

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad (“Bursa Securities”) has not perused this Circular prior to its issuance as it is prescribed as an exempt circular pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**OMESTI®**

**OMESTI BERHAD**

[Registration No. 200001028094 (530701-T)]  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL  
OF EXISTING SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY  
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The ordinary resolution in respect of the above proposal will be tabled as special business at the 23<sup>rd</sup> Annual General Meeting (“23<sup>rd</sup> AGM”) of the Company which will be held on Tuesday, 19 September 2023 at 3.00 p.m. as a virtual meeting via live streaming broadcast from Redwood Meeting Room, Ho Hup Tower – Aurora Place, 2-09-01 – Level 9, Plaza Bukit Jalil, No. 1, Persiaran Jalil 1, Bandar Bukit Jalil, 57000 Kuala Lumpur. The Notice of 23<sup>rd</sup> AGM together with the Form of Proxy are set out in the Annual Report 2023 of the Company which is despatched together with this Circular.

The Form of Proxy may be submitted electronically via the Portal at <https://agm.omesti.com> (please refer to Step 3 of the Administrative Guide for more details) or by email to [osem@quadrantbiz.co](mailto:osem@quadrantbiz.co), by fax to +603 9779 1701/02 or by post to the Registered Office of the Company at Ho Hup Tower - Aurora Place, 2-07-01 - Level 7, Plaza Bukit Jalil, No 1, Persiaran Jalil 1, Bandar Bukit Jalil, 57000 Kuala Lumpur, Malaysia no later than **Monday, 18 September 2023 at 3.00 p.m.**

The lodging of the Form of Proxy will not preclude you from attending, participating, speaking (in the form of real-time submission of typed texts) and voting remotely at the forthcoming 23<sup>rd</sup> AGM, should you subsequently wish to do so.

This Circular is dated 28 July 2023

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout and for the purposes of this Statement/Circular only:

Act	:	The Companies Act 2016 and any statutory modification, amendment or re-enactment thereof for the time being in force
AGM	:	Annual General Meeting
Board	:	Board of Directors of Omesti
Bursa Securities	:	Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
Director(s)	:	As defined in Section 2(1) of the Capital Markets and Services Act 2007. For purposes of the Proposed Mandate, includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Director of the Company, its subsidiary or holding company, and a chief executive of Omesti, its subsidiary or holding company.
Ho Hup	:	Ho Hup Construction Company Berhad [197301000497 (14034-W)]
Ho Hup Group	:	Ho Hup and its subsidiary companies
LPD	:	30 June 2023, being the latest practicable date prior to the printing of this Circular
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities and includes any amendments thereto
Major Shareholder	:	A person who has an interest or interests in one or more voting shares in the corporation and the number, or the aggregate number of those shares, is:  (a) 10% or more of the total number of voting shares in the corporation; or  (b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.  For the purpose of this definition, “interest in shares” has the meaning given in Section 8 of the Act; and for purposes of the Proposed Mandate includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of the Company (as defined above) or any other corporation which is its subsidiary or holding company
NA	:	Net Assets
Omesti or the Company	:	Omesti Berhad [200001028094 (530701-T)]
Omesti Group or the Group	:	Omesti and its subsidiary companies
Omesti Share(s) or Share(s)	:	Ordinary shares fully paid-up in Omesti
Person Connected	:	Shall have the same meaning given in Paragraph 1.01 of the Listing Requirements
Proposed Mandate	:	Proposed renewal of existing shareholders’ mandate for RRPTs approved at the 22 <sup>nd</sup> AGM held on 2 September 2022

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**DEFINITIONS (Cont'd)**

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- Recurrent Related Party Transactions/ RRPT : Related Party Transactions which are recurrent, of a revenue or trading nature and which are necessary for the day-to-day operations of the Omesti Group
- Related Party(ies) : Director(s), Major Shareholder(s) or Person(s) Connected with such Director(s) or Major Shareholder(s)
- Related Party Transaction : A transaction entered into by the Company or its subsidiaries which involves the interest, direct or indirect, of a Related Party
- RM and sen : Ringgit Malaysia and sen respectively

