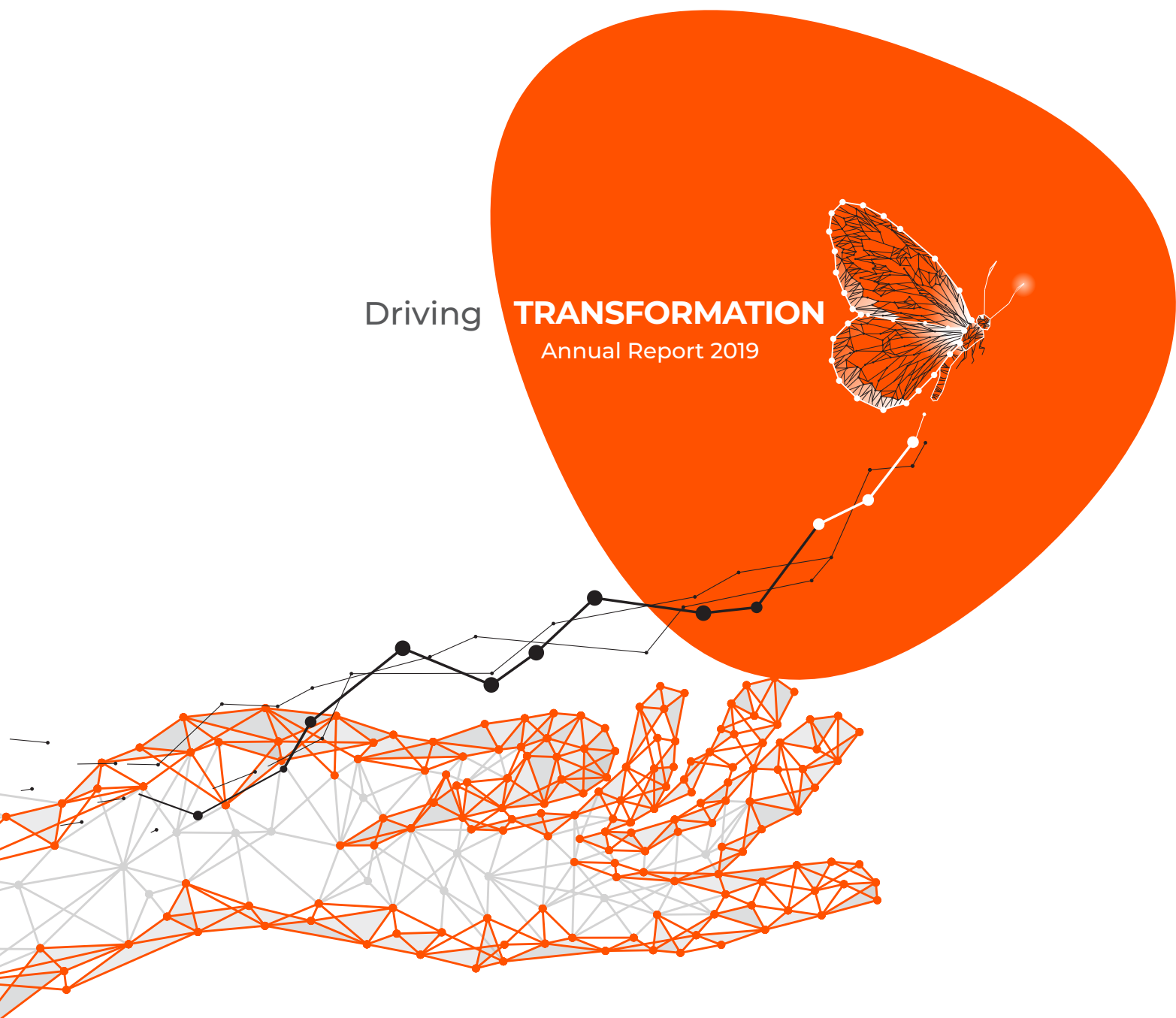




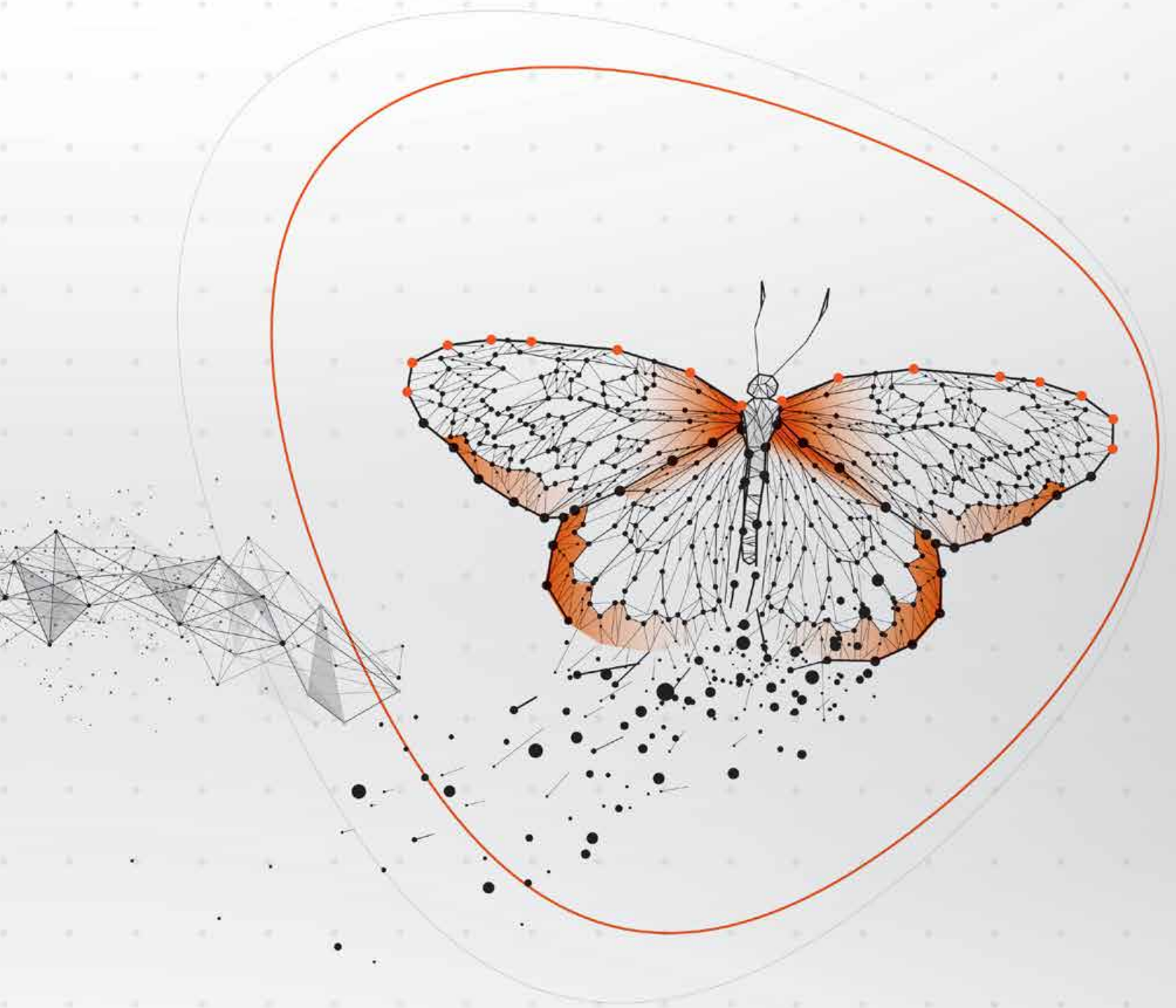
OMESTI

Driving **TRANSFORMATION**
Annual Report 2019



The image features a light gray background with a subtle grid of small dots. A large, rounded, orange shape is positioned on the right side. In the lower-left and bottom-center areas, there are several network diagrams consisting of black nodes connected by lines. One of these diagrams is highlighted with orange nodes and lines. The text "Driving TRANSFORMATION" is centered within the orange shape.

Driving
TRANSFORMATION





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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 a strong combination of technology skillsets to serve multiple industries across a range of disciplines 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

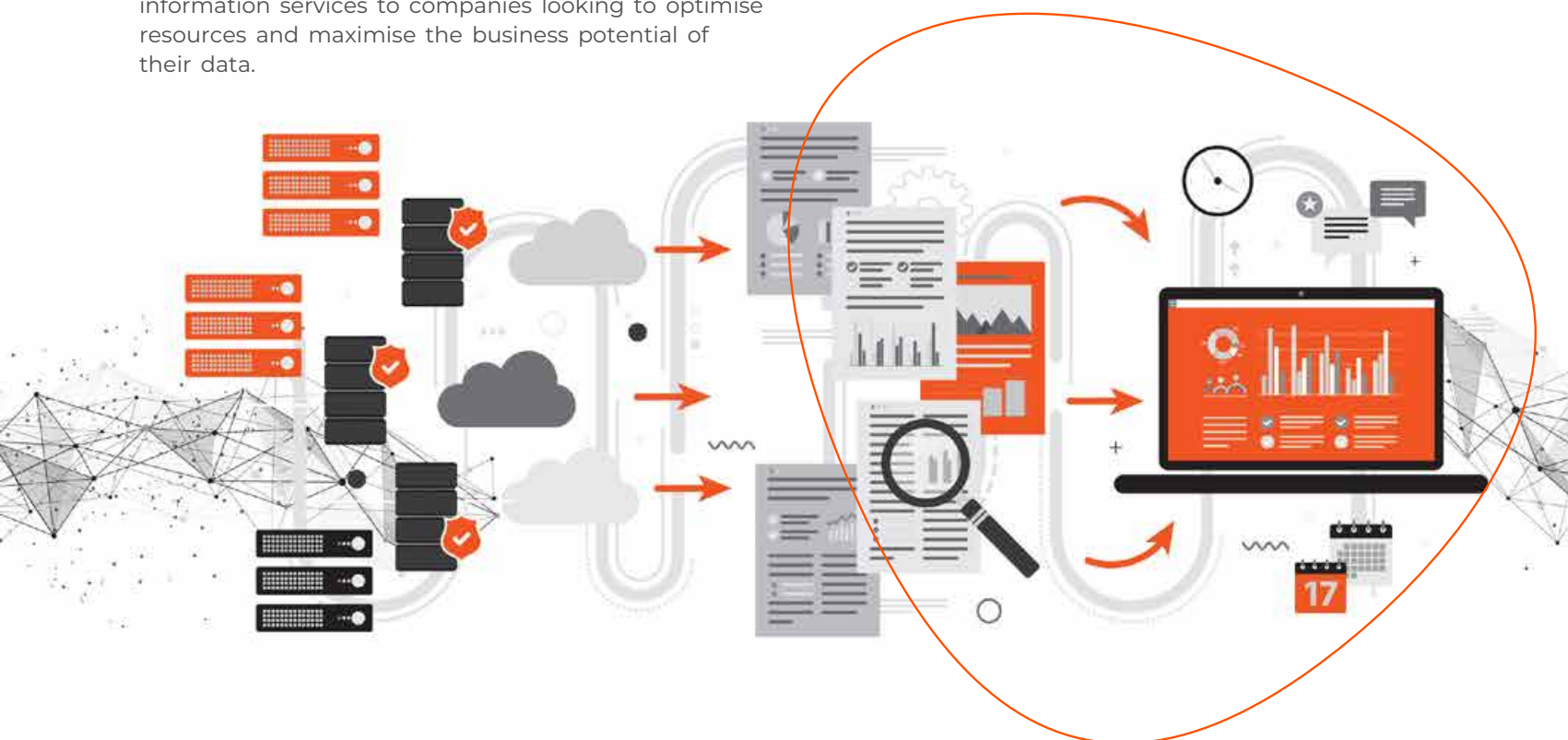
In the **Business Performance Services** segment, the Group develops and deploys technology solutions for enterprise architecture, digital court solutions, digital corporate registry solutions, core banking and insurance platforms, cloud/analytics/mobile applications and large-scale complex ICT integration.

In the **As-A-Service Solutions** space, the Group leverages its large-scale technology deployment expertise to provide powerful data solutions and information services to companies looking to optimise resources and maximise the business 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 technology partnerships with Amazon Web Services (AWS), Google and Microsoft.

In the **Digital & Infrastructure Services** space, OMESTI provides internet and Metro E services to business customers through its subsidiary OHANA Communications Sdn Bhd.



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 the 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. This allows existing and new clients to continue with their digital journey, while the Group works with them long-term to address their technology needs.

Short-Term Goals

In the short term, the Group is focused on ensuring that its business ventures are equipped to pursue, win and execute new projects, no matter what the size. It is committed to achieving the continued successful delivery of its large-scale digital transformation projects while driving development of cutting-edge technology solutions for evolving market sectors.

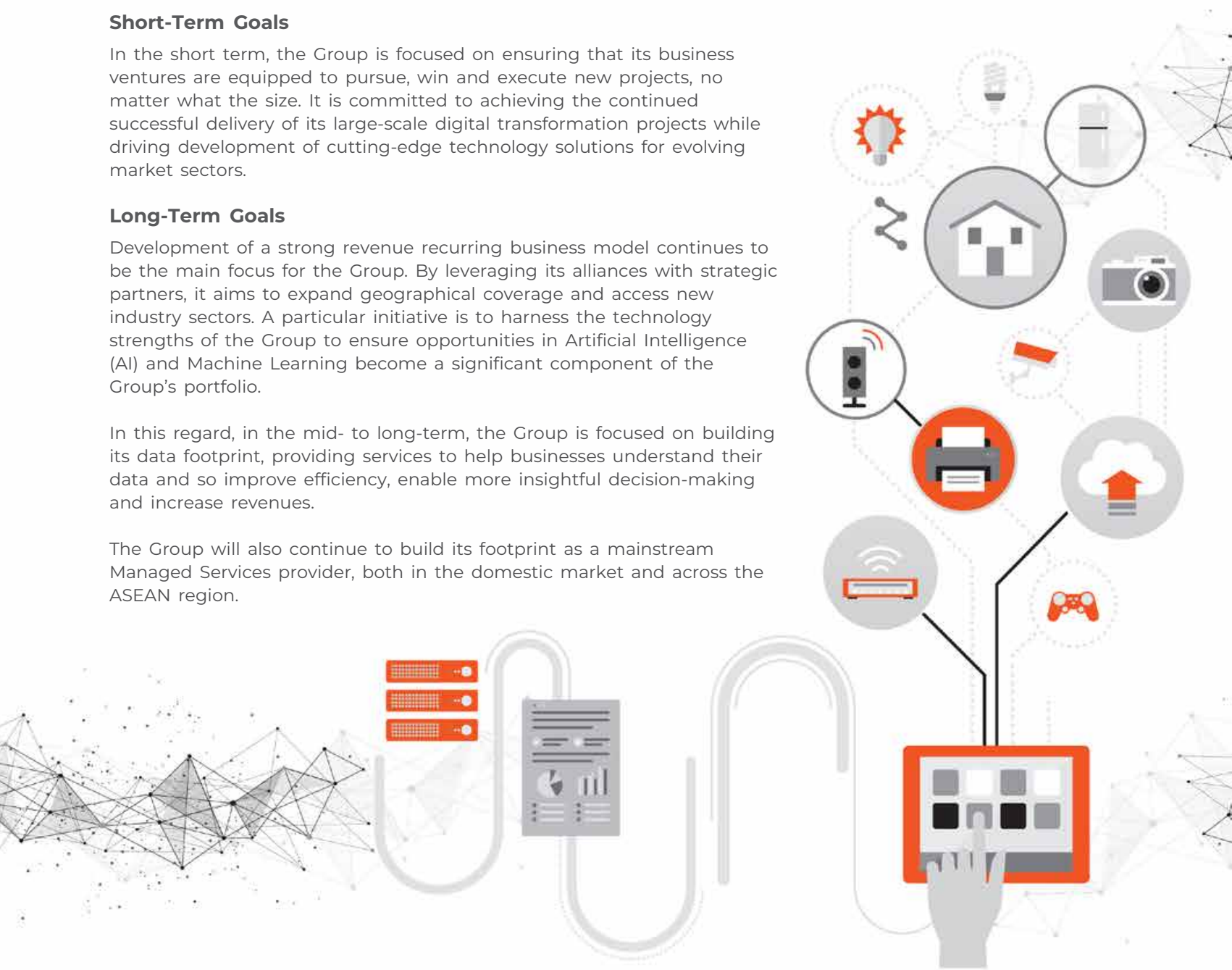
Long-Term Goals

Development of a strong revenue recurring business model continues to be the main focus for the Group. By leveraging its alliances with strategic partners, it aims 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 (AI) and Machine Learning become a significant component of the Group's portfolio.

