such acts and things and take all such steps as may be considered necessary to give full effect to the Proposed Adoption, for and on behalf of the Company.”

10. 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 2018

**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 10<sup>th</sup> Floor, Menara SMI, 6 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 5 September 2018 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 18<sup>th</sup> 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 2018**

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 and Benefits**

Section 230 of the Companies Act, 2016 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 and benefits (being meeting attendance allowance) payable to the Non-Executive Directors for the period from 19 September 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 current composition of the Board and Board Committees remains unchanged.

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 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 18<sup>th</sup> AGM.

**Resolution 8 Resolution pertaining to the Proposed Renewal of 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 2018 which is dispatched together with the Company's Annual Report 2018.

**Resolution 9 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 2018 which is dispatched together with the Company's Annual Report 2018.

**Resolution 10 Proposed Adoption of the New Constitution of the Company (Proposed Adoption)**

The proposed amendments to the existing Memorandum & Articles of Association (Constitution) of the Company (Proposed Amendments) are made in line with the Companies Act, 2016, in compliance with the Main Market Listing Requirements of Bursa Securities and to enhance administrative efficiency.

In view of the substantial amount of Proposed Amendments, the Board had proposed that the existing Constitution be altered or amended by the Company in its entirety and replaced by a new Constitution which incorporates all the Proposed Amendments (New Constitution) as set out in the Part C of the Statement/Circular to Shareholders dated 31 July 2018.

The shareholders' approval is sought for the Company to alter or amend the existing Constitution in its entirety and replaced with the New Constitution in accordance with Section 36 (1) of the Companies Act, 2016.

The proposed New Constitution of the Company, which is circulated together with the Notice of 18<sup>th</sup> AGM dated 31 July 2018, shall take effect once the proposed Resolution 10 has been passed by a majority of not less than seventy-five per cent (75%) of such members who are entitled to vote and do vote in person or by proxy at the 18<sup>th</sup> AGM of the Company.

# Statement Accompanying Notice of 18<sup>th</sup> 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 18<sup>th</sup> 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 15 September 2017.

As at 29 June 2018, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the 17<sup>th</sup> AGM held on 15 September 2017 and which will lapse at the conclusion of the 18<sup>th</sup> AGM.

The resolution if passed, would provide flexibility to the Directors to undertake fund raising activities, including, but not limited to, placement of shares for the funding of the Company's future investment projects, working capital and/or acquisitions, by the issuance of shares in the Company to such persons at any time as the Directors consider it to be in the best interests of the Company.

Any delay arising from and cost involved in convening a general meeting to approve such issuance of shares should be eliminated. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next AGM of the Company.



# Privacy Notice



OMESTI

## 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](http://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: 10<sup>th</sup> Floor, Menara SMI, 6 Lorong P Ramlee, 50250 Kuala Lumpur.

Tel : +603 2078 4488

Fax : +603 2070 6893

Email : [pdpa@omesti.com](mailto: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.

## 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](http://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 pemrosesan dan penggunaan data peribadi anda pada bila-bila masa. Walaubagaimanapun, kami mempunyai hak untuk bergantung kepada mana-mana pengecualian dalam mengumpul, mengguna dan mendedah data peribadi anda.

Pemintaan atau pertanyaan bertulis anda perlu disampaikan ke alamat di bawah:

### PEGAWAI PERLINDUNGAN DATA PERIBADI

Alamat: Aras 10, Menara SMI, 6 Lorong P Ramlee, 50250 Kuala Lumpur.

Telefon : +603 2078 4488

Faks : +603 2070 6893

E-mel : [pdpa@omesti.com](mailto: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 pemrosesan (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 pemrosesan (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 terpenda.

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)



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 **18<sup>th</sup> 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 **Tuesday, 18 September 2018** 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		

(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 \_\_\_\_\_ 2018

<b>Number of Ordinary Shares Held</b>

\_\_\_\_\_  
Signature of Shareholder(s)

## 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 10<sup>th</sup> Floor, Menara SMI, 6 Lorong P. Ramlee, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- (v) Only members whose names appears in the Record of Depositors on 5 September 2018 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 18<sup>th</sup> 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**  
10<sup>th</sup> Floor, Menara SMI,  
6 Lorong P. Ramlee,  
50250 Kuala Lumpur.