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## **OMESTI BERHAD**

[Registration No. 200001028094 (530701-T)]  
(Incorporated in Malaysia)

### **Registered 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

28 July 2023

### **Board of Directors**

YAM Tunku Zain Al-'Abidin Ibni Tuanku Muhriz (*Chairman/Independent Non-Executive Director*)

Dato' Sri Thong Kok Khee (*Deputy Chairman/Non-Independent Non-Executive Director*)

Ms Mah Xian-Zhen (*Non-Independent Non-Executive Director*)

Mr Monteiro Gerard Clair (*Non-Independent Non-Executive Director*)

Mr Tan Wee Hoong (*Independent Non-Executive Director*)

Mr Danny Hoe Kam Thong (*Independent Non-Executive Director*)

### **To: The Shareholders of Omesti Berhad**

Dear Sir / Madam,

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

#### **1. INTRODUCTION**

At the 22<sup>nd</sup> AGM held on 2 September 2022, the shareholders of the Company approved, *inter alia*, the shareholders' mandate for the Company and/or its subsidiaries to enter into RRPTs. The said mandates shall, in accordance with the Listing Requirements, expire at the conclusion of the forthcoming 23<sup>rd</sup> AGM of the Company, unless renewal is obtained.

In connection thereto, the Board of Omesti had on 18 July 2023 announced its intention to seek shareholders' approval for the Proposed Mandate.

The purpose of this Circular is to provide you with the relevant information on the Proposed Mandate and to seek your approval for the ordinary resolution to be tabled at the forthcoming 23<sup>rd</sup> AGM of the Company. The Notice of 23<sup>rd</sup> AGM is set out in the Annual Report 2023. The extract of ordinary resolution on the Proposed Mandate to be tabled at the Omesti's 23<sup>rd</sup> AGM is enclosed together with this Circular.

**YOU ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR, TOGETHER WITH THE APPENDIX CONTAINED HEREIN CAREFULLY BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED MANDATE**

## 2. DETAILS OF THE PROPOSED MANDATE

### 2.1 The Proposed Mandate

Paragraph 10.08 of the Listing Requirements stipulates the obligations of a listed issuer to comply with in relation to Related Party Transactions. However, pursuant to Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a mandate from shareholders in respect of RRPTs, subject to the following:-

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements.
- (c) a circular to shareholders which includes information as may be prescribed by Bursa Securities is issued by the listed issuer for the shareholders' mandate;
- (d) in a meeting to obtain shareholders' mandate, the interested Director, interested Major Shareholder or interested Person Connected with a Director or Major Shareholder; and where it involves the interest of an interested Person Connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution to approve the transaction. An interested Director or interested Major Shareholder must ensure that Persons Connected with him abstain from voting on the resolution approving the transactions; and
- (e) an immediate announcement is made to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and the announcement must include the information as may be prescribed by Bursa Securities.

Where a listed issuer has procured a shareholders' mandate in respect of RRPTs, the provisions under paragraph 10.08 of the Listing Requirements will not apply to the RRPTs which are comprised in the said mandate.

The Proposed Mandate, if approved by the shareholders of the Company at the forthcoming 23<sup>rd</sup> AGM, is subject to annual renewal and will continue to be in force until :-

- (a) the conclusion of the next AGM of the Company following the forthcoming 23<sup>rd</sup> AGM at which the Proposed Mandate is passed, at which time such mandate will lapse, unless by a resolution passed at the meeting, the authority for the Proposed Mandate is renewed;
- (b) the expiration of the period, within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

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## 2.2 Principal Activities of the Omesti Group

Omesti is principally engaged in investment holding activities, provision of management services and provision of information technology services in terms of hardware, software, consultancy and maintenance to the telecommunication, oil and gas and government sectors. The principal activities of the subsidiary companies within the Omesti Group as at the LPD are as follows:-