In this regard, in the mid- to long-term, the Group is focused 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.

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.

THE PRIMARY GOAL OF THE OMESTI GROUP IS TO DELIVER BEST-OF-BREED SOLUTIONS



REVIEW OF OPERATING ACTIVITIES

The pipeline of opportunities for ICT projects within the public sector and for Government-Linked Corporations (GLCs) was significantly affected by Malaysia's historic change in Government in May 2018. Many potential projects were either postponed or mothballed indefinitely while the new administration worked to identify and resolve treasury issues. The changes at all levels in Government Ministries has also required re-establishing the Group's credentials with the relevant bodies.

That said, a key project was secured to implement and configure the database for the Petronas – RAPID Pengerang Project, using Exadata Oracle Hardware and Software. A similar project was secured with KLCC Parking Management Sdn Bhd for implementation and configuration of its Oracle Database Hardware and Software.

Various contracts were secured for the supply of PCs and notebooks for SYABAS, the Malaysian Veterinary Department Putrajaya and the Malaysian Environmental Department.

Ongoing projects in this sector included:

- Water Management System & Geographical Information System (GIS) for Perak Water Department (Lembaga Air Perak) comprising various modules including;
 - Water Leakage Management Systems for Non-Revenue Water Detection
 - Water Network Hydraulic Modelling
 - Water Quality Management System
 - 3D Water Assets Models i.e. Dam, Treatment Plants, and Reservoirs
 - Web-based Geographical Information Systems
 - Water Operations Management

In spite of some significant challenges encountered in acquiring raw and processed data in the first phase of the project, the project is currently ahead of the projected schedule.

- Network Security and Threat Monitoring System (DDOS) for Telekom Malaysia, comprising:
 - Security Appliance isolating Disturbance of Services (DOS) attacks to TM networks
 - Nokia's Threat Management Systems

The contract for leasing of computer equipment for all Universiti Teknologi MARA (UiTM) branches nationwide was extended for an additional four months.

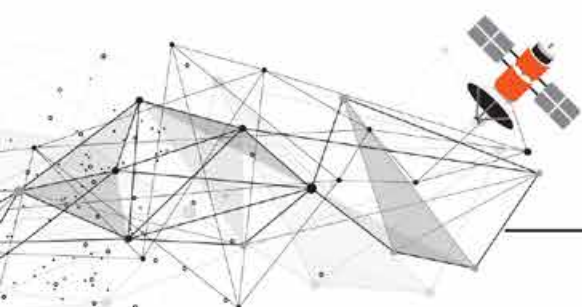
DIGITAL CORPORATE REGISTRY SOLUTIONS

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 is now live and was launched by SSM under the name **MBRS [Malaysian Business Reporting System]** in September 2018. Mandatory usage has been applied and all Financial Reporting by companies in Malaysia must be completed using the system.

The project involved the comprehensive reengineering of the SSM online infrastructure to an XBRL domain, an initiative that also enables SSM to capture critical financial information and other key data from registered companies, providing powerful analytical insights into the Malaysian corporate landscape. The system will also help in enhancing transparency in cross-border dealings.

The project to implement the design, development, training, support and maintenance of a **Digital Corporate Registry Solution** is ongoing. 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.

The solution will enable comprehensive searches on information such as company ownership and shareholding, directors and other pertinent corporate data.



Certified MBRS Training & Conversion Services

As the developer of the SSM MBRS platform, OMESTI is able to offer in-depth knowledge of the workings of the system. In this regard, the Group has become one of the leading SSM-certified trainers for MBRS and has conducted more than 50 training sessions for company secretaries, accounting and audit personnel since the launch of the platform.

The Group also provides MBRS Conversion Services, helping companies to prepare their Annual Returns and Financial Statements in the required XBRL compliant format for onward submission to the MBRS platform.

COURT INFRASTRUCTURE SOLUTIONS

Digital eCOURTS Platform

The new eCOURTS Digital Court Infrastructure platform continued to deliver benefits to the user community with the civil and criminal modules fully operational. Via the mobile app, users are now able to access the case planner, view case information, filing history and documents via mobile devices. The app is available for both Android and iOS devices.

The criminal module in particular provides greater oversight and clarity of case management allowing judges to easily follow up on the progress of cases.

Integration with the various enforcement agencies including Polis Diraja Malaysia (PDRM), Jabatan Pengangkutan Jalan (JPJ) and Jabatan Penjara Malaysia has delivered improved data accuracy and work efficiency.

Additional modules for Joint Trial, Bail Management, Order/Sentencing have enabled users to access case information more effectively. The introduction of more automated handling of Special Road Traffic Cases helped the Court Department to secure one of the top three accolades in the Annual Innovation Awards for FY2018.

Public Portal: This provides an additional channel of communication between the public and the Court and gives access to the public to read court announcements, check court schedules (cause list), perform file searches and document verification, as well as submit feedback to the Court.



Open Court QMS: With the QMS (Queue Management System) lawyers no longer have to wait for long periods at court while waiting for their cases to be called up. The QMS allows them to monitor the progress via an alert system enabling them to better plan their time or attend to other matters.

e-Review Module: This module allows case management to be conducted without lawyers having to be physically present in court. This is in line with the objective of minimising attendance in court by lawyers, as well as cost-saving. The module also helps reduce the requirement for court appearances for case management at the High Court.

eLELONG Property Portal

The eLELONG court auction platform enables 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 provides 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.

Market Potential for eCOURTS Solutions

Concerted efforts are ongoing to market the digital eCOURTS solution to a number of international jurisdictions. However, many of these jurisdictions require funding in order to automate and digitise their court infrastructure. As such, OMESTI is lobbying the relevant government and non-governmental organisations and bodies to support these vital enhancements to national infrastructure and so enhance the delivery and administration of justice.

Royal Commission of Inquiry (RCI)

OMESTI’s eCOURTS team provided Court Recording & Transcription Systems for the temporary court set up at the Home Ministry to conduct the Royal Commission of Inquiry [RCI] into the discovery in 2015 of temporary transit camps and graves in Wang Kelian, Perlis. The CRT system was used to record and transcribe the testimony of various witnesses, forming an integral part of the RCI into the case.

DIGITAL HR

Via its partnership with MiHCM 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

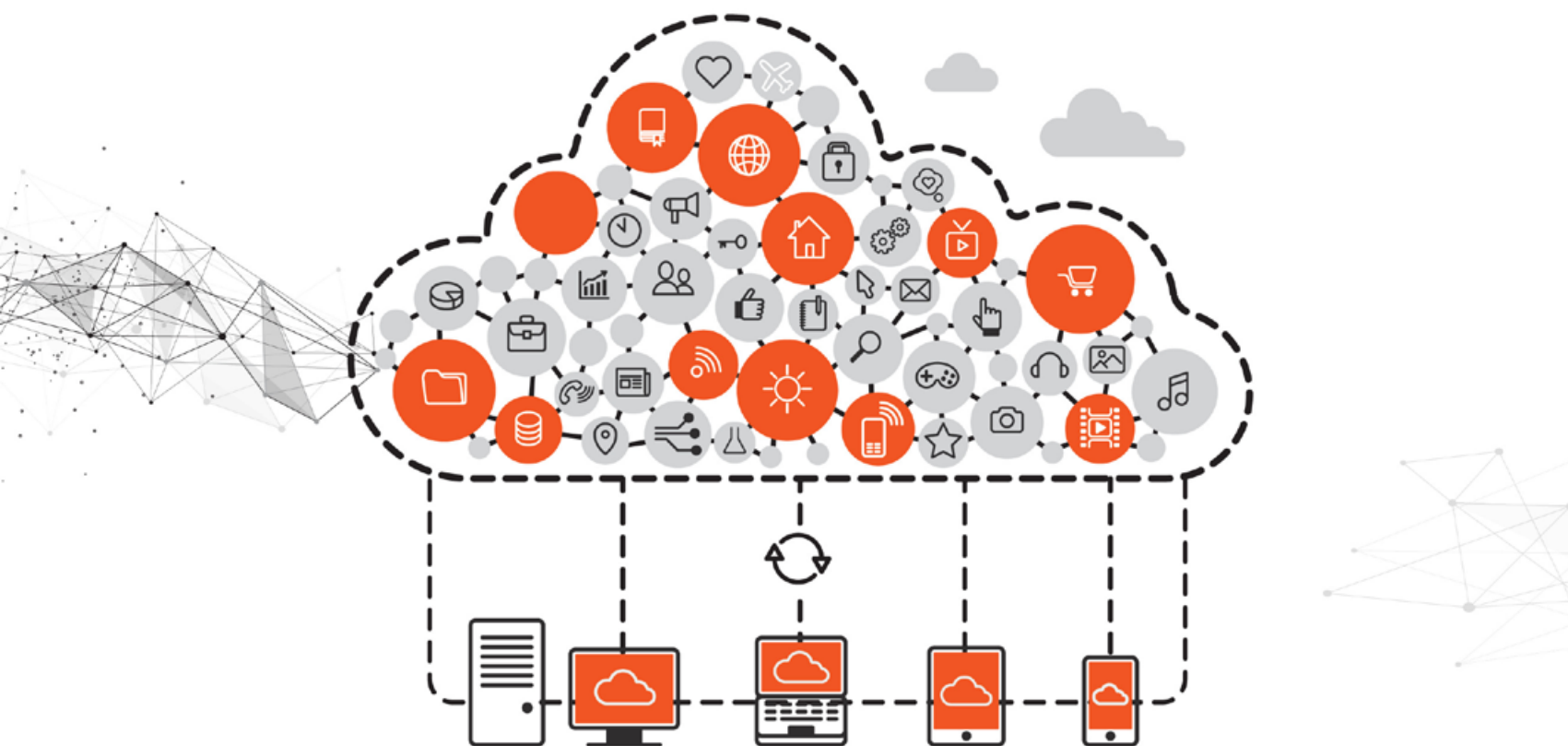
across a wide spread of industry sectors spanning manufacturing, engineering services, financial services, regulatory bodies, accountancy & audit, brewing, leisure & travel, and professional services.

Some of the significant wins during the period under review are Scicom(MSC) Berhad Malaysia, CB Bank and MPRL E&P Pte Ltd in Myanmar, Crystal Martin in Cambodia and Barry Callebaut in Singapore.

In addition to securing and onboarding a diverse clientele to the MiHCM platform, MiHCM Asia has established new noteworthy channel partnerships with YesPay Group in Singapore, KPMG and Lightman in Malaysia and Access Spectrum in Myanmar. These partners will closely work with MiHCM Asia to propel the sales and distribution of MiHCM in the Asean region.

These new partnerships add further strength to the direct channel network that has been established in Singapore and Thailand and with VDB-Loi in Myanmar/ Cambodia/ Laos.

The potential of the MiHCM 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 FY2018 and MiHCM is also listed in Microsoft’s app-source catalogue.



The HCM Cloud solution is also one of the showcase digital solutions at the Microsoft Technology Center in Singapore, where C-Level executives from across ASEAN can now explore modern workplace solutions.

ePAYMENT SYSTEMS

Through its partnership with Touch N Go, the Malaysian national prepaid payment card provider, OVESTI has continued its deployment of e-top-up kiosks at strategic locations around the country. The Group has since also secured a trial engagement with MetroParking where kiosks will be used to provide Touch N Go reloads, as well as other bill payment services in order to supplement their move towards a cashless parking experience.

The 17 kiosks supplied to Syarikat Air Melaka Berhad (SAMB) were successfully delivered on time and have been operating ever since. The performance of the kiosk system as well as the response from the public has significantly exceeded expectation, enabling a substantial increase in collections of cash and cheque payments monthly. The self-service kiosks have now enabled SAMB to broaden the 24-7 bill and payment services offering to Malacca.

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 OVESTI is an approved reseller.

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

Intelligent Video Analytics: Project wins with selected retailers and mall operators have been secured for OVESTI'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.

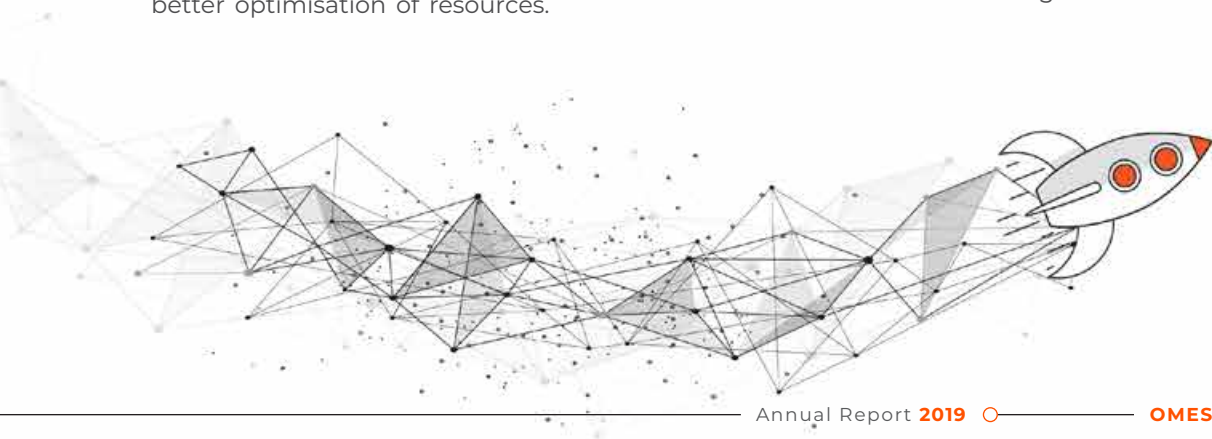
Corporate Secretarial Services: The Group's portfolio of outsourced corporate secretarial services is being used by a number of companies, helping them to ensure compliance with statutory requirements, particularly following the changes brought into effect with the Companies Act, 2016.

KEY DEVELOPMENTS

New Solutions

The OVESTI Innovation Team holds responsibility for development of new products, services and solutions for the Group. Initiatives to date have included:

- Enhancement of the digital transactions kiosk platform
- Development of a business information search platform known as **aXcess**
- Development and launch of **Maestro**, an off-the-shelf digital solution that encompasses the entire end-to-end workflows required for licensing bodies to collect, distribute, and manage Music Royalties. Each of the four different modules – Collection – Tracking – Register – Distribution - can operate as a stand-alone, paired, or collectively to meet the respective needs of particular licensing bodies. In addition, each of the systems can be easily localised and customised for specific markets/requirements.
- Development and launch of **CorCentra**, a business process application platform which allows users to improve productivity by using a fully digital cloud platform to manage business processes. Productivity and output can be tracked, with data recorded and stored in a secure and uneditable format. Custom tasks and workflows can be assigned to each client, complete with integrated invoicing and billing. The platform provides a direct communication channel between clients and team members and includes notifications in-app, over browser or via email.
- Collaboration with various technology partners to sell their respective solutions/services in Malaysia and the region.



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 pre-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 30 of Volume 1 of this Annual Report.

REVENUE

The Group revenue in the current financial year was RM253.05 million, a decrease of 26.7% amounting to RM92.10 million, as compared to the previous financial year. The decrease was mainly due to deconsolidation of Diversified Gateway Solutions Berhad (DGSB) at the end of the preceding financial year and lower order fulfilment.

The Business Performance Services segment's revenue for the financial year decreased by 27.7% from RM222.59 million to RM160.98 million, mainly due to the deconsolidation of DGSB, which contributed RM59.74 million to the segment in FY2018.

Total revenue generated from the Trading & Distribution Services segment decreased by RM17.27 million to RM135.51 million in the current financial year, compared to RM152.78 million in the previous financial year. The decrease was mainly due to lower order fulfilments arising from competitive business environment and continued economic slowdown.

The Digital & Infrastructure segment's revenue for the financial year decreased by 84.2% from RM19.69 million to RM3.12 million mainly due to the deconsolidation of DGSB at the end of the previous financial year; and disposal of Fiber At Home City Networks Sdn Bhd (FIBER) during the financial year. DGSB contributed revenue of RM13.51 million to the segment in FY2018 up till the date of disposal on 7 March 2018; whilst FIBER contributed revenue of RM2.78 million to the segment in FY2018 and RM0.54 million in the current financial year up till the date of disposal on 2 August 2018.