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# Contact Details of Subsidiaries

## **APPLIED BUSINESS SYSTEMS SDN BHD**

(Co No 188269-D)

## **CSA SERVIS (M) SDN BHD**

(Co No 232732-T)

## **FORMIS SYSTEMS & TECHNOLOGY SDN BHD**

(Co No 312258-W)

13<sup>th</sup> 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)

38, Jalan Pemimpin, M38  
#07-09 Singapore 577178  
T +65 6352 2919  
F +65 6352 0703

## **BANCORE VIETNAM CO LTD**

(Co No 011043002559)

Room 519 5<sup>th</sup> 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)

## **OMESTI ASSIST SDN BHD**

(FORMERLY KNOWN AS 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)

## **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)

## **FIBER AT HOME CITY NETWORKS SDN BHD**

(Co No 736932-U)

## **FORMIS AUTOMATION SDN BHD**

(Co No 378155-P)

## **OMESTI HOLDINGS BERHAD**

(Co No 281000-K)

10<sup>th</sup> Floor Menara SMI,  
6 Lorong P. Ramlee,  
50250 Kuala Lumpur, Malaysia.  
T +603 2078 4488  
F +603 2070 6893

## **FIRST SOLUTION SDN BHD**

(Co No 398017-P)

13<sup>th</sup> 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)

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

## **MYATM SDN BHD**

(Co No 918073-H)

6<sup>th</sup> Floor Menara SMI,  
6 Lorong P. Ramlee,  
50250 Kuala Lumpur, Malaysia.  
T +603 2032 2633  
F +603 2732 1310

## CONTACT DETAILS OF SUBSIDIARIES (CONT'D.)

### **MICROLINK SOLUTIONS BERHAD**

(Co No 620782-P)

6<sup>th</sup> 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)

### **FORMIS COMPUTER SERVICES SDN BHD**

(Co No 112344-P)

### **MICROLINK INNOVATION SDN BHD**

(Co No 839837-A)

### **MICROLINK SOFTWARE SDN BHD**

(Co No 824378-V)

### **MICROLINK SYSTEMS SDN BHD**

(Co No 309131-H)

6<sup>th</sup> Floor Menara Atlan,  
161B Jalan Ampang,  
50450 Kuala Lumpur, Malaysia.  
T +603 2171 2200  
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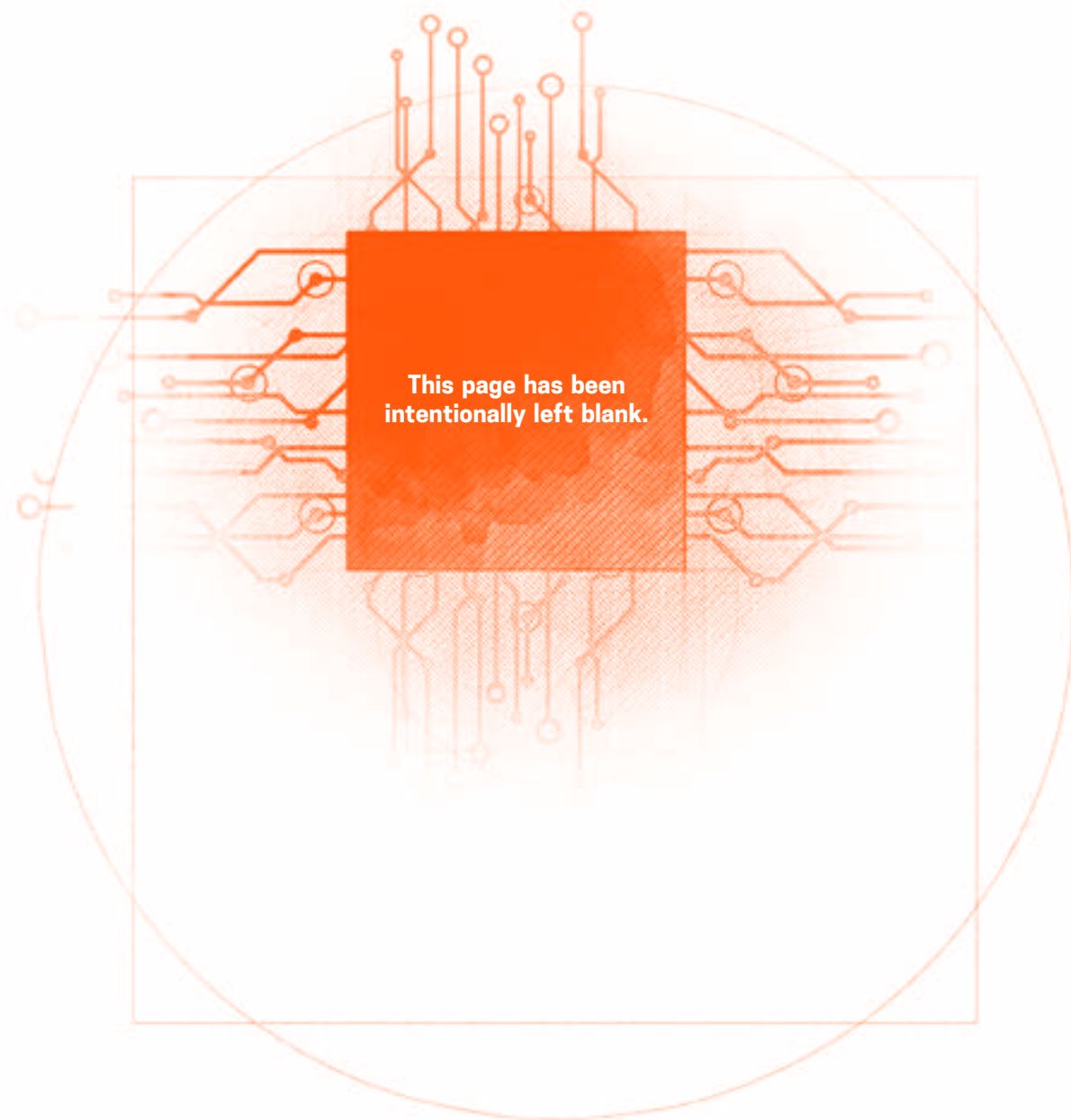
### **PT MICROLINK INTERNATIONAL MAJU**