Name of Company	Equity interest held (%)	Principal activities
<b><i>Subsidiaries of Omesti</i></b>		
Continuous Network Advisers Sdn Bhd (“CNA”)	100	Investment holding
Continuous Network Services Sdn Bhd	100	Provision of corporate secretarial, accounting and payroll services
Formis Research & Development Sdn Bhd	100	Development of application software, system integration services and the provision of hardware and software maintenance services
Man Yau Holdings Berhad (“MYHB”)	100	Investment holding activities
Omesti Holdings Berhad (“OHB”)	100	Investment holding activities
<b><i>Subsidiaries of OHB</i></b>		
Com-Line Systems Sdn Bhd (“CLS”)	85	Development of standard application packages and the provision of turnkey solution development services
Amadeus Digital Xpress Sdn Bhd	100	Automation, installation and maintenance of computer hardware and software and other automated related projects
Formis International Limited	100	Provision of hardware and software information technology for the international market
Formis Network Services Sdn Bhd (“FNS”)	51	Provision of information technology services in terms of hardware, software, consultancy and maintenance to the telecommunication, oil and gas and government sectors
Mindforum Sdn Bhd	70	Provision of training, consultancy, advisory and other related services
Next Intelligent Sdn Bhd	100	Investment holding
Ohana Communications Sdn Bhd	100	Provision of network connectivity and bandwidth services in Malaysia and project management services in relation to telecommunications
Prima Arenaniaga Sdn Bhd	100	Provision of information technology solutions
Red Ape Solutions Sdn Bhd	100	Provision of business solutions, training and consultation services in information technology, web development and applications

<b>Name of Company</b>	<b>Equity interest held (%)</b>	<b>Principal activities</b>
PT Formis Solusi Indonesia	100	Engaging in the business activity of information technology
Yakimbi ICT Sdn Bhd	100	Designing and development of website and software, and providing maintenance services and other related services
Aurora 360 Sdn Bhd	100	Provision of healthcare services
BB Boss Sdn Bhd	70	Trading of pharmaceutical products
Be Med Sdn Bhd	70	Trading of pharmaceutical products
Bemed (ITT) Sdn Bhd	70	Trading of pharmaceutical products
Bemed (PTJ) Sdn Bhd (“BPTJ”)	70	Trading of pharmaceutical products
Bemed Healthcare Sdn Bhd	70	Trading of pharmaceutical products
Bemed Lagenda Sdn Bhd	70	Trading of pharmaceutical products
Bemed Matahari Sdn Bhd	70	Trading of pharmaceutical products
Bemed Pharma Sdn Bhd	70	Wholesale of pharmaceutical products
Bemed Tempua Sdn Bhd	70	Trading of pharmaceutical products
Bemed Ventures Sdn Bhd	70	Trading of pharmaceutical products
Medilabz Signature Sdn Bhd	70	Provision of medical and laboratory related services
Omesti Healthcare Sdn Bhd (“OHealthcare”)	100	Investment Holding Activities
Omesti Tree Med Sdn Bhd	100	Provision of medical and pharmaceutical services
<b><i>Subsidiaries of BPTJ</i></b>		
RJ Drugstore Sdn Bhd	100	Stored specialized in retail sale of pharmaceuticals, medical and orthopaedic goods
<b><i>Subsidiaries of OHealthcare</i></b>		
Omesti Bemed Sdn Bhd	100	Investment Holding Activities
<b><i>Subsidiaries of CNA</i></b>		
Bancore Asia Pte Ltd	100	Distributing, marketing, implementing and maintaining financial technology software in Asia Pacific region
Chelsea Apps Factory Bangsar Sdn Bhd	80	Designing and development of software for mobile phone devices