COST AND EXPENSES

The cost of sales of the Group for the financial year was RM189.88 million, as compared to RM241.28 million in the previous financial year. The decrease in the Group cost of sales is in line with the reduction in the Group revenue.

The operating costs for the Group during the financial year under review were RM86.59 million, compared to RM130.65 million in the previous financial year. The higher operating costs in the previous financial year were contributed by the one-off impairment losses of RM130.96 million and consolidation of DGSB operating costs of RM14.33 million.

LOSS BEFORE TAX

The Group's loss before tax was RM17.04 million in the current financial year, as compared to RM147.41 million in the previous financial year. The higher loss before tax in the previous financial year is mainly attributable to the one-off impairment losses of RM130.65 million as mentioned above.

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.

LIQUIDITY AND CAPITAL RESOURCES

The Group's capital expenditure and working capital requirements have been financed by borrowings and internally generated funds from its business.

Cash and bank balances reduced to RM37.93 million in FY2019 as compared to RM40.38 million in FY2018. This was mainly due to the following:

- (i) Cash used in operating activities amounting to RM10.31 million during the current financial year;
- (ii) Net cash generated from financing activities amounting to RM4.40 million.

Total borrowing of the Group decreased from RM90.86 million in FY2018 to RM87.36 million in FY2019. The decrease was mainly due to repayment of banking and share margin facilities.

OUTLOOK

In May 2018, Malaysia saw a change in Government for the first time in over 60 years. This historic development has had and continues to have a marked impact on the business landscape and the Malaysian economy in general. New initiatives and policies are still in the throes of being formulated and rolled out and the Group is working to identify new opportunities for its range of digital solutions.

On the broader scale, the economy remains affected by external developments, not least the turmoil caused by the ongoing Brexit stalemate and the US-China trade war.

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

- By 2022, IDC predicts that 60%+ of global GDP will be digitised, with growth in every industry driven by digitally enhanced offerings, operations, and relationships and almost US\$7 trillion in IT-related spending in 2019–2022.
- By 2023, 75% of all IT spending will be on 3rd Platform technologies, as over 90% of all enterprises build “digital native” IT environments to thrive in the digital economy.
- AI solutions will permeate enterprise applications and deliver over US\$52B in global market revenue by 2021, attaining a compound annual growth rate (CAGR) to 46.2% through 2021.
- By 2024, AI-enabled user interfaces and process automation will replace one-third of today's screen-based apps. By 2022, 30% of enterprises will use conversational speech tech for customer engagement.
- By 2022, the top four cloud “mega platforms” will host 80% of IaaS/PaaS deployments, by 2024, 90% of Global 1000 organisations will mitigate lock-in through multi- and hybrid cloud technologies and tools.

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. In compliance with MMLR requirements, our activities are 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 business processes can be strengthened. They also 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
Ethical Conduct	Energy & Resource Utilisation	Talent Attraction & Retention
Product Development & Innovation		Diversity
Legal & Regulatory Compliance		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/ - sets out the standards of conduct and personal behaviour that 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/.

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.

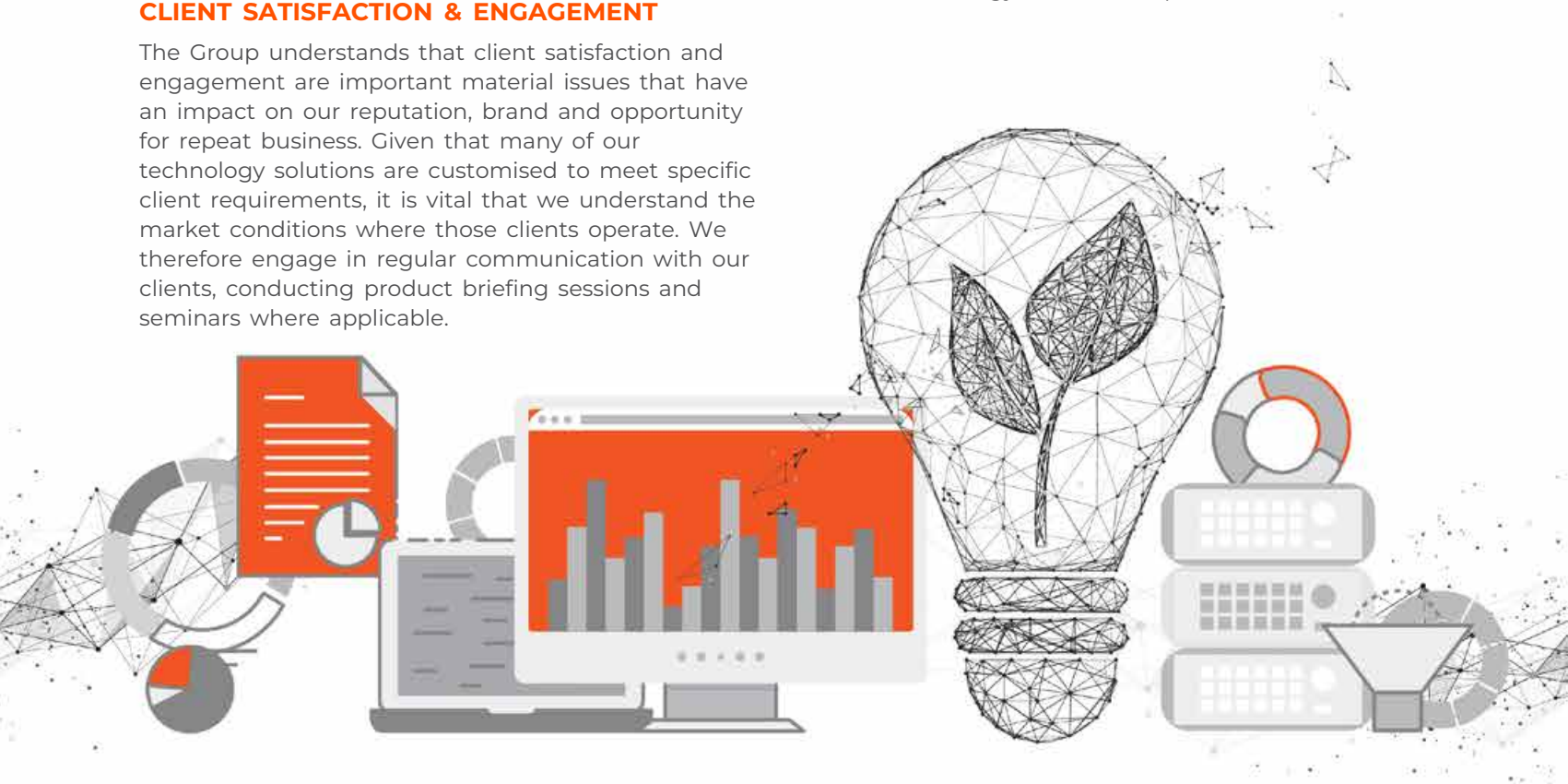
INNOVATION & TECHNOLOGY DEVELOPMENT

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 ahead of the curve and enable them to remain competitive.

Our dedicated Innovation Team holds responsibility for identifying upcoming digital technology trends and developing the required solutions to complement our portfolio, either through in-house development or in partnership with subject matter experts.

A number of solutions have been developed during the period under review. These include a music royalties licensing, collection and distribution solution, a business process management platform and an enhanced e-payments platform for utility bill payments, as well as customer loyalty platforms for leading retailers. Enhancements have also been made to our proprietary eCOURTS platform.

This activity continues 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 with diverse technology skills and experience.



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. This activity has been further enhanced during the period under review following restructuring and reorganisation of parts of the Group's operations.

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. A key factor in reducing our resource utilisation has been the relocation of our primary Group operations from several disparate offices into one centralised location. This is already delivering savings on energy usage and other resource utilisation.

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 spans a range of parameters including their own physical and mental well-being, as well as 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 suitable 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 67% of our employees are male, while 33% are female. In terms of age, there is a balanced spread of youth and experience: 48% are aged 20 to 30 years old, 26% are aged 31 to 40, while some 17% are aged between 41 and 50 years old. In the upper age bracket, 7% are between 51 and 60 years old, while 2% are aged over 60.



TRAINING

Employees in all divisions of the Group receive training in areas pertaining to their function and/or technical discipline. 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 taxation laws. 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.



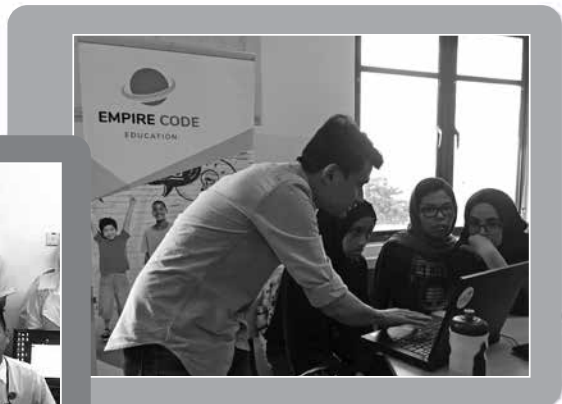
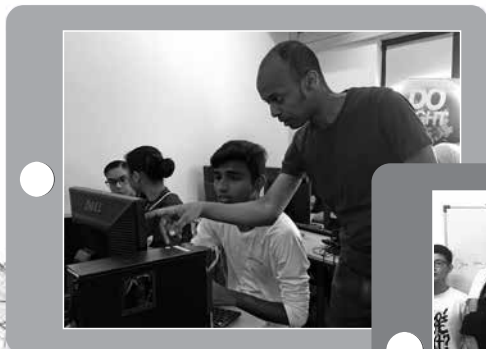
COMMUNITY INVESTMENT

The work of our community investment programme, known as ANAHO – Our ANak, Our Hope – continued during the period. The key aim of the ANAHO programme is to inspire and empower people across all ages no matter their background to enable them to reach their fullest potential. Initiatives under the programme focus on activities that provide underprivileged children with educational experiences that expose them to different perspectives and new ideas.

One such activity is our collaboration with the IDEAS Academy where we are providing access to education for undocumented and stateless children in Malaysia. Following a successful introductory event in December 2018, a fully immersive Coding Camp was held in July 2019. Organised in conjunction with Empire Code of Singapore, and supported by OMESTI employees, the Camp was designed to help spark the students' interest in coding and provide them with entry level coding skills.

The Group has also continued its backing of youth development initiatives during the year. This has included support for the championships organised by the Squash Racquets Association of Malaysia (SRAM), the juniors cricket development programme of the Kuala Lumpur Cricket Association (KLCA) and the activities of the Olympic Sports Council of Malaysia.

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, some 35 students have been involved in general business operations as well as technology development and execution work on live projects across the Group.



Corporate Information

Board of Directors

Non-Executive Vice-Chairman

Dato' Mah Siew Kwok (Non-Independent)

Executive Directors

Monteiro Gerard Clair

Mah Xian-Zhen

Chia Yong Wei

(Appointed on 7 November 2018)

Non-Executive Directors

Dato' Sri Thong Kok Khee (Non-Independent)

Tai Keat Chai (Independent)

Mah Yong Sun (Independent)

Tan Wee Hoong (Independent)

Wan Mai Gan (Independent)

Dato' Jaganath Derek Steven Sabapathy
(Non-Independent)

(Appointed on 7 November 2018)

BOARD COMMITTEES

Executive Committee

Dato' Mah Siew Kwok (Chairman)

Dato' Jaganath Derek Steven Sabapathy

Mah Xian-Zhen

Monteiro Gerard Clair

Chia Yong Wei

Audit & Risk Management Committee

Tai Keat Chai (Chairman)

Dato' Mah Siew Kwok

Tan Wee Hoong

Nominating Committee

Wan Mai Gan (Chairman)

Dato' Mah Siew Kwok

Mah Yong Sun

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

Tee Lee Leng

(MAICSA No. 7044742)

HEAD OFFICE

Ho Hup Tower – Aurora Place
2-07-01 – Level 7

Plaza Bukit Jalil

No 1 Persiaran Jalil 1

Bandar Bukit Jalil

57000 Kuala Lumpur

T +603 9779 1700

F +603 9779 1701/1702

REGISTERED OFFICE

No 47-5 The Boulevard Mid Valley City

Lingkar Syed Putra

59200 Kuala Lumpur

T +603 2391 9309

F +603 2282 4688

AUDITORS

BDO PLT

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



@OMESTIGroup



OMESTIGroup

Profile of Directors

DATO' MAH SIEW KWOK ●

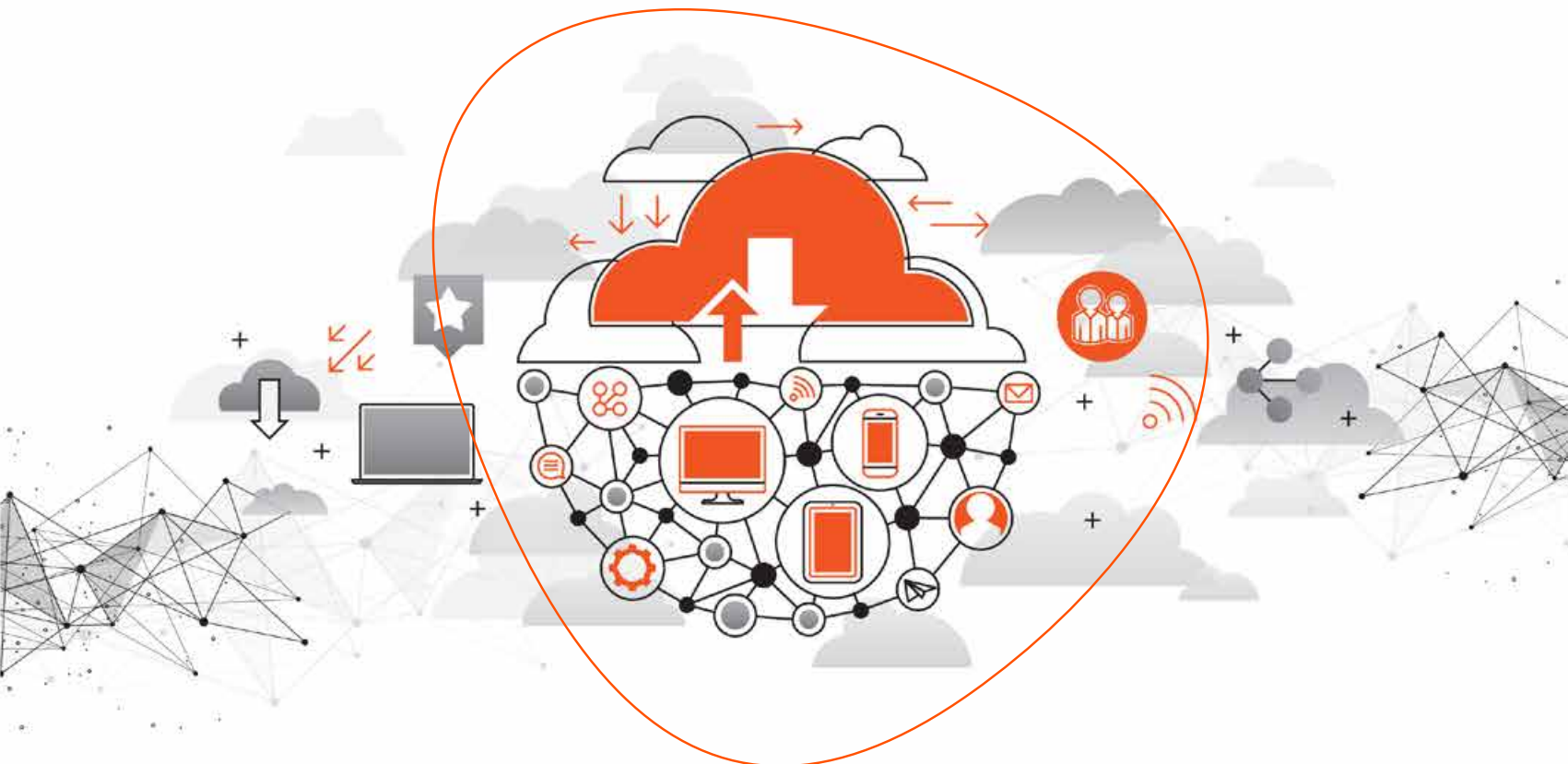
NON-INDEPENDENT NON-EXECUTIVE VICE CHAIRMAN

- Age 71, 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 Kian Joo Can Factory Berhad and as Deputy Chairman of Ho Hup Construction Company Berhad. He is an Independent Non-Executive Director of Vertice Berhad. 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, and a substantial shareholder of the Company.