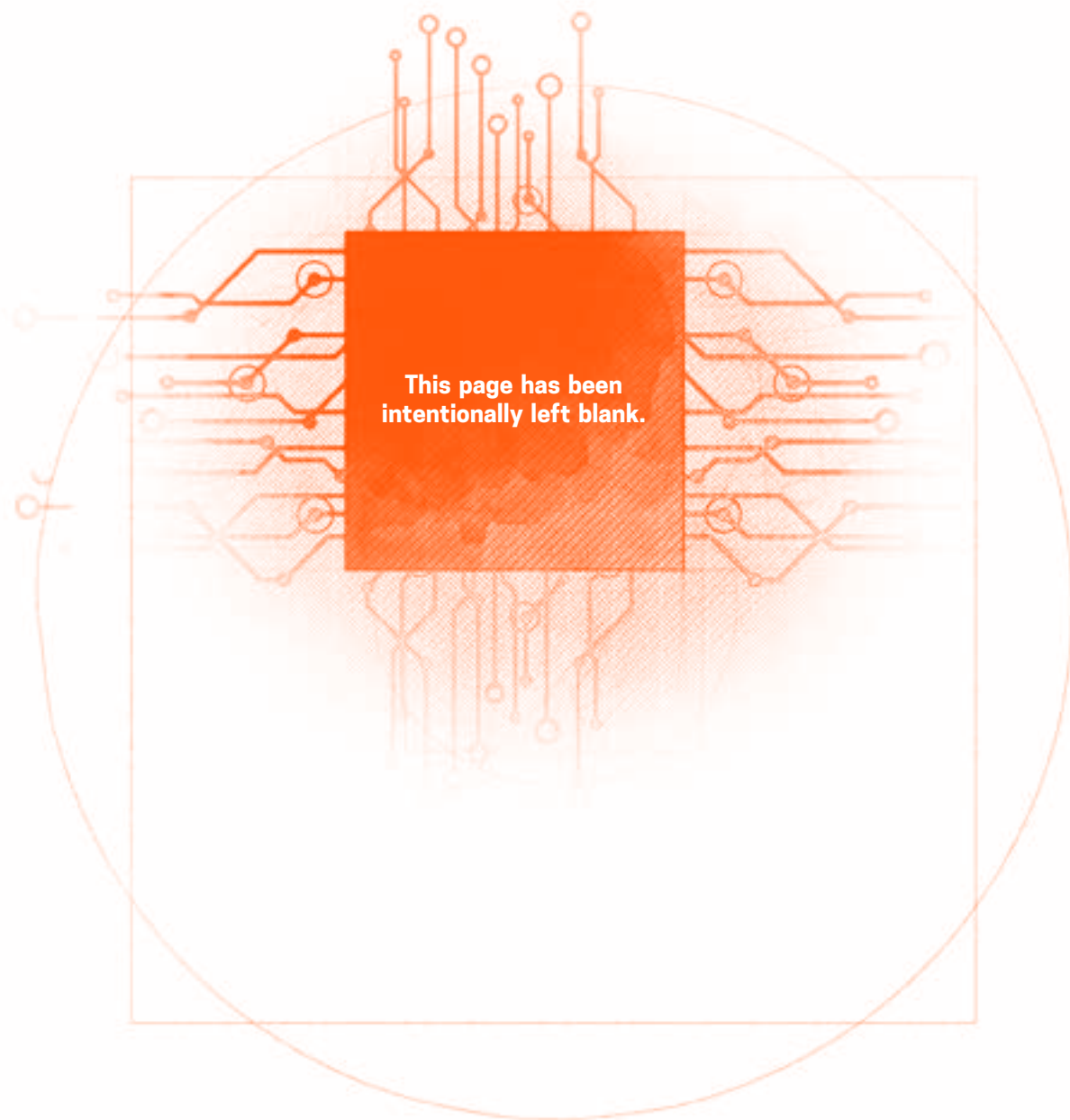
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