<b>Name of Company</b>	<b>Equity interest held (%)</b>	<b>Principal activities</b>
Omesti Actify Sdn Bhd	100	Distribution, marketing, implementing and maintenance of accounting, inventory and goods and services tax accounting software to small and medium-sized enterprises in Malaysia
Omesti Data Sdn Bhd	100	Development of information technology and software development on e-payment and remittance of funds and other related services
Yakimbi Sdn Bhd <i>Subsidiary of FNS</i>	94.44	Designing and development of website, software, maintenance services and other related services
Formis Niaga Solusi Sdn Bhd <i>Subsidiary of Next Intelligent Sdn Bhd</i>	100	Provision of information technology services of hardware, software and consultancy to the oil and gas industry and telecommunication sectors
O Dojo Sdn Bhd <i>Subsidiaries of MYHB</i>	100	Provision and management of co-working spaces for potential customers and all related services thereto, and investment holding activities
Channel Legacy Sdn Bhd	60	Investment holding activities
Formis Software & Technologies Sdn Bhd	100	Development of application software, system integration services and the provision of hardware and software maintenance services
Omesti Assist Sdn Bhd (“OASB”) <i>Subsidiary of OASB</i>	100	Investment holding and development of application software, system integration services and the provision of hardware and software maintenance services
PDAC Formis Sdn Bhd <i>Subsidiaries of Bancore Asia Pte Ltd</i>	70	Carry on businesses in Brunei amongst others, in information technology related businesses, property development
Bancore Sdn Bhd <i>Subsidiary of CLS</i>	100	Provision of information technology solutions and services in terms of hardware, software, consultancy and maintenance for the mobile remittance industry
ComLine Dotcom Sdn Bhd	100	Development of multimedia technology application

### 2.3 Class, nature and estimated aggregate value of the RRPTs

The RRPTs which will be covered in the **Proposed Mandate** are identified in the table below:-

Companies within the Omesti Group transacting with the Related Party	Nature of Transactions	Transacting Related Party	Interested Directors / Major Shareholders / Person Connected with Director / Major Shareholders	Estimated aggregate value during the validity period of the Proposed Mandate*  (RM)	Estimated aggregated value as disclosed in the preceding year's circular to shareholders dated 29 July 2022 ("Estimated Value")  (RM)	Actual value transacted from 2 September 2022 (date of 22 <sup>nd</sup> AGM) to the LPD ("Actual Value")  (RM)
Omesti Group	Provision of network connectivity and bandwidth services and project management services in relation to telecommunications by Omesti Group to Ho Hup Group	Ho Hup Group <sup>(4)</sup>	<b>Interested Director</b> - Dato' Sri Thong Kok Khee ("Dato' Sri Thong") <sup>(1)</sup>  <b>Interested Persons Connected with Director</b> - Insas Berhad ("Insas") <sup>(2)</sup> - Insas Plaza Sdn Bhd ("IP") <sup>(3)</sup> - Gryphon Asset Management Sdn Bhd ("GAMSB") <sup>(3)</sup> - Montego Assets Limited ("MAL") <sup>(3)</sup> - Winfields Development Pte Ltd ("WDPL") <sup>(3)</sup>	3,000,000	3,000,000	-
	Renting of office spaces and procurement of other related services such as general maintenance services from Ho Hup Group @			5,000,000	5,000,000	1,235,866.32
	Supply of network and software solutions, licences, network infrastructure, computer hardware and software and maintenance services by Omesti Group to Ho Hup Group			30,000,000	30,000,000	-

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**Notes:**

*None of the Actual Value of the RRPTs has exceeded the Estimated Value by 10% or more.*

- @ *The tenure of the office spaces will be for a rental period of not more than three (3) years and rental payment will be made on a monthly basis.*
- \* *This comprises estimated value of transactions from the date of the forthcoming 23<sup>rd</sup> AGM to the next AGM expected to be held in the month of September 2024. The estimated value is based on information available at the point of estimation. Due to the nature of the transactions, the actual value of the transactions may vary from the estimated aggregate value disclosed above.*
- (1) *Dato' Sri Thong is a common Director and common major shareholder of Omesti and Ho Hup. His direct and indirect interests in Omesti and Ho Hup as at the LPD are set out below:-*