MAH XIAN-ZHEN ●

EXECUTIVE DIRECTOR

- Age 37, 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 the 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 substantial shareholder of Omesti.

MONTEIRO GERARD CLAIR ●

EXECUTIVE DIRECTOR

- Age 48, 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 (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.



CHIA YONG WEI ●

EXECUTIVE DIRECTOR

- Age 43, Male, Malaysian
- Appointed to the Board on 7 November 2018
- Member of Executive Committee

Mr Chia joined the OMESTI Group of Companies in January 2014. Prior to his appointment as Group CEO of Microlink Solutions Berhad Group in April 2016, he was Chief Operating Officer of OMESTI Innovation Lab, the technology and applications development arm of the Microlink Group. Since joining the OMESTI Group, he has been responsible for the overall technology development of the organisation, bringing together innovative technologies that enable clients and enterprise-wide users to deploy effective solutions to grow and drive their businesses.

Prior to joining the OMESTI Group, Mr Chia was the Head of Innovation, Commercial & Technology (ICT) and Regional Head of Customer Relationship Management (CRM) at AirAsia. Prior to that, he held several leadership roles at Accenture, specialising in the telecommunications sector over a 12-year period.

Mr Chia holds a Graduate Diploma in Information Technology from the Royal Melbourne Institute of Technology and a Bachelor's Degree in Engineering from the Queen Mary and Westfield College, University of London.

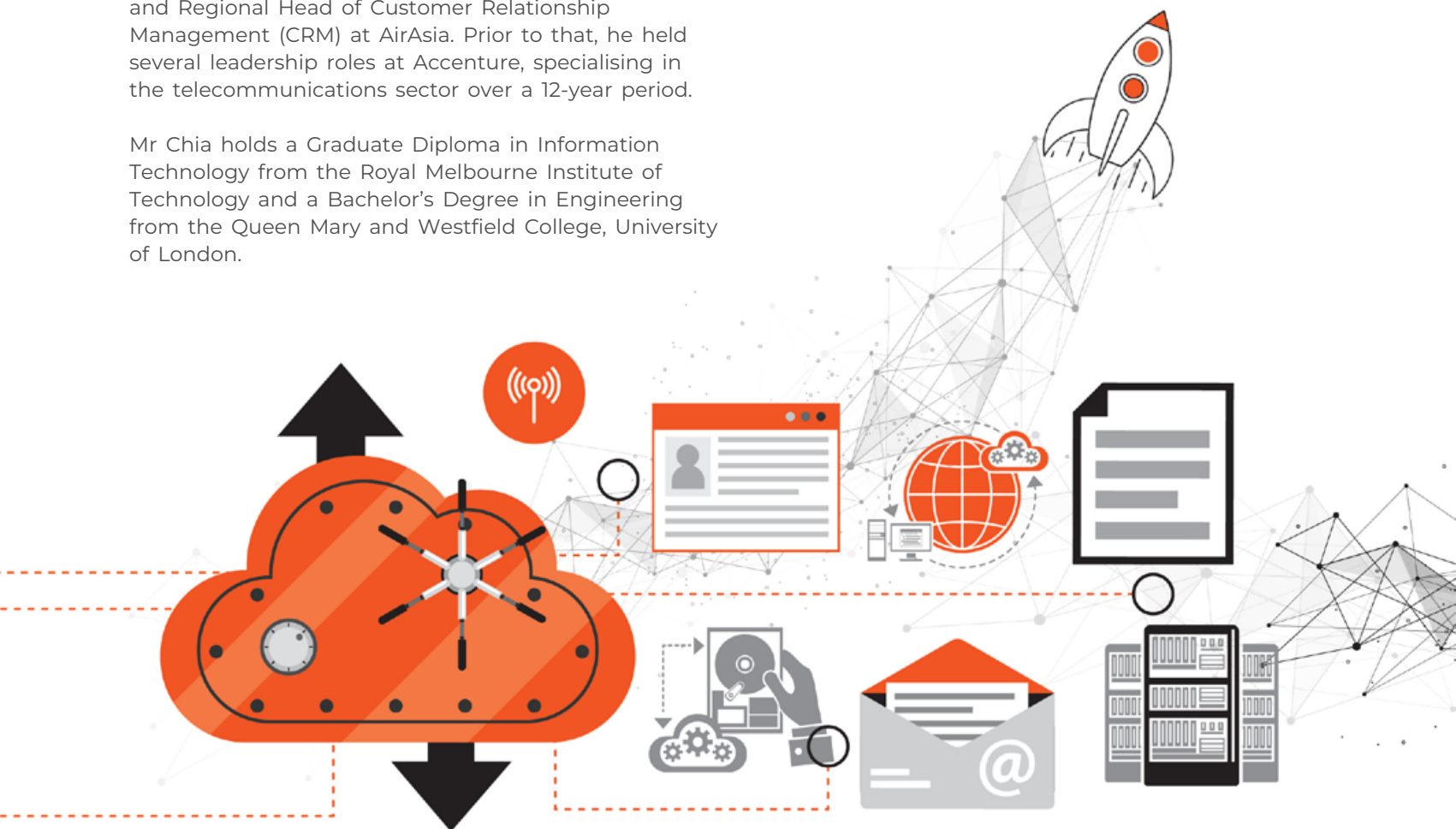
DATO' SRI THONG KOK KHEE ●

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

- Age 64, 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 a Non-Independent Non-Executive Director of Inari Amertron Berhad and Ho Hup Construction Company Berhad. He is also a Director of Insas Technology Berhad, a non-listed public company.



DATO' JAGANATH DEREK STEVEN SABAPATHY ●

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

- Age 62, Male, Malaysian
- Appointed to the Board on 7 November 2018
- Member of Executive Committee

Dato' Jaganath Sabapathy holds a Master of Arts majoring in Corporate Finance & International Trade from Edinburgh University, UK. Upon graduation in 1981, he joined Price Waterhouse, a leading London firm of chartered accountants.

In 1984, he returned to Malaysia and joined KPMG Peat Marwick as a Manager, and was subsequently admitted as Partner in 1990. Whilst at KPMG Malaysia, he was involved in a wide range of assignments covering audit, investigations, management consultancy and corporate finance in Malaysia, the ASEAN countries, North America and Europe. He served on a variety of KPMG International Committees including committees for Mergers & Acquisitions, Privatisation and Management Consultancy. He was also an examiner for the professional examinations of the Malaysian Association of Certified Public Accountants (MACPA).

Dato' Jaganath left KPMG Malaysia in late 1994 to join Benta Plantation Berhad as an Executive Director. A year later, he was appointed as a Director of Austral Lao Power Co Ltd, a position he held until 1997. He then joined Prime Utilities Berhad and Indah Water Konsortium Sdn Bhd, Malaysia's privatised national wastewater utility, as the Managing Director of both companies, positions he held up to 1999. From 1999 until his retirement in 2013, Dato' Jaganath served as Chief Executive Officer/Director of Bandar Raya Developments Berhad Group.

He is the Founder and currently Chief Executive Officer/Director of Tribeca Real Estate Asset Management Sdn Bhd, a niche property development company. He is also Senior Independent Non-Executive Director of Sime Darby Property Berhad and Non-Independent Non-Executive Director of Microlink Solutions Berhad.

TAI KEAT CHAI ●

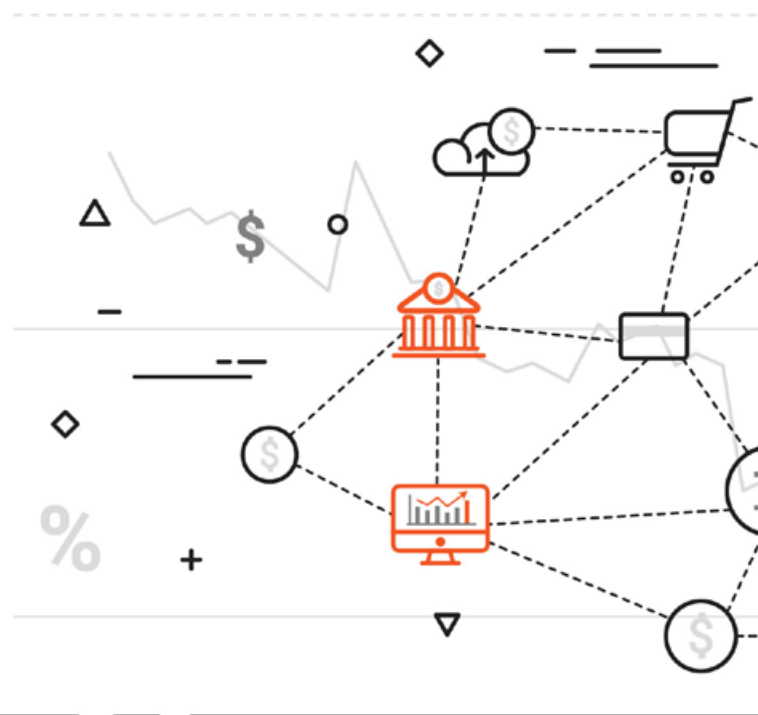
INDEPENDENT NON-EXECUTIVE DIRECTOR

- Age 65, 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.



MAH YONG SUN ●

INDEPENDENT NON-EXECUTIVE DIRECTOR

- Age 56, 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.

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. He also sits on the Development Board of Imperial College London.

TAN WEE HOONG ●

INDEPENDENT NON-EXECUTIVE DIRECTOR

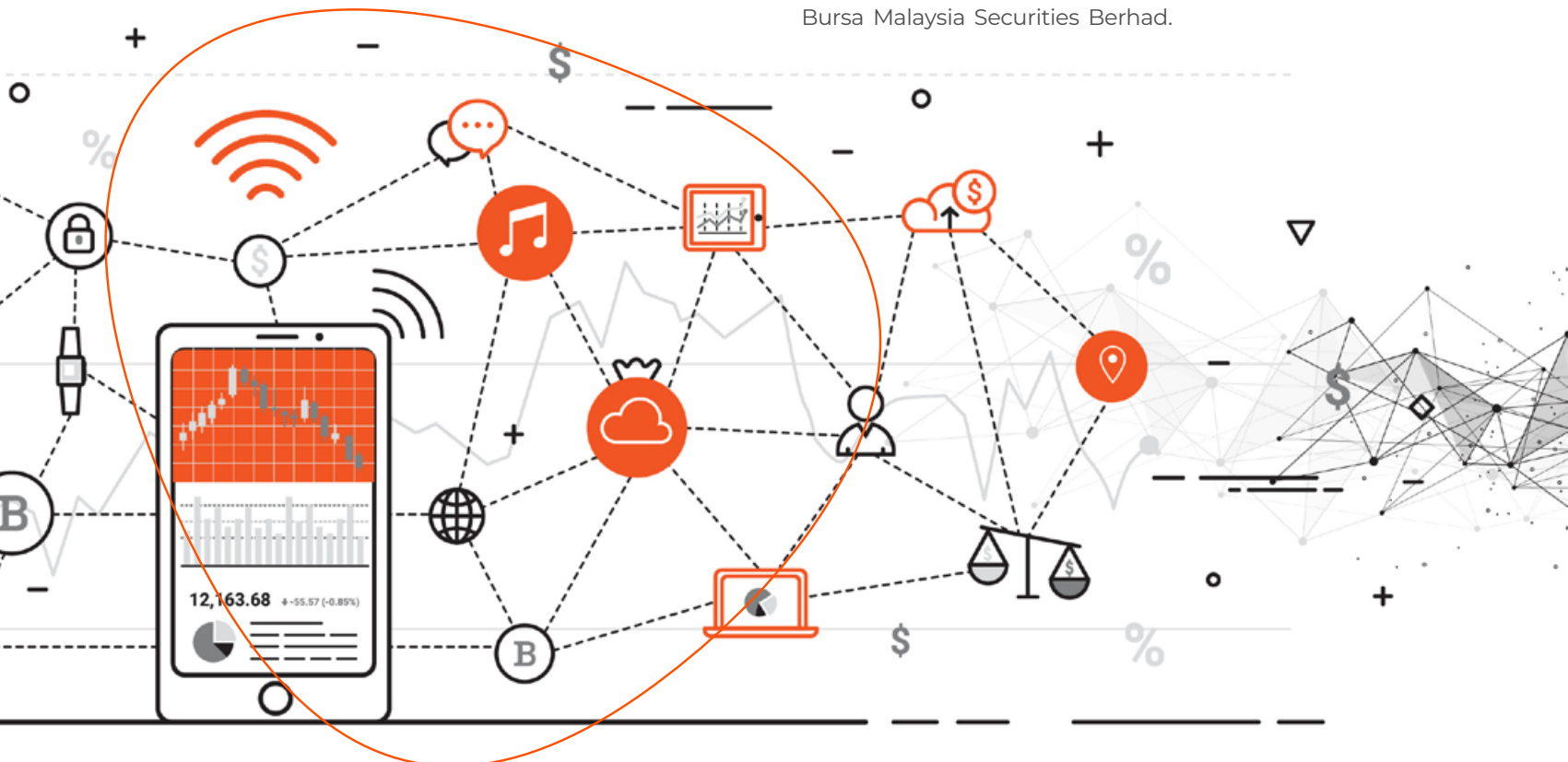
- Age 58, Male, Malaysian
- Appointed to the Board on 2 January 2018
- Member of Audit & Risk Management Committee and Remuneration Committee

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 by respected financial journals such as Asiamoney as being among the top equity analysts in Malaysia.

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

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; and
- any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Ms Wan Mai Gan is a 30-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 (SSAMSB) 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.



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 46, Male, Malaysian
- Appointed on 2 October 2017

Qualifications	Working Experience
CIMA, MBA from University of Strathclyde, Scotland	23 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

NEO POH LIAN

Group Chief Contracts Management Officer – OMESTI Berhad

- Age 58, Female, Malaysian
- Appointed on 1 June 1988

Qualifications	Working Experience
BA (Hons) Finance with Accounting, University of East London	35 years

Profile

Responsible for all matters relating to the Group's operations, and risk management of the Group, Poh Lian first joined the organisation in 1988 as a Finance Executive of subsidiary Formis Computer Services and the following year was promoted to Finance & Administration Manager. In 1994, she was involved in a management buy-out of the company and was appointed to its Board the same year. She subsequently served as Executive Director of Formis (Malaysia) Berhad from 2000 to 2006.

She later joined Formis Resources Berhad and was appointed as Corporate VP Operations for the Group upon the completion of its acquisition of all the IT businesses of Formis (Malaysia) Berhad. She holds a BA (Hons) in Finance & Accounting from the University of East London. In March 2019, she was appointed as Chief Contracts Management Officer to oversee and manage all the business contracts of the Group.

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



NAVRITA KAUR

**Group Chief Legal Officer
– OMESTI Berhad**

- Age 36, Female, Malaysian
- Appointed on 1 April 2011

Qualifications	Working Experience
LLB	12 years

Profile

Navrita joined OMESTI as Group General Counsel in April 2011 and was appointed as Chief Legal Officer in January 2019. She is responsible for setting up the Legal Department. She obtained her LLB in 2005 from University of London and went on to achieve her Certificate in Legal Practice (CLP) from the Malaysian Legal Qualifying Board in 2006.

After completing her CLP, Navrita began her pupillage at Messrs Shook Lin & Bok and was subsequently admitted to the Malaysian Bar in August 2007. She worked as an Advocate & Solicitor in the general Litigation Department at Messrs Shook Lin & Bok alongside some prominent lawyers, gaining valuable experience in handling contractual, civil, construction, land and company disputes.

As Chief Legal Officer at OMESTI, Navrita provides expert and strategic legal advice to the executives and management, dealing with matters that cut across legal and related areas. She is also heavily involved in negotiation of contracts for the Group, while ensuring that such contracts follow policies and legal guidelines. Where necessary, Navrita performs pre-litigation work to minimise risks and maximise legal rights and obtains and oversees dealings with outside counsel.

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

EWE SOON TATT

**Group Chief Human Resources Officer
– OMESTI Berhad**

- Age 48, Male, Malaysian
- Appointed on 22 October 2018

Qualifications	Working Experience
AICB	25 years

Profile

With over 25 years of extensive experience in HR shared services, strategy & planning, talent management, and performance & rewards management, Soon Tatt began his career with HSBC Bank as a corporate banker and subsequently went into HR fields. He has been immersed in various industry experiences ever since, ranging from banking BPO – Business Process Outsourcing, automotive and now ICT & Technology. Prior to joining OMESTI, he has held senior HR positions at Tan Chong Group and Citibank Berhad.

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 35, Male, Malaysian
- Appointed on 1 September 2017

Qualifications	Working Experience
BSc Computer Engineering	11 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, to 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

MATHIEU CHAUVINC

**Group Chief Technology Officer
– OMESTI Berhad**

- Age 41, Male, French
- Appointed on 1 June 2018

Qualifications	Working Experience
Masters in Engineering, University of Karlsruhe, Germany; Masters in Engineering ENSAM, Paris, France.	17 years

Profile

Mathieu was appointed as the OMESTI's Group Chief Technology Officer in June 2018. In addition, he is also Managing Director at Red Ape Solutions, where he aspires to keep the company at the cutting edge of web technologies. He leads the tech team and collaborates with them in building complex single page applications and neat hybrid mobile apps.

He has been involved in web technologies for over a decade, continuously aiming to maintain the right balance between the excitement of new frameworks and the stability of proven ones. A self-taught IT enthusiast with a passion for training, most of his learning has been achieved online for the past 15 years with the main focus on web technologies.

He regularly conducts training sessions on various IT topics in Malaysia. He is also the author of several video courses, published by Packt, such as *Learning JavaScript Promises* and *Angular Deep Dive*.

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 SANUSI

**Chief Operating Officer, eCOURTS
- OMESTI Berhad**

- Age 35, Male, Malaysian
- Appointed on 2 January 2015

Qualifications	Working Experience
LLB (Hons)	10 years

Profile

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

Any directorship in public companies and listed issuers	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 50, Male, Malaysian
- Appointed on 1 October 2012

Qualifications	Working Experience
Degree in Electrical Engineering, MBA	27 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



RAMLEE BIN ABDULLAH

Sales Director
- OMESTI Berhad

- Age 54, Male, Malaysian
- Appointed on 7 January 2019

Qualifications	Working Experience
Diploma Training & Development	22 years

Profile

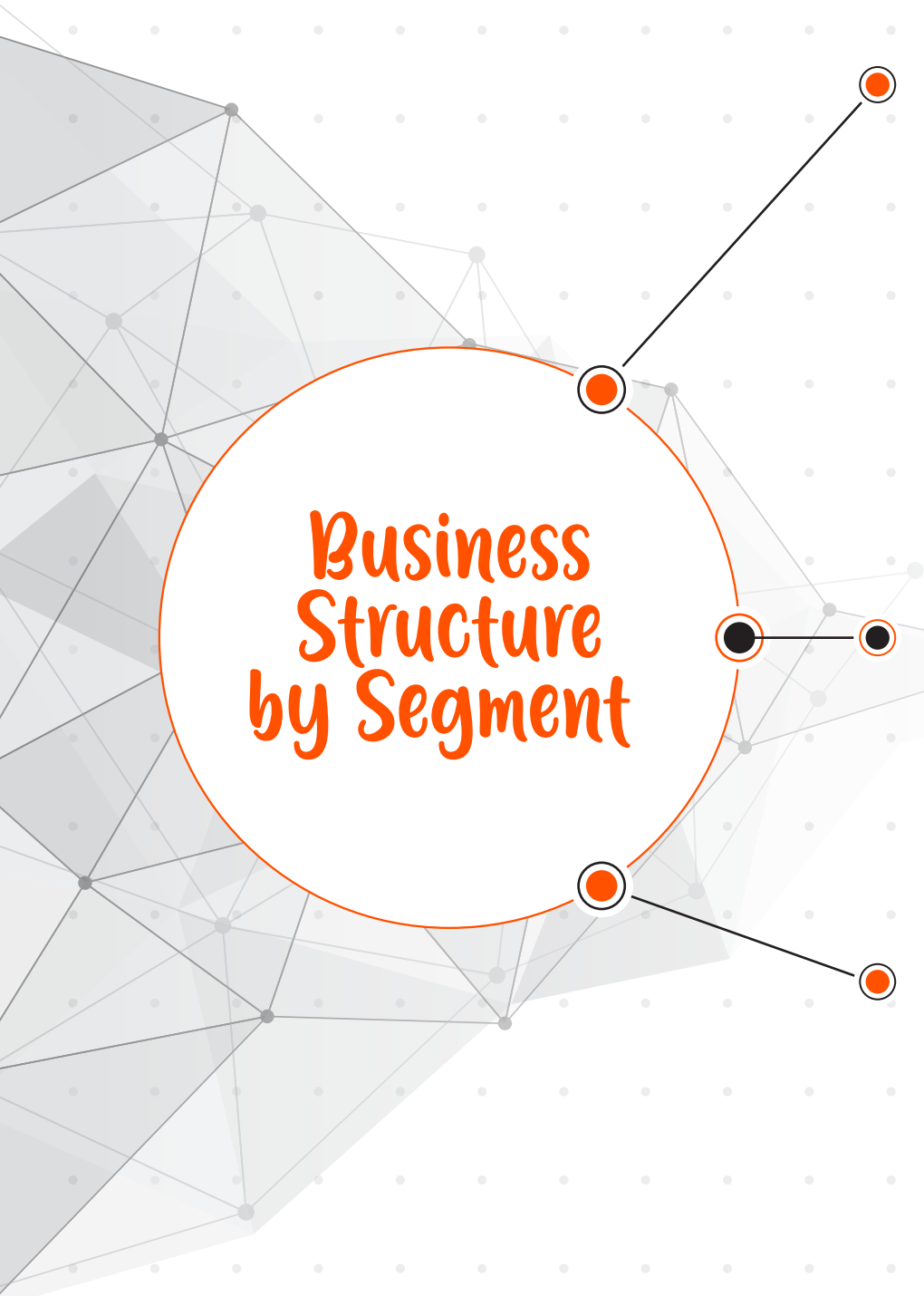
Ramlee has over 20 years of sales experience in Banking & Financial Services Solutions. Prior to joining OMESTI, he was with HSBC, Temenos, Silverlake, Oracle, ITS and Sunline International. During his career, Ramlee has managed key client relationships across different regions and worked closely with pre-sales teams to develop winning IT proposals for clients. At OMESTI, Ramlee is primarily responsible for engaging with existing accounts and developing new business across South East Asia.

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



Business
Performance
Services

Digital &
Infrastructure
Services

Trading &
Distribution
Services

BUSINESS STRUCTURE BY SEGMENT (CONT'D.)



Formis Network Services Sdn Bhd



Formis Research & Development Sdn Bhd



Formis Software & Technologies Sdn Bhd



Formis Computer Services Sdn Bhd



Omesti Innovation Lab (Malaysia) Sdn Bhd



Prima Arenaniaga Sdn Bhd



Omesti Actify Sdn Bhd



Omesti Vietnam Company Limited (FKA Bancore Vietnam Company Limited)



Amadeus Digital Xpress Sdn Bhd (FKA Formis Automation Sdn Bhd)



CA IT Infrastructure Solutions Sdn Bhd



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



Red Ape Solutions Sdn Bhd

Omesti Assist Sdn Bhd

YAKIMBI
Yakimbi ICT Sdn Bhd



Ohana Communications Sdn Bhd



Applied Business Systems Sdn Bhd



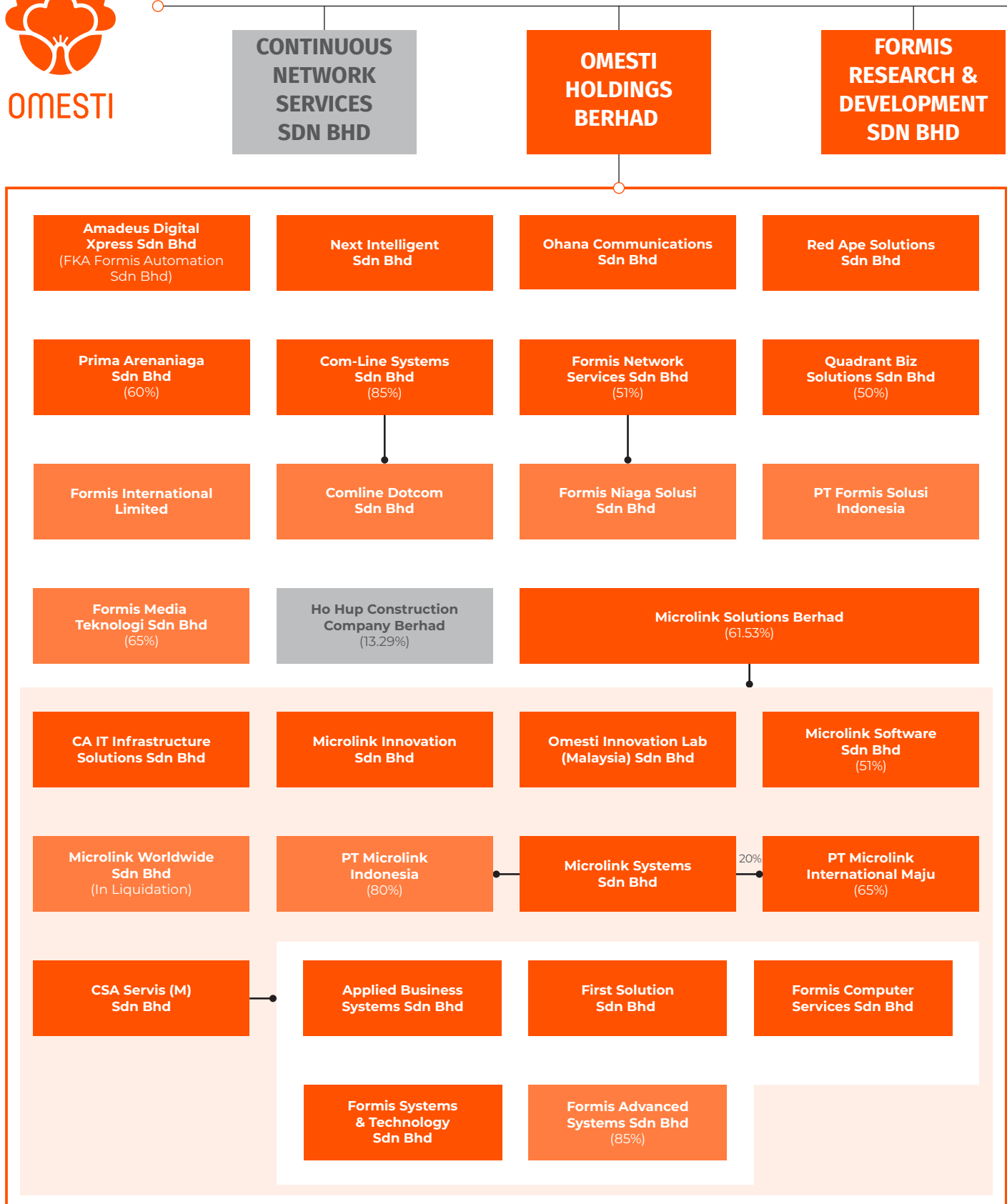
First Solution Sdn Bhd

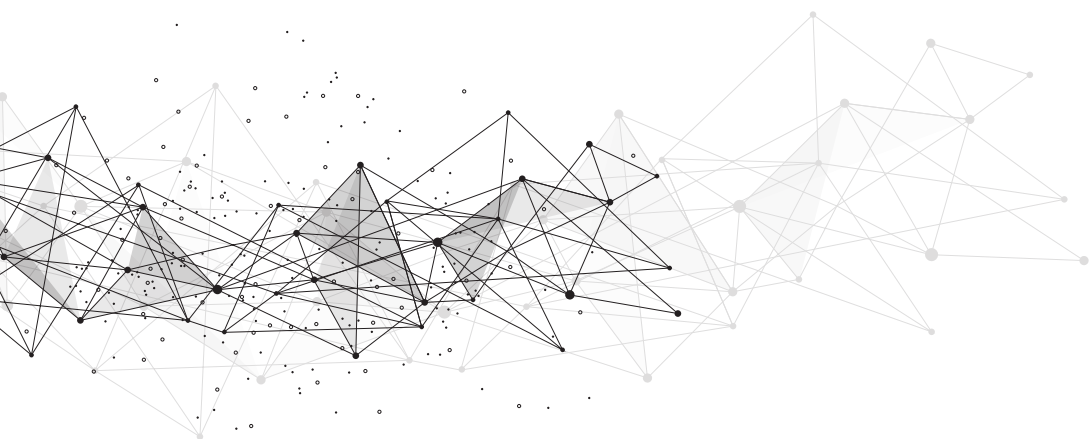
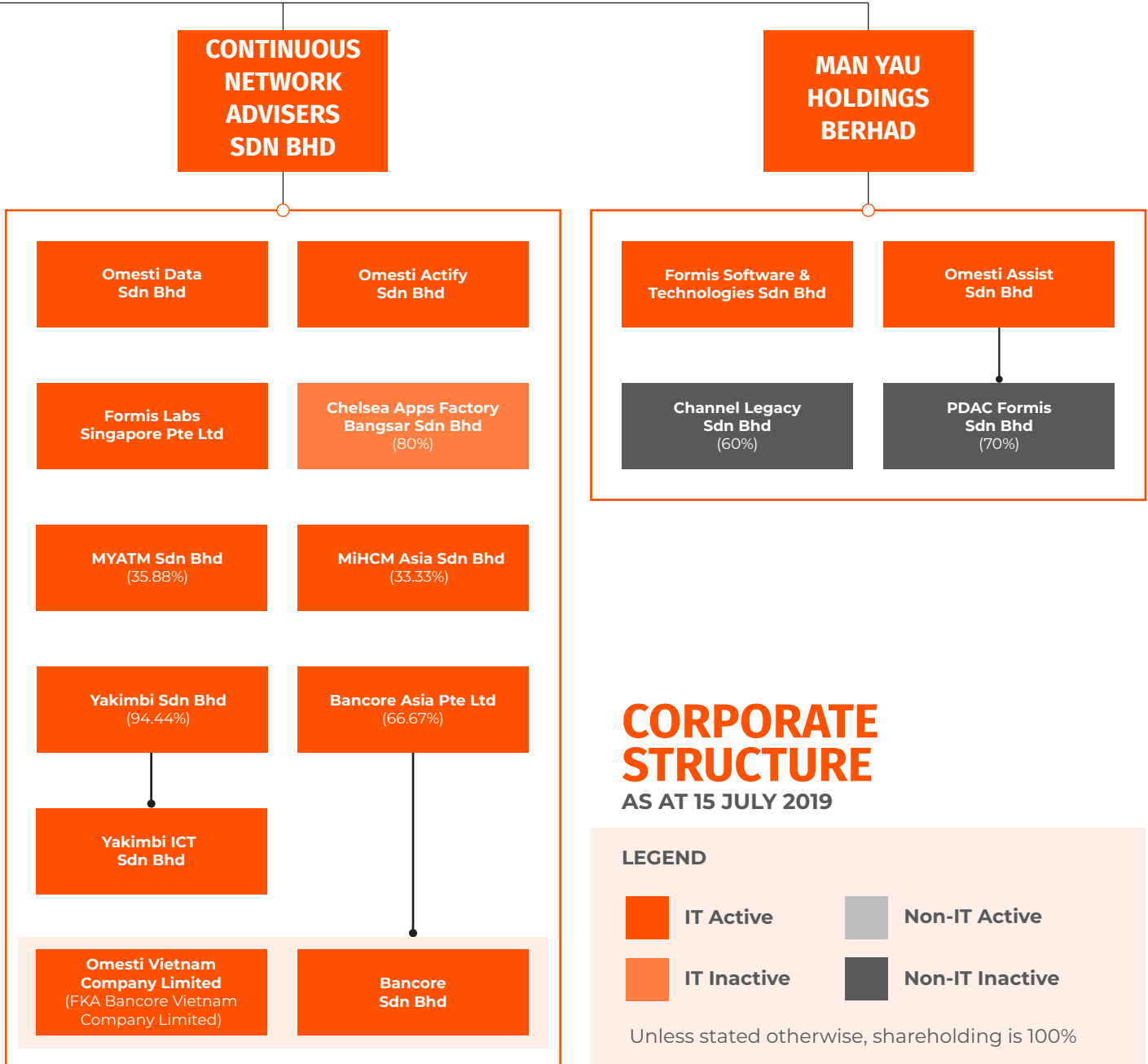