<b>Name of Company</b>	<b>% of Interest</b>	
	<b>Direct</b>	<b>Indirect</b>
<i>Omesti</i>	-	9.96 <sup>(a)</sup>
<i>Ho Hup</i>	-	14.70 <sup>(b)</sup>

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

<sup>(b)</sup> *Deemed interest by virtue of his substantial shareholdings in Insas pursuant to Section 8(4) of the Act and his children's direct shareholdings in Ho Hup.*

- (2) *Insas is a Person Connected to Dato' Sri Thong. Insas is deemed interested by virtue of interests held by IP, GAMSMB, MAL and WDPL, which are subsidiaries and associated company of Insas pursuant to Section 8(4) of the Act.*
- (3) *IP, GAMSMB, MAL and WDPL are Persons Connected to Dato' Sri Thong. IP, GAMSMB, MAL and WDPL are shareholders of Omesti.*
- (4) *Ho Hup is principally engaged in investment holding, foundation engineering, civil engineering, building contracting works and provision of management services for subsidiary companies. Its subsidiaries are principally involved in property investment, property development, construction, and retail.*

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### **3. RATIONALE AND BENEFITS FOR THE PROPOSED MANDATE**

The RRPTs entered into or to be entered into by the Group are in the ordinary course of business and are intended to meet the business needs of the Group at the best possible terms so as to achieve synergistic benefits within the Group. These transactions are likely to occur with some degree of frequency and may be constrained by the time-sensitive nature and confidentiality of such transactions, thus rendering it impractical to seek shareholders' approval on a case by case basis before entering into such transactions.

By obtaining the Proposed Mandate on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such RRPTs occur would not arise. This would substantially reduce the time, administrative requirements, and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

The Related Parties which are involved in the RRPTs have proven their reliability and expertise in their respective fields. In certain instances, the Related Parties provide the Group the support for its operational needs, thereby enabling greater efficiency and effectiveness in the utilisation of the Group's resources.

### **4. REVIEW PROCEDURES**

To ensure that the RRPTs are undertaken on transaction prices and 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 that they are conducted at arm's length and on normal commercial terms consistent with the Group's usual business practices and policies and will not be prejudicial to the shareholders, the Board will ensure that all transactions with Related Parties will only be entered into after taking into consideration the pricing, level and quality of products and support services, and the review procedures as stated below.

The Board has established the following review procedures which are to be carried out for each RRPTs:

- (a) Records will be maintained by the Company to capture all RRPTs entered into pursuant to the Proposed Mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to.
- (b) On a periodic basis, the procedures and guidelines pertaining to RRPTs will be reviewed by the Senior Management of Omesti and the Audit and Risk Management Committee to ensure that the terms of the transactions are not more favourable to the Related Parties than those generally available to the public, and are not to the detriment of the minority shareholders.
- (c) Where any person(s) has an interest in the RRPTs to be reviewed, such person(s) shall abstain from deliberation and voting in respect of such transactions.
- (d) Disclosure shall be made in the annual report of a breakdown of the aggregate value of all transactions conducted pursuant to the Proposed Mandate during the financial year and in the annual reports for the subsequent financial years during which the shareholders' mandate remains in force. In making such disclosure, a breakdown will be provided of the aggregate value of the RRPTs conducted pursuant to the Proposed Mandate during the current financial year, amongst others, based on the following:-
  - (i) the type of the RRPTs made; and
  - (ii) the names of the Related Parties involved in each type of RRPTs and their relationship with the Omesti Group.

There are no thresholds for approval of RRPTs within the Omesti Group. However, all RRPTs are subject to the approval of any one of the Senior Management of Omesti namely, the Chief Financial Officer and/or any one of the directors of the respective companies.

At least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. Where quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by the Omesti Group based on its usual business practices to ensure that the RRPT is not detrimental to the Omesti Group and the minority shareholders.

## 5. STATEMENT BY THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee of the Company has reviewed the procedures mentioned in section 4 above and is of the view that the said procedures are sufficient to ensure that the RRPTs are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

The Omesti Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner. These procedures and processes will be reviewed annually or as and when necessary.

## 6. CONDITION FOR THE PROPOSED MANDATE

The Proposed Mandate is conditional upon approval being obtained from the shareholders of Omesti at the forthcoming 23<sup>rd</sup> AGM.

## 7. FINANCIAL EFFECTS

The Proposed Mandate does not have any effect on the issued and paid-up share capital and Major Shareholders' shareholdings of Omesti and is not expected to have any material effect on the consolidated earnings and NA of Omesti.

## 8. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED WITH THEM

The direct and indirect shareholdings of the interested Director, namely Dato' Sri Thong ("Interested Director") and interested Persons Connected with the Director, namely Insas Berhad, IP, GAMSMB, MAL and WDPL ("Interested Persons Connected") in the Company as at the LPD are set out below:-

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
<b>Interested Director</b>				
Dato' Sri Thong	-	-	53,859,500 <sup>(a)</sup>	9.96
<b>Interested Persons Connected</b>				
Insas Berhad	-	-	53,859,500 <sup>(b)</sup>	9.96
GAMSMB	25,159,500	4.65	-	-
IP	17,500,000	3.24	-	-
MAL	7,700,000	1.42	-	-
WDPL	3,500,000	0.65	-	-

Notes:

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

<sup>(b)</sup> Deemed interest by virtue of its interests held by IP, GAMSMB, and MAL, which are subsidiaries of Insas Berhad and WDPL, an associated company of Insas Berhad pursuant to Section 8(4) of the Act.

The Interested Director has abstained and will continue to abstain from Board deliberations and voting pertaining to the Proposed Mandate.

The Interested Director and the Interested Persons Connected will abstain from voting in respect of their direct and indirect shareholdings on the Proposed Mandate at the forthcoming 23<sup>rd</sup> AGM.

In addition, the Interested Director has undertaken that he will ensure that the Persons Connected with him will abstain from voting in respect of their direct and indirect shareholdings on the resolution, deliberating or approving the Proposed Mandate at the forthcoming 23<sup>rd</sup> AGM.

Save as aforesaid, none of the other Directors or Major Shareholders or Persons Connected with them has any interest direct or indirect in the Proposed Mandate.

## 9. BOARD'S RECOMMENDATION

The Board (save for the Interested Director), having considered all aspects of the Proposed Mandate, is of the opinion that the Proposed Mandate is in the best interest of the Company and its shareholders and accordingly, recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Mandate to be tabled at the forthcoming 23<sup>rd</sup> AGM.

## 10. 23<sup>RD</sup> AGM

The Notice of the 23<sup>rd</sup> AGM to consider and if thought fit, passing the ordinary resolution pertaining to the Proposed Mandate as set out herein is also enclosed in the Annual Report 2023. The 23<sup>rd</sup> AGM will be held on Tuesday, 19 September 2023 at 3.00 p.m. as a virtual meeting via live streaming broadcast from Redwood Meeting Room, Ho Hup Tower – Aurora Place, 2-09-01 – Level 9, Plaza Bukit Jalil, No. 1, Persiaran Jalil 1, Bandar Bukit Jalil, 57000 Kuala Lumpur.

If you are unable to attend and vote in person at the forthcoming 23<sup>rd</sup> AGM, and wish to appoint a proxy to attend and vote in your stead, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions contained therein as soon as possible and in any event, so as to arrive at the Company's Registered Office at Ho Hup Tower – Aurora Place, 2-07-01 – Level 7, Plaza Bukit Jalil, No. 1, Persiaran Jalil 1, Bandar Bukit Jalil, 57000 Kuala Lumpur not less than 48 hours before the time for the 23<sup>rd</sup> AGM or adjourned meeting or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking of the poll.

The Form of Proxy may be submitted electronically via the Portal at <https://agm.omesti.com> (please refer to Step 3 of the Administrative Guide for more details) or by email to [osem@quadrantbiz.co.](mailto:osem@quadrantbiz.co.), by fax to +603 9779 1701/02 or by post to the above Registered Office address no later than **Monday, 18 September 2023 at 3.00 p.m.**

The lodging of the Form of Proxy will not preclude you from attending, participating, speaking (in the form of real-time submission of typed texts) and voting remotely at the forthcoming 23<sup>rd</sup> AGM, should you subsequently wish to do so.

## 11. FURTHER INFORMATION

Shareholders of Omesti are advised to refer to the attached Appendix I for further information.

Yours faithfully,  
For and on behalf of the Board of  
**OMESTI BERHAD**

**YAM Tunku Zain Al-'Abidin Ibni Tuanku Muhriz**  
Chairman/Independent Non-Executive Director

**FURTHER INFORMATION**

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**1. RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board of Omesti who collectively and individually accept full responsibility for the accuracy and correctness of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Statement/Circular false or misleading.

**2. MATERIAL LITIGATION**

Save as disclosed below, as at the LPD, to the best knowledge of the Board, neither Omesti nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which may have a material effect on the financial position or business of Omesti Group, and the Board is not aware of any proceedings, pending or threatened, or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Omesti Group:

- (i) Kuala Lumpur High Court : Civil Suit No. WA-22NCVC-196-04/2020  
Plaintiff : Foster Moore International Limited  
Defendant: Formis Network Services Sdn Bhd (“FNS”)

Omesti together with FNS, an indirect subsidiary of Omesti (collectively, the “Defendants”), had on 13 May 2020 received a writ of summons and statement of claim both dated 2 April 2020 from Foster Moore International Limited (“Plaintiff”) alleging that FNS has failed to pay the Plaintiff for works done in accordance with a master service agreement dated 20 November 2017 entered into between the Plaintiff, Omesti (as corporate guarantor to guarantee the payment obligation of FNS) and FNS. The works in question relate to the provision of services and deliverables by the Plaintiff to FNS in connection with an online register of companies solution for the Companies Commission of Malaysia (“CCM”).

The Plaintiff is seeking for, *inter alia*, the following orders from the Kuala Lumpur High Court (“the Court”):

- (a) that the Defendants jointly and severally pay the Plaintiff an outstanding sum of USD0.8 million;
- (b) interest at the rate of 1.5% per month for the sums due and owing amounting to an aggregate sum of USD0.8 million, calculated from the due date, being no later than 30 days after the date of the invoice or the date of issuance of the invoice, until the date of judgment;
- (c) post-judgment interest at the rate of 5% per annum on the judgment sum from the date of judgment until full and final settlement of the same;
- (d) costs; and
- (e) any further and other relief as the Court deems appropriate.

The Defendants filed a statement of defence and counterclaim against the Plaintiff on 10 July 2020. In the counterclaim, the Defendants are claiming for, amongst others:

- (aa) damages for overpayment to the Plaintiff; and
- (bb) license fees in the approximate sum of USD1.0 million.

The suit is presently fixed for case management on 29 August 2023 for parties to finalise pre-trial documents and update the court on the settlement negotiations and is also fixed for trial from 5 February 2024 to 7 February 2024.

The solicitors acting for and on behalf of the Defendants are of the view that the Defendants have a fair chance of defending the claim and also in succeeding with the counterclaim.

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**FURTHER INFORMATION**

- (ii) Kuala Lumpur High Court No : WA-21NCvC-27-02/2021  
Plaintiff : FNS  
Defendant : CCM

On 5 August 2019, CCM issued a termination notice (“Termination Notice”) to FNS to terminate the outsourcing agreement dated 28 November 2017 entered into between CCM and FNS (which was supplemented by a first supplemental agreement dated 28 March 2019) for the supply, implementation, training, support and maintenance of CCM’s Core Digital Registry Solution (“Outsourcing Agreement”). Pursuant to the Termination Notice, CCM alleged that FNS failed and/or neglected to complete the implementation of “Release 1” within the prescribed time frame set out in the notice of default dated 3 June 2019 issued by CCM and to fulfil all its obligations as stipulated in the Outsourcing Agreement. By reason thereof, CCM sought to terminate the Outsourcing Agreement and demanded liquidated ascertained damages in the sum of RM13.2 million from FNS.

FNS in response, via its letter dated 9 August 2019, denied CCM’s allegations and took the position, amongst others, that the Termination Notice is unlawful and premature. In this regard, FNS took the position that if CCM continues to breach the Outsourcing Agreement, FNS will be constrained to commence proceedings against CCM and the indicative sum of damages sought (which is provided by the Outsourcing Agreement) would be RM150.0 million.

The parties thereafter engaged in a dispute resolution discussions as provided for under the terms of the Outsourcing Agreement.

On 8 July 2020, CCM via its solicitors issued a letter to FNS confirming that CCM has maintained its decision to terminate the Outsourcing Agreement in accordance with the Termination Notice, as CCM believes that no amicable solution can be reached between the parties.

FNS maintains the position that it is not in default of the Outsourcing Agreement and had filed a writ and statement of claim (“SOC”) on 11 February 2021 against CCM seeking the following:-

- (a) An order by way of specific performance of the Outsourcing Agreement;
- (b) Damages in lieu of the specific performance to be assessed by the Court;
- (c) Alternatively, damages to be assessed and/or sums to be determined for quantum meruit;
- (d) Alternatively, an order that the sum of RM128,178,067.84 be paid by the Defendant to the Plaintiff, as particularised in the SOC;
- (e) Further and/or in the alternative, damages to be assessed and/or sums to be determined in relation to the issue of unjust enrichment as pleaded in the SOC;
- (f) A declaration that the source code and/or intellectual property and/or confidential information as particularised in the SOC is property belonging to the Plaintiff;
- (g) An Order that the Defendant deliver up the source code and/or intellectual property and/or confidential information which is in the custody, possession or control of the Defendant to the Plaintiff within 7 days from the date of the order;
- (h) An injunction to restrain the Defendant either through its agents and/or servants and/or otherwise howsoever from using and/or distributing and/or sharing and/or publishing the source code and/or intellectual property and/or confidential information belonging to the Plaintiff and/or any part thereof for any purpose;
- (i) Damages, whether general and/or aggravated and/or exemplary, to be assessed by the Court as against the Defendant;
- (j) Interest at such rate and for such period as the Court deems fit and just in respect of the damages so awarded and assessed as aforesaid;
- (k) An order that the Defendant do pay the Plaintiff the damages so awarded and assessed together with the interest thereto as awarded aforesaid;
- (l) Costs;
- (m) Interest on such costs awarded at such rate and for such period as the Court deems fit and just; and
- (n) Such further and/or other reliefs which the Court deems fit and just.

CCM served their defence and counterclaim on FNS on 30 March 2021, claiming amongst others:-



**FURTHER INFORMATION**

- (a) RM 49,298,651.00 for liquidated ascertained damages (“LAD”) allegedly owing by FNS to CCM due to delays and costs for the payment of licensing which CCM would not have had to allegedly incur, had the Core Project been completed as per the agreed timeline under the Outsourcing Agreement;
- (b) Damages - to be assessed by Court;
- (c) Interests on all sums allegedly due;
- (d) Costs; and
- (e) An order for the delivery of all the content, materials, designs, specifications, records, accounts, detailed report, data, document and any other information belonging to the CCM by FNS.

FNS had filed and served its reply to CCM’s defence and counterclaim on 12 May 2021 denying and disputing CCM’s defence and counterclaim.

The Court has fixed this matter for a Trial on 18 and 19 September 2023 & 2, 3 and 7 November 2023.

The solicitors acting for and on behalf of FNS are of the view that FNS has a fair chance of succeeding in the claim and also in defending the counterclaim.

**3. MATERIAL CONTRACTS**

Save disclosed below, the Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the 2 years immediately preceding the date of this Circular:

- (i) Omesti’s wholly-owned subsidiary, OHB, had on 10 November 2021 entered into the following agreements:-
  - (a) Share Sale Agreement (