Formis Systems & Technology Sdn Bhd

CSA Servis (M) Sdn Bhd

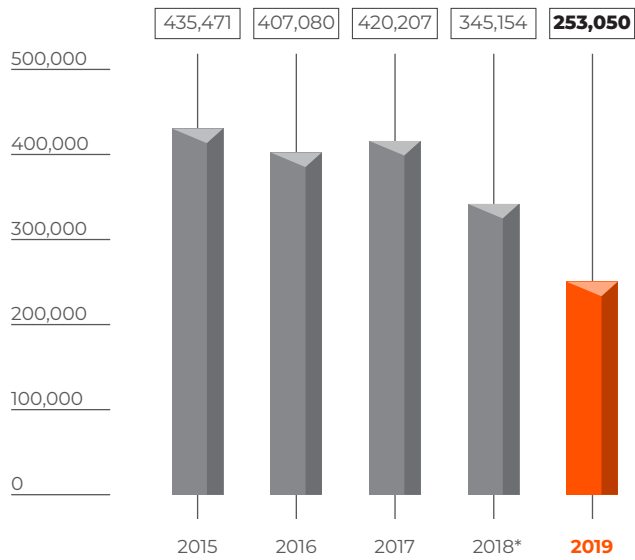
Corporate Structure



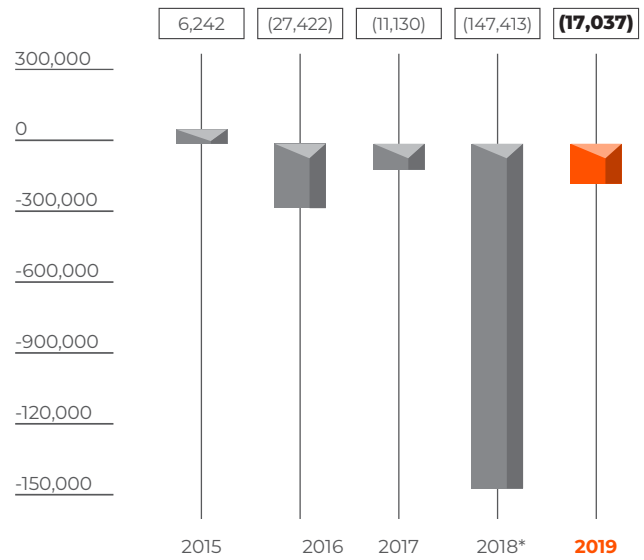


5-Year Financial Highlights 2015-2019

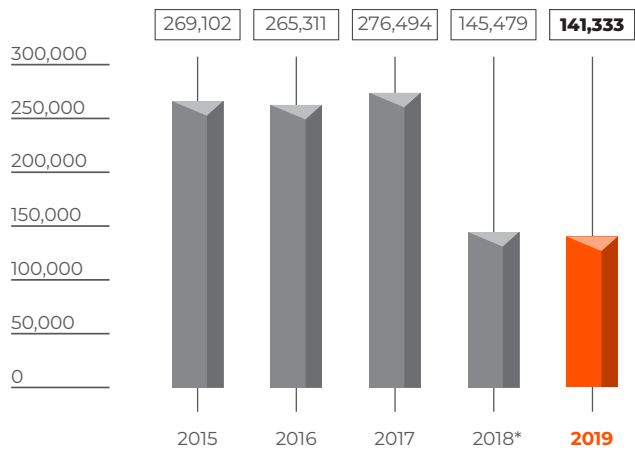
REVENUE (RM'000)



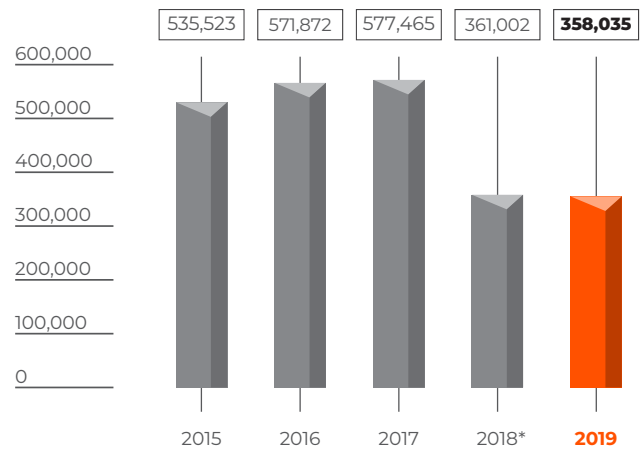
PROFIT/(LOSS) BEFORE TAX (RM'000)



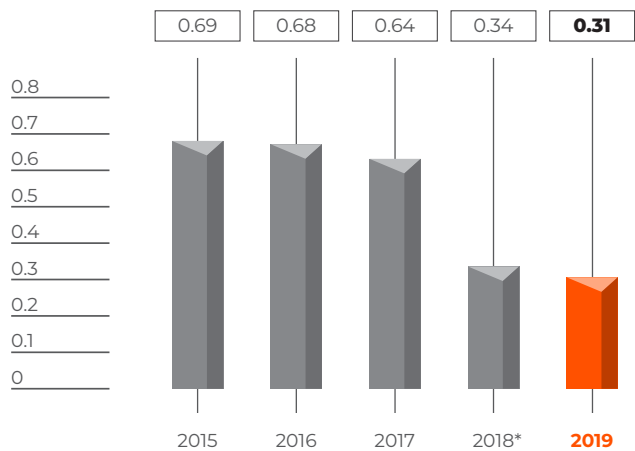
SHAREHOLDERS' EQUITY (RM'000)



TOTAL ASSETS (RM'000)



NET ASSET/SHARE (RM)



*Figures restated

Corporate Governance Overview Statement

BACKGROUND

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 2019 was approved by the Board on 15 July 2019. This Statement is to be read together with the CG Report 2019 which is available for reference at the Company's website 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 position of Chairman is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board. Dato' Mah Siew Kwok is deputising for the Chairman. The Board is actively sourcing for a suitable candidate to fill the Board Chairman position.

Separation of Positions of Chairman, Vice Chairman and Executive Directors

The positions of 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 2019, the Board met six (6) 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	6/6
Mah Xian-Zhen	5/6
Monteiro Gerard Clair	6/6
Dato' Sri Thong Kok Khee	6/6
Tai Keat Chai	5/6
Mah Yong Sun	5/6
Tan Wee Hoong	6/6
Wan Mai Gan	6/6
Dato' Jaganath Derek Steven Sabapathy ^(a)	2/2
Chia Yong Wei ^(b)	2/2

^(a) Appointed as Non-Independent Non-Executive Director of the Company on 7 November 2018

^(b) Appointed as Executive Director of the Company on 7 November 2018

All Directors have complied with the minimum 50 percent attendance requirement at Board meetings during FYE 31 March 2019 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 MCCG and Companies Act, 2016. The Board Charter is available for reference at the Company's website www.omesti.com.

Directors' Code of Ethics

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

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

B) COMPOSITION & BOARD BALANCE

Board Composition

The Board comprises ten (10) members:

- Four (4) Independent Non-Executive Directors
- Three (3) Non-Independent Non-Executive Directors
- Three (3) 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 15 to 20 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.

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 14 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 14 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.

During FYE 31 March 2019, one (1) NC meeting was 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 80% male and 20% female. In terms of age, 10% are aged 31-40, 20% is aged 41-50, 30% aged 51-60, 30% aged 61-70 and 10% aged above 70.

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 2019 are as follows:-

Director	Training Attended	Date
Dato' Mah Siew Kwok	• International Malaysia Law Conference	14-17 August 2018
	• Gearing Up for Corporate Liability by the Malaysia Anti-Corruption Academy ("MACA")	10 October 2018
	• eCourts 2018 Las Vegas Conference	10-12 December 2018
Mah Xian-Zhen	• #MeToo, What's Next?	10 July 2018
	• International Malaysia Law Conference	14-17 August 2018
	• AWS re: Invent 2018 Partner Leadership Track at the Global Partner Summit	27 November 2018
Monteiro Gerard Clair	• European Commerce Registers' Forum (ECRF)	5-7 June 2018
	• SSM National Conference (SSMNC) 2018	14 & 15 August 2018
	• Data Amplified 2018 Conference	13-15 November 2018
Dato' Sri Thong Kok Khee	• Sustainability Report, Setting the Value Creation Agenda	24 April 2018
Tai Keat Chai	• Deep Dive into CG cases in Malaysia: "What Went Wrong" and "What Could Be Done Better"	7 September 2018
Tan Wee Hoong	• Securities Industry Development Corporation (SIDC) - 2019 Budget: What you need to know: The Economy, Capital Market and you	14 November 2018

Director	Training Attended	Date
Wan Mai Gan	• Augmented Reality (AR) Mobile App Development	20 April 2018
	• Sustainability Engagement Series for Directors/CEOs (Ace Market)	6 September 2018
	• "Let's Get Real" on Anti-Bribery	1 March 2019
Dato' Jaganath Derek Steven Sabapathy	• Risk Management Conference 2018 by Malaysian Institute of Accountants	29 August 2018
	• Emerging Risks, the Future Board and Return on Compliance by The ICLIF Leadership and Governance Centre	22 October 2018
	• Utilisation on ERM for Commercial Sustainability, Agility and Resilience by Institute of Enterprise Risk Practitioners	21 November 2018
	• Sime Darby Property Bridging Session - Shaping The Future: Navigating Through Uncertainty by Minister of Housing & Local Government	30 November 2018
Chia Yong Wei	• Mandatory Accreditation Programme	14 & 15 January 2019

The Directors continuously receive briefing 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 Constitution, 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 Constitution 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 14 of Volume 1 of this Annual Report.

During FYE 31 March 2019, two (2) RC meetings were 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 2019 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 2018 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)
Executive Directors				
Mah Xian-Zhen	73,000 ⁽³⁾	534,619 ⁽¹⁾	59,461 ⁽²⁾	667,080
Monteiro Gerard Clair	–	657,019 ⁽¹⁾	25,000 ⁽²⁾	682,019
Chia Yong Wei (Appointed on 7 November 2018)	–	896,184 ⁽¹⁾	21,250 ⁽²⁾	917,434
Non-Executive Directors				
Dato' Mah Siew Kwok	72,000 ⁽³⁾	280,940 ⁽¹⁾⁽⁶⁾	–	352,940
Dato' Sri Thong Kok Khee	72,000 ⁽³⁾	8,000 ⁽⁶⁾	–	80,000
Tai Keat Chai	169,000 ⁽⁴⁾	25,000 ⁽⁵⁾	–	194,000
Mah Yong Sun	60,000 ⁽⁴⁾	6,000 ⁽⁵⁾	–	66,000
Tan Wee Hoong	72,000 ⁽⁴⁾	13,000 ⁽⁵⁾	–	85,000
Wan Mai Gan	72,000 ⁽⁴⁾	9,000 ⁽⁵⁾	–	81,000
Dato' Jaganath Derek Steven Sabapathy (Appointed on 7 November 2018)	85,250 ⁽³⁾	15,000 ⁽⁶⁾	–	100,250

⁽¹⁾ Salaries and other emoluments paid by the Company and/or subsidiary companies for acting as Director

⁽²⁾ Benefits-In-Kind paid by the Company and/or subsidiary companies for acting as Director

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

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

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

⁽⁶⁾ Other emoluments paid by the Company and/or subsidiary companies for acting as a Non-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 43 to 44 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 pages 39 to 40 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 39 to 42 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 2019, 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 2019. The ARMC was satisfied with BDO's technical competency and audit independence. The assessment is based on:

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

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

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

A summary of the activities of the ARMC during the financial year are set out in the ARMC Report on pages 43 to 44 of Volume 1 of this Annual Report.

B) ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

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

C) STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

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

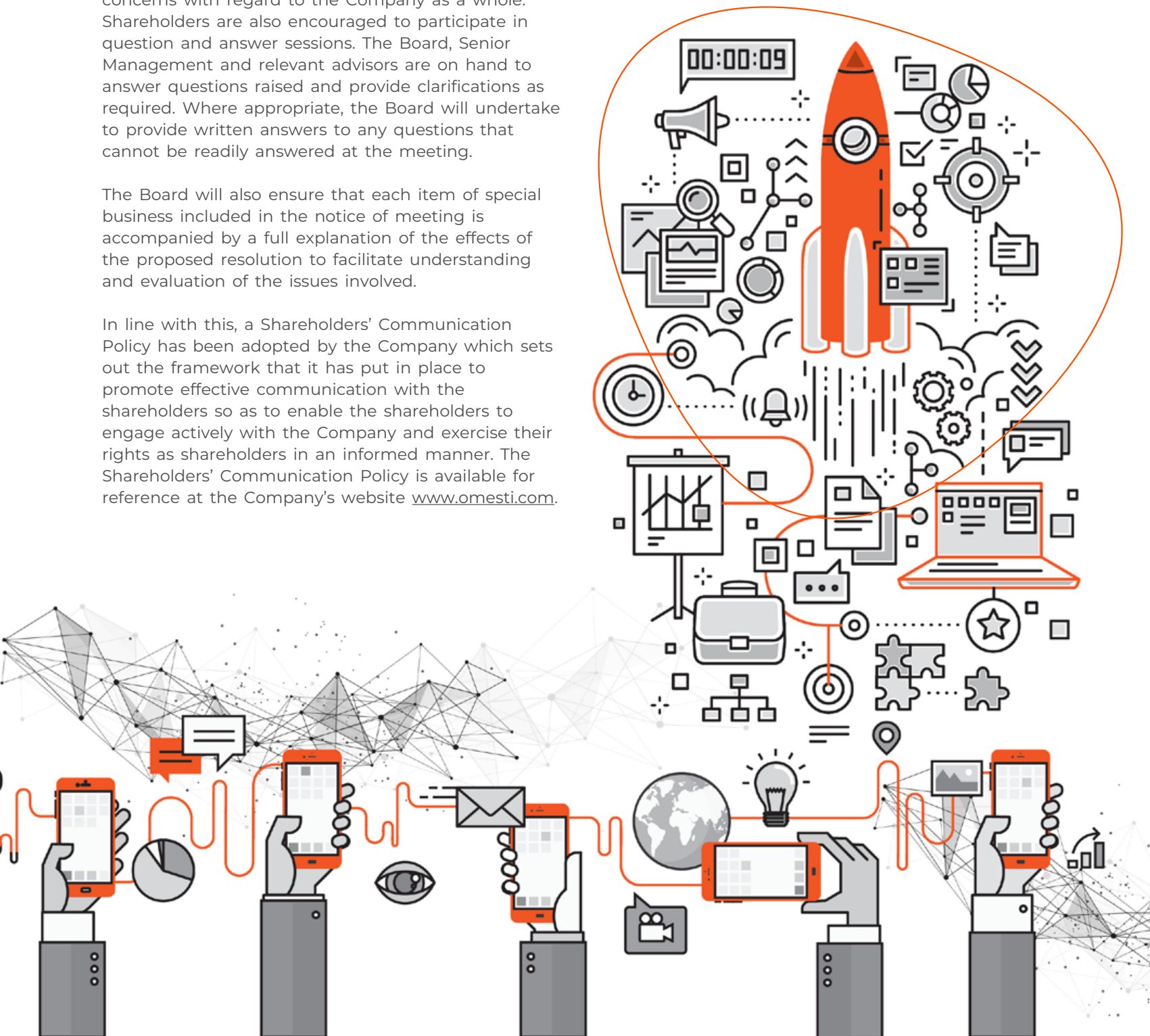
The Board will also ensure that each item of special business included in the notice of meeting is accompanied by a full explanation of the effects of the proposed resolution to facilitate understanding and evaluation of the issues involved.

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

COMPLIANCE STATEMENT

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

This Statement was approved by the Board on 15 July 2019.



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 practice 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 implementing internal controls associated with the Group's operations, and ensuring compliance with applicable laws and regulations.

For the financial year under review, audit reviews were carried out for:

- (i) Formis Research & Development Sdn Bhd and Omesti Assist Sdn Bhd – Sales, Billing, Collection and Credit Control and After Sales Service/ Customer Support
- (ii) Omesti Group of Companies – Order Processing Department

The result of these reviews have been reported at the Group's quarterly Audit & Risk Management Committee (ARMC) meetings and at Board meetings for discussion and deliberation. Resolution and actions with set timelines were agreed upon to mitigate any risks identified.

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

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



- Segregation of duties to reduce the scope for error and to prevent collusion. Key functions such as accounting, finance and treasury, legal, 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/revisit business objectives and strategies for the coming year's business plan. Once the plan has been agreed upon, the business plans of the respective subsidiaries for the new financial year are presented to the Board of Directors for its review and adoption.

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

ENTERPRISE RISK MANAGEMENT FRAMEWORK

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

During the period under review, the Group updated the risk register and key potential risks have been identified. As part of the Risk Assessment (RA) process, focus group sessions were conducted to gain an understanding of changes in business models, strategies, business operations and also to evaluate the current key risks, controls in place and to note management concerns/issues.

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

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

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

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

ASSURANCE MECHANISM

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

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

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

The ARMC has met with External Auditors twice during the financial year without the presence of Management.

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

INTERNAL AUDIT FUNCTION

The Group outsourced the internal audit function to a professional firm of auditors for which, during the year, a fee of RM76,500 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.

Functionally, 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

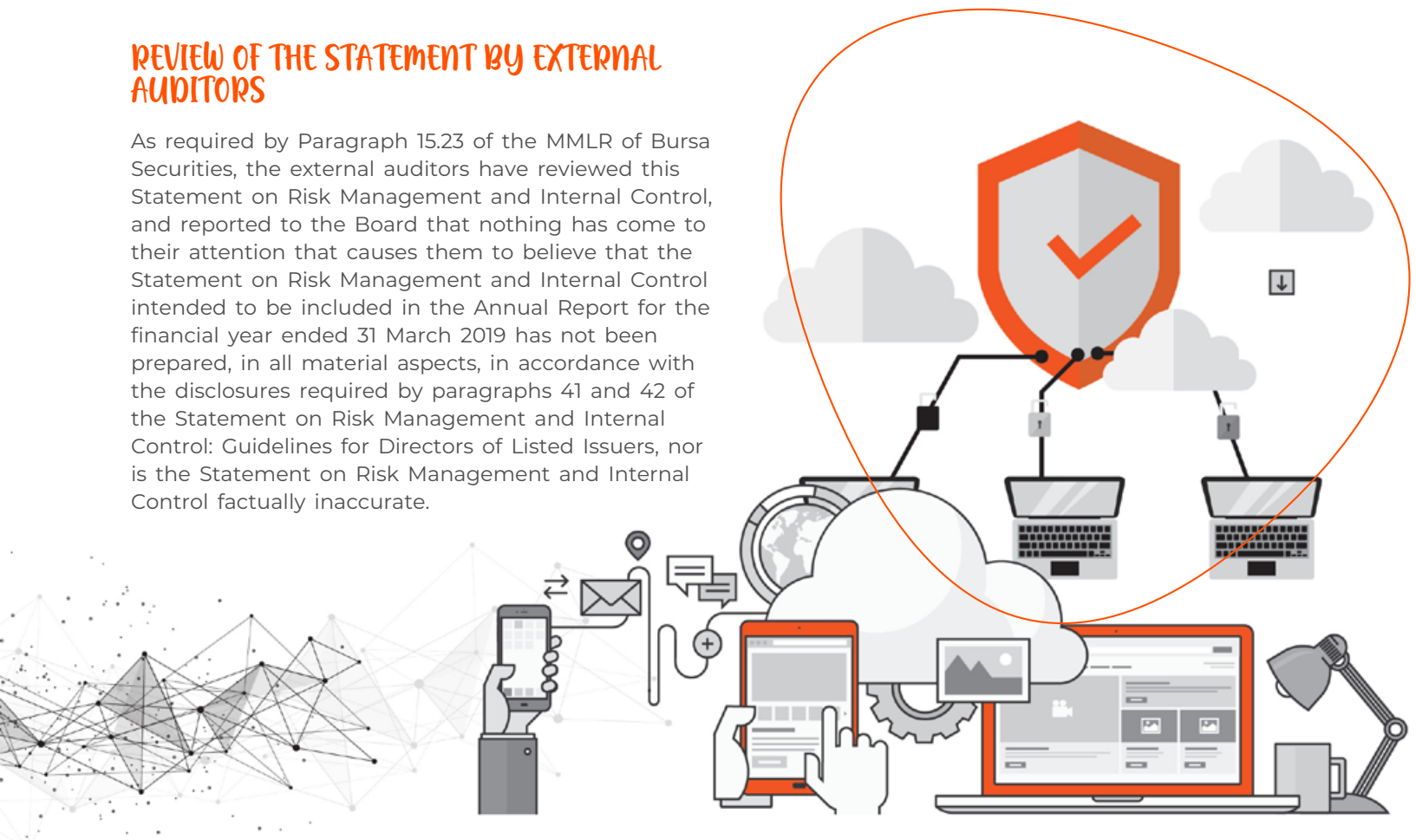
As required by Paragraph 15.23 of the MMLR of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control intended to be included in the Annual Report for the financial year ended 31 March 2019 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 15 July 2019.



Audit & Risk Management Committee Report

INTRODUCTION

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-Independent 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 Paragraphs 15.09(1)(c)(i) and 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 (MCCG).

TERMS OF REFERENCE

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

MEETINGS & 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	5/5
Tan Wee Hoong	5/5

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 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 2019 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 2019, 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 controls 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 41 of Volume 1 of this Annual Report.

Statement on Directors' Responsibility for Preparing the Financial Statements

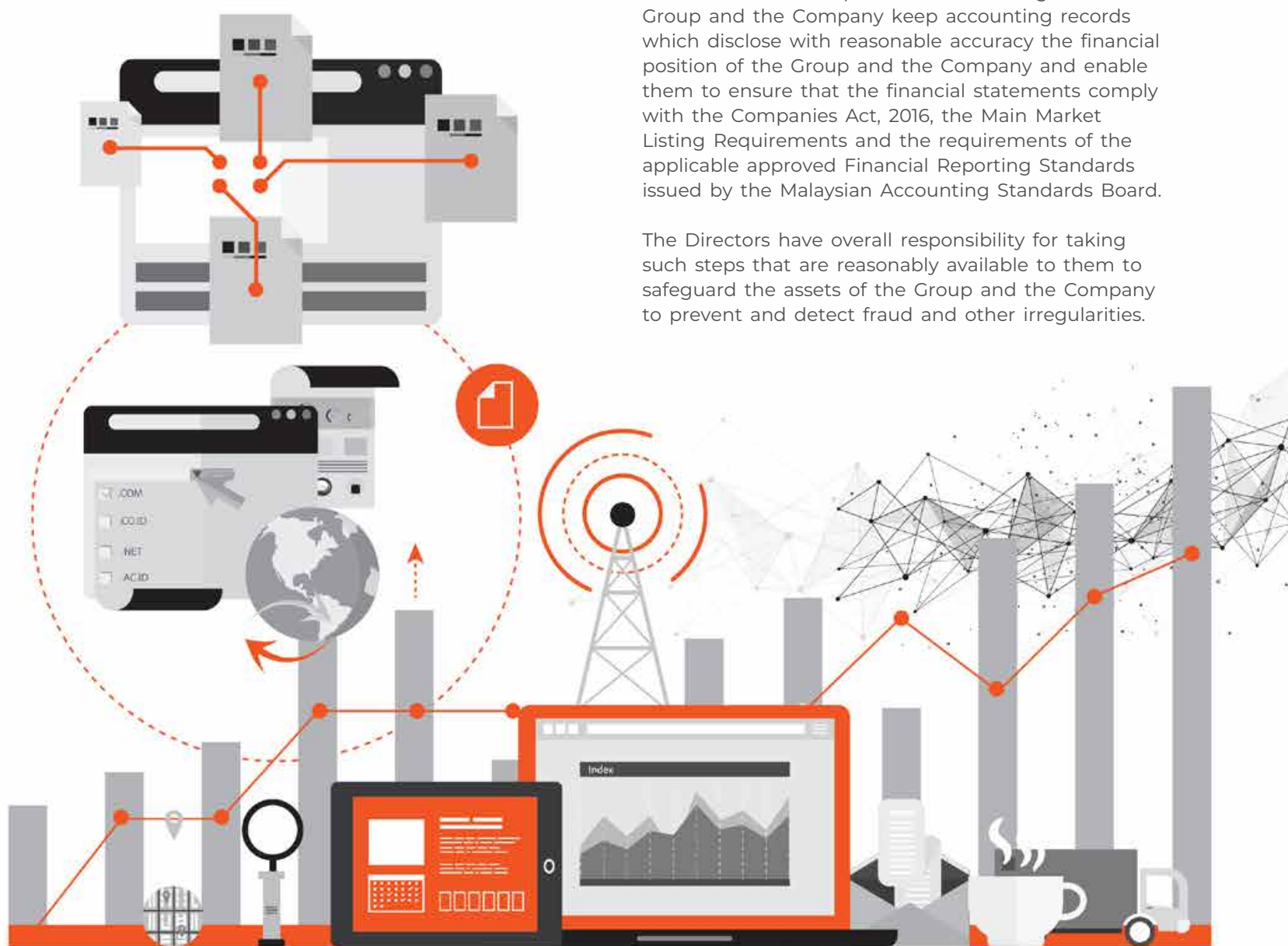
The Directors are responsible for ensuring that the annual audited financial statements of the Group and of the Company are drawn up in accordance with the provisions of the Companies Act, 2016, the Main Market Listing Requirements and the requirements of the applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board.

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

In preparing the audited financial statements of the Group and of the Company for the financial year ended 31 March 2019, 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 28 June 2019

SHARE CAPITAL

Issued and Paid-up Share Capital	:	478,205,625 ordinary shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) vote per ordinary share on a poll
Number of Shareholders	:	4,370

DISTRIBUTION OF SHAREHOLDERS

according to statistical summary of the Record of Depositors as at 28 June 2019

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Less than 100 shares	618	14.142	22,188	0.001
100 to 1,000 shares	2,458	56.247	851,899	0.178
1,001 to 10,000 shares	661	15.126	3,430,944	0.718
10,001 to 100,000 shares	448	10.252	16,449,379	3.451
100,001 to less than 5% of issued shares	182	4.165	334,897,515	70.032
5% and above of issued shares	3	0.0680	122,553,700	25.620
Total	4,370	100.00	478,205,625	100.00

LIST OF THIRTY LARGEST SHAREHOLDERS

according to the Record of Depositors as at 28 June 2019

	Name	No. of Shares Held	%
1.	M & A Nominee (Tempatan) Sdn Bhd Insas Credit & Leasing Sdn Bhd for H2O Holdings Sdn Bhd	66,273,700	13.86
2.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Siew Kwok (Margin)	29,450,000	6.16
3.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Siew Kwok	26,830,000	5.61
4.	DB (Malaysia) Nominee (Asing) Sdn Bhd Exempt An for Bank of Singapore Limited	21,200,000	4.43
5.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Seow Voon Ping	20,000,000	4.18
6.	Gryphon Asset Management Sdn Bhd	19,579,500	4.09
7.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Monteiro Gerard Clair	17,090,500	3.57
8.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Gan Nyap Liou @ Gan Nyap Liow	13,503,600	2.82
9.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Siew Kwok (Margin)	11,245,403	2.35

ANALYSIS OF SHAREHOLDINGS (CONT'D.)

As at 28 June 2019

	Name	No. of Shares Held	%
10.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Siew Kwok	10,895,654	2.28
11.	Cartaban Nominees (Asing) Sdn Bhd Exempt An for Standard Chartered Bank Singapore Branch (SG PVB CL AC)	10,663,000	2.23
12.	Insas Plaza Sdn Bhd	10,000,000	2.09
13.	M & A Nominee (Tempatan) Sdn Bhd Insas Credit & Leasing Sdn Bhd for H2Energy Corporation Sdn Bhd	9,000,000	1.88
14.	H2Advance Builders Sdn Bhd	8,036,100	1.68
15.	M & A Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Mah Siew Kwok (M&A)	7,920,000	1.66
16.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – Ambank (M) Berhad for Insas Plaza Sdn Bhd	7,500,000	1.57
17.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Siew Booy (D18)	6,453,500	1.35
18.	M & A Nominee (Tempatan) Sdn Bhd Pledged Securities Account for H2Energy Corporation Sdn Bhd (M&A)	6,353,000	1.33
19.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Dato' Mah Siew Kwok (KLM 29988-3)	6,079,635	1.27
20.	AMSEC Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Mok E. King	6,027,000	1.26
21.	M & A Nominee (Asing) Sdn Bhd Montego Assets Limited	6,000,000	1.25
22.	Tang Vee Mun	6,000,000	1.25
23.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Low Choon Chong	5,645,000	1.18
24.	Golden Development Sdn Bhd	5,000,000	1.05
25.	JS Nominee (Tempatan) Sdn Bhd CIMB Bank for Tan Siew Booy (MY0267)	4,650,000	0.97
26.	HSBC Nominees (Tempatan) Sdn Bhd Exempt An for Credit Suisse AG (SG-CLT-T-OS PR)	4,621,300	0.97
27.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Dato' Seri Megat Najmuddin Bin Datuk Seri Haji Megat Khas (Margin)	4,490,305	0.94
28.	M & A Securities Sdn Bhd IVT (A)	4,080,000	0.85
29.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kok Tiu Wan	3,724,000	0.78
30.	Amsec Nominees (Tempatan) Sdn Bhd	3,355,000	0.70
	Total	361,666,897	75.63

SUBSTANTIAL SHAREHOLDERS

according to the Register of Substantial Shareholders as at 28 June 2019

	Name	No. of Ordinary Shares Held			
		Direct Interest	%	Deemed Interest	%
1.	Dato' Mah Siew Kwok	95,173,175	19.928	–	–
2.	Insas Berhad	–	–	48,659,500 ⁽¹⁾	10.175
3.	Dato' Sri Thong Kok Khee	–	–	48,659,500 ⁽²⁾	10.175
4.	H2O Holdings Sdn Bhd	67,467,100	14.108	–	–
5.	Monteiro Gerard Clair	19,919,800	4.166	67,467,100 ⁽³⁾	14.108
6.	Dato' Wong Kit-Leong	–	–	67,467,100 ⁽³⁾	14.108
7.	Datuk Raymond Tan	–	–	67,467,100 ⁽³⁾	14.108
8.	Dato' Gan Nyap Liou @ Gan Nyap Liow	13,503,600	2.824	10,663,000 ⁽⁵⁾	2.23

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

according to the Register of Directors' Shareholdings as at 28 June 2019

OMESTI BERHAD		No. of Ordinary Shares Held			
		Direct Interest	%	Deemed Interest	%
1.	Dato' Mah Siew Kwok ⁽⁴⁾	95,173,175	19.928	–	–
2.	Mah Xian-Zhen ⁽⁴⁾	3,234,600	0.676	–	–
3.	Monteiro Gerard Clair	19,919,800	4.166	67,467,100 ⁽³⁾	14.108
4.	Dato' Sri Thong Kok Khee	–	–	48,659,500 ⁽²⁾	10.175
5.	Tai Keat Chai	–	–	–	–
6.	Mah Yong Sun	4,621,300	0.966	–	–
7.	Tan Wee Hoong	–	–	–	–
8.	Wan Mai Gan	–	–	–	–
9.	Dato' Jaganath Derek Steven Sabapathy	3,100,000	0.65	–	–
10.	Chia Yong Wei	341,800	0.07	–	–

RELATED COMPANY		No. of Ordinary Shares Held			
		Direct Interest	%	Deemed Interest	%
1.	Dato' Mah Siew Kwok ⁽⁴⁾	1,100,506	0.66	–	–
2.	Mah Xian-Zhen ⁽⁴⁾	5,000	0.00	–	–
3.	Monteiro Gerard Clair	4,261,647	2.55	–	–
4.	Dato' Sri Thong Kok Khee	–	–	426,595 ⁽²⁾	0.25
5.	Mah Yong Sun	1,173,413	0.70	–	–
6.	Chia Yong Wei	85,700	0.05	10,600 ⁽⁶⁾	0.00

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 pursuant to Section 8(4) of the Companies Act, 2016.

⁽⁴⁾ The parties are deemed to be connected persons by virtue of Section 197 of the Companies Act, 2016.

⁽⁵⁾ Deemed interest by virtue of his substantial interest in PlanetBiz Investments Limited pursuant to Section 8(4) of the Companies Act, 2016.

⁽⁶⁾ Deemed interest by virtue of his spouse's interest pursuant to Section 59(11)(c) 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 2019.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

As at 31 March 2018, 83,142,487 warrants 2013/2018 (Warrants B) remained unexercised. During FYE 31 March 2019, a total of 1,728,334 Warrants B were exercised at an exercise price of RM0.50. The remaining 81,414,153 Warrants B had expired on 30 May 2018.

During FYE 31 March 2019, the Company had made a total award of 1,254,200 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 2019. The Award Shares were vested on 2 April 2018, 2 November 2018 and 12 February 2019 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, 31 March 2018 and 31 March 2019 are set out below:

6 January 2014 to 31 March 2014	Total	Directors	Senior Management	Other Entitled Employees
Employees' Share Option Scheme (ESOS)				
Number of Options granted	10,802,800	5,533,200	3,158,400	2,111,200
Number of Options exercised	-	-	-	-
Number of Options lapsed	(136,000)	-	-	(136,000)
Number of Options outstanding as at 31 March 2014	10,666,800	5,533,200	3,158,400	1,975,200

1 April 2014 to 31 March 2015	Total	Directors	Senior Management	Other Entitled Employees
RSP under the ESGP				
Number of Shares granted	100,000	-	100,000	-
Number of Shares vested	(100,000)	-	(100,000)	-
Number of Shares lapsed	-	-	-	-
Number of Shares outstanding as at 31 March 2015	-	-	-	-
ESOS				
As at 1 April 2014	10,666,800	5,533,200	3,158,400	1,975,200
Number of Options granted	-	-	-	-
Number of Options exercised	-	-	-	-
Number of Options lapsed	(692,400)	-	(400,000)	(292,400)
Number of Options outstanding as at 31 March 2015	9,974,400	5,533,200	2,758,400	1,682,800

OTHER COMPLIANCE INFORMATION (CONT'D.)

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

1 April 2016 to 31 March 2017	Total	Directors	Senior Management	Other Entitled Employees
RSP under the EGSP				
Number of Shares outstanding as at 1 April 2016	322,200	222,200	100,000	–
Number of Shares granted	1,883,100	1,641,700	241,400	–
Number of Shares vested	(2,013,700)	(1,672,300)	(341,400)	–
Number of Shares lapsed	–	–	–	–
Number of Shares outstanding as at 31 March 2017	191,600	191,600	–	–
ESOS				
As at 1 April 2016	19,603,600	10,886,400	5,008,400	3,708,800
Number of Options granted	–	–	–	–
Number of Options exercised	–	–	–	–
Number of Options lapsed	(19,603,600)	(10,886,400)	(5,008,400)	(3,708,800)
Number of Options outstanding as at 31 March 2017	–	–	–	–

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

1 April 2018 to 31 March 2019	Total	Directors	Senior Management	Other Entitled Employees
RSP under the EGSP				
Number of Shares outstanding as at 1 April 2018	230,800	230,800	–	–
Number of Shares granted	1,254,200	–	1,254,200	–
Number of Shares vested	(1,485,000)	(230,000)	(1,254,200)	–
Number of Shares lapsed	–	–	–	–
Number of Shares outstanding as at 31 March 2019	–	–	–	–

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. The LTIP of the Company is in force for a duration of 5 years and shall expiring on 15 October 2018. The Board of Directors' has granted approval for the Company's extension for a further period of 5 years commencing from 16 October 2018 on the same terms and conditions as stipulated in the By-Laws 26.3 of the Company's LTIP By-Laws.

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:

- 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
- 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 2019 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 2019 are as follows:

	Company (RM)	Group (RM)
Audit fees	54,500	390,209
Non-audit fees	3,500	6,500

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 18th Annual General Meeting of Omesti held on 18 September 2018, the Company had obtained the approval for the shareholders' mandate to allow the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, which are necessary for its day-to-day operations and in the ordinary course of its business, with related parties (Recurrent Transactions).

The said mandate is effective from 18 September 2018 until the conclusion of the forthcoming Annual General Meeting of the Company.

OTHER COMPLIANCE INFORMATION (CONT'D.)

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 2019 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 19 (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 ⁽¹¹⁾	Interested Major Shareholder – Datuk Raymond Tan (RT) ⁽⁷⁾ Interested Person Connected with Major Shareholder – H2O Holdings Sdn Bhd ⁽⁸⁾	19,739
		Family-owned companies of MGC ⁽¹²⁾	Interested Director – Monteiro Gerard Clair (MGC) ⁽⁹⁾ Interested Person Connected with Director and Major Shareholder – H2O ⁽⁸⁾	6,918
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 ⁽¹⁰⁾	Interested Directors/ Major Shareholder – Dato' Sri Thong Kok Khee (Dato' Sri Thong) ⁽¹⁾ – Insas Berhad ⁽²⁾ Interested Persons Connected with Directors/ Major Shareholder – Insas Plaza Sdn Bhd ⁽³⁾ – M&A Securities Sdn Bhd ⁽⁴⁾ – Gryphon Asset Management Sdn Bhd ⁽⁵⁾ – Montego Assets Limited ⁽⁶⁾	4,536
	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 ⁽¹⁰⁾	Interested Directors/ Major Shareholder – Dato' Sri Thong ⁽¹⁾ – Insas Berhad ⁽²⁾ Interested Persons Connected with Directors/ Major Shareholder – Insas Plaza Sdn Bhd ⁽³⁾ – M&A Securities Sdn Bhd ⁽⁴⁾ – Gryphon Asset Management Sdn Bhd ⁽⁵⁾ – Montego Assets Limited ⁽⁶⁾	–

OTHER COMPLIANCE INFORMATION (CONT'D.)

Companies within Omesti Group transacting with Related Parties	Nature of Transactions	Related Party	Interested Directors/ Major Shareholders/ Persons Connected	Aggregate Value of Transactions during FYE 31 March 19 (RM)
Omesti Group	Provision of network connectivity and bandwidth services and project management services in relation to telecommunications by Omesti Group to the Related Parties	Family-owned companies of RT ⁽¹¹⁾	Interested Major Shareholder – RT ⁽⁷⁾ Interested Person Connected with Director and Major Shareholder – H2O ⁽⁸⁾	3,939
		Family-owned companies of MGC ⁽¹²⁾	Interested Director – MGC ⁽⁹⁾ Interested Person Connected with Director and Major Shareholder – H2O ⁽⁸⁾	6,579
	Renting of office spaces and procurement of other related services such as general maintenance services from Ho Hup Group	Ho Hup Group ⁽¹⁰⁾	Interested Directors/ Major Shareholder – Dato' Sri Thong ⁽¹⁾ – Insas Berhad ⁽²⁾ Interested Persons Connected with Directors/ Major Shareholder – Insas Plaza Sdn Bhd ⁽³⁾ – M&A Securities Sdn Bhd ⁽⁴⁾ – Gryphon Asset Management Sdn Bhd ⁽⁵⁾ – Montego Assets Limited ⁽⁶⁾	–

Notes:

(1) Dato' Sri Thong is a common Director and common major shareholder of Omesti. His direct and indirect interests in Omesti and Ho Hup as at 31 March 2019 are set out below:-

Name of Company	% of Interest	
	Direct	Indirect
Omesti	–	10.19 ^(a)
Ho Hup	–	13.52 ^(a)

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

- (2) Insas Berhad is a Person Connected to Dato' Sri Thong. Insas Berhad is deemed interested by virtue of interests held by Insas Plaza Sdn Bhd, Gryphon Asset Management Sdn Bhd, M & A Securities Sdn Bhd and Montego Assets Limited which are subsidiaries of Insas Berhad pursuant to Section 8(4) of the Act.
- (3) Insas Plaza Sdn Bhd (IPSB) is a Person Connected to Dato' Sri Thong. IPSB is a wholly-owned subsidiary of Insas Berhad and a shareholder of Omesti.
- (4) M & A Securities Sdn Bhd (M&A) is a Person Connected to Dato' Sri Thong. M&A is a wholly-owned subsidiary of Insas Berhad and a shareholder of Omesti.
- (5) Gryphon Asset Management Sdn Bhd (GAMSB) is a Person Connected to Dato' Sri Thong. GAMSB is a wholly-owned subsidiary of Insas Berhad and a shareholder of Omesti.
- (6) 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.
- (7) 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.
- (8) H2O is a major shareholder of Omesti, holding 14.11% equity interest in Omesti as at 31 March 2019.
- (9) 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 2019 are set out below:-

Name of Company	% of Interest	
	Direct	Indirect
Omesti	4.17	14.11 ^(b)
H2O	14.11	–

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

- (10) Ho Hup Group is principally involved in foundation engineering, civil engineering, building contracting works and hire of plant and machinery.
- (11) 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.
- (12) 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 19th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the **19th Annual General Meeting** of the Company will be held at **Banquet Hall, The Royal Selangor Golf Club, Jalan Kelab Golf, Off Jalan Tun Razak, 55000 Kuala Lumpur**, on **Friday, 13th September 2019** at **2.30 pm** for the following purposes:

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 March 2019 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 RM985,000 for the period from 14th September 2019 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 Clause 78 of the Company's Constitution and being eligible, have offered themselves for re-election:
 - (a) Dato' Sri Thong Kok Khee Resolution 2
 - (b) Ms Mah Xian-Zhen Resolution 3
 - (c) Mr Mah Yong Sun Resolution 4
4. To re-elect the following Directors retiring pursuant to Clause 84 of the Company's Constitution and being eligible, have offered themselves for re-election:
 - (a) Dato' Jaganath Derek Steven Sabapathy Resolution 5
 - (b) Mr Chia Yong Wei Resolution 6
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 7

AS SPECIAL BUSINESS:

To consider, and if thought fit, to pass the following ordinary resolutions:

6. **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** Resolution 8

"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 the 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. **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 Constitution 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."

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

Resolution 10

"THAT the Company and/or its subsidiaries be and is/are hereby authorised to enter into recurrent related party transactions from time to time with Related Parties who may be a Director, a major shareholder of the Company and/or its subsidiaries or a person connected with such a Director or major shareholder, as specified in the Statement/Circular to Shareholders dated 31 July 2019 subject to the following:-

- i) the transactions are of a revenue or trading nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries and are transacted on terms consistent or comparable with market or normal trade practices and/or based on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and
- ii) disclosure is made in the annual report of the aggregate value of transactions conducted during the financial year pursuant to the shareholders' mandate in accordance with the Main Market Listing Requirements of Bursa Securities;

THAT the mandate given by the shareholders of the Company shall only continue to be in force until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (the Act) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); unless revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting, whichever is the earlier;

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

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

By Order of the Board

TEE LEE LENG [MAICSA No. 7044742]
COMPANY SECRETARY

Kuala Lumpur
31 July 2019



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 No. 47-5, The Boulevard Mid Valley City, Lingkaran Syed Putra, 59200 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 5th September 2019 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 19th 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 2019

The audited financial statements are for discussion only, as they do not require shareholders' approval under the provision of Section 340(1)(a) of the Companies Act, 2016. Hence, this Agenda 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 14th September 2019 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 8 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 19th AGM.

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 2019 which is dispatched together with the Company's Annual Report 2019.

Resolution 10 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 Circular to Shareholders dated 31 July 2019 which is dispatched together with the Company's Annual Report 2019.

Statement Accompanying Notice of 19th 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 19th 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 18 September 2018.

Under the previous mandate, the following new ordinary shares were issued under the Private Placement

Date	Number of ordinary shares	Price per share (RM)	Proceeds (RM)
16 July 2018	21,000,000	0.400	8,400,000
30 August 2018	2,303,400	0.355	817,707
7 December 2018	20,000,000	0.355	7,100,000
	Total		16,317,707

As at 28 June 2019, the status of utilisation of the proceeds raised is as follows:

	Intended Timeframe	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Utilisation	
				RM'000	%
Repayment of Bank Borrowings	Within six (6) months	3,500	3,500	-	-
Working capital for general business purposes	Within twelve (12) months	12,418	12,418	-	-
Estimated expenses for the Proposed Private Placement	Within one (1) month	400	400	-	-
	Total	16,318	16,318	-	-

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.

Privacy Notice



Dear Sirs/Madams,

This privacy notice for personal data ("**Privacy Notice**") is issued to all shareholders of ORESTI 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.oresti.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: Ho Hup Tower – Aurora Place, 2-07-01 – Level 7, Plaza Bukit Jalil. No. 1 Persiaran Jalil 1, Bandar Bukit Jalil, 57000 Kuala Lumpur

Tel: +603 9779 1700

Fax: +603 9779 1701

Email: pdpa@oresti.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 kewajiban kami dalam mematuhi undang-undang dan peraturan-peraturan (termasuk memantau dan membuat pendedahan tentang perkara-perkara yang berkaitan dengan penglibatan anda dalam apa-apa saham, debentur, kepentingan penyertaan, hak, opsyen, urus niaga dan kontrak), serta tujuan-tujuan lain yang kami perlukan untuk mengendalikan dan mengekalkan perniagaan kami sepertimana yang tertera dalam Polisi Privasi kami (secara kolektifnya dirujuk sebagai "**Tujuan-Tujuan**").

Kami tidak akan mendedahkan apa-apa data peribadi anda kepada mana-mana pihak ketiga tanpa kebenaran anda kecuali kepada syarikat-syarikat di dalam kumpulan Syarikat (termasuk subsidiari, syarikat berkaitan dan/atau syarikat bersekutu kami), penasihat profesional, ejen, vendor, pembekal, kontraktor, pembekal perkhidmatan, rakan kongsi perniagaan, syarikat insurans, bank dan institusi kewangan, agensi kerajaan, pihak berkuasa dan/atau badan berkanun, di dalam atau di luar Malaysia, jikalau perlu, bagi Tujuan-Tujuan yang disebut di atas, kepada mana-mana pihak yang berjanji untuk menyimpan data peribadi anda secara sulit, kepada mana-mana pihak sepertimana yang tertera dalam Polisi Privasi kami, atau sekiranya diperlukan di bawah undang-undang. Sesalinan Polisi Privasi kami boleh didapati di laman web kami di www.omesti.com/pdpa.

Kami perlu mengumpul dan menyimpan data peribadi anda. Sekiranya anda tidak memberikan data peribadi anda kepada kami, atau tidak bersetuju dengan Notis Privasi ini, kami mungkin tidak dapat memberikan perkhidmatan secara efektif kepada anda berkaitan atau bersampingan dengan peranan anda sebagai pemegang saham kami atau memproses data peribadi anda bagi Tujuan-Tujuan yang disebut di atas.

Kami akan memastikan data peribadi anda disimpan dengan selamat. Anda mempunyai hak untuk meminta akses kepada, mendapat salinan, mengemaskini atau memperbetulkan data peribadi anda yang disimpan oleh kami. Anda juga mempunyai hak untuk meminta kami menghadkan pemrosesan dan penggunaan data peribadi anda pada bila-bila masa. Walaubagaimana pun, kami mempunyai hak untuk bergantung kepada mana-mana pengecualian dalam mengumpul, mengguna dan mendedah data peribadi anda.

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

Personal Data Protection Officer

Address: Ho Hup Tower – Aurora Place, 2-07-01 – Level 7, Plaza Bukit Jalil. No. 1 Persiaran Jalil 1, Bandar Bukit Jalil, 57000 Kuala Lumpur

Tel: +603 9779 1700

Fax: +603 9779 1701

Email: 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 kewajiban 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 terpinda. Mengikut Seksyen 7(3) PDPA, Notis Privasi ini diterbitkan dalam Bahasa Inggeris dan Bahasa Malaysia. Sekiranya terdapat sebarang ketidakseragaman atau percanggahan di antara versi Bahasa Inggeris dan Bahasa Malaysia, versi Bahasa Inggeris akan digunapakai.

Form of Proxy

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



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 **19th Annual General Meeting** of the Company, to be held at **Banquet Hall, The Royal Selangor Golf Club, Jalan Kelab Golf, Off Jalan Tun Razak, 55000 Kuala Lumpur, on Friday 13th September 2019 at 2.30 pm** 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 _____ 2019

Number of Ordinary Shares Held

Signature of Shareholder(s)

NOTES:

- A member of the Company may appoint more than two (2) proxies to attend at the same meeting. Where a member appoints two (2) or more proxies, he shall specify in each form of proxy the proportion of his shareholdings to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the company for multiple beneficial owners in one securities account (Omnibus Account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 (SICDA) which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under Seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a member of the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company at No. 47-5 The Boulevard Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- Only members whose names appears in the Record of Depositors on 5th September 2019 shall be entitled to attend, speak and vote at this meeting or appoint proxy/proxies to attend and/or vote on his/her behalf.
- The resolutions set out in the notice of 19th 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

No. 47-5 The Boulevard Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Fold this flap for sealing

Contact Details of Subsidiaries

**AMADEUS DIGITAL XPRESS SDN BHD
(FKA FORMIS AUTOMATION SDN BHD)**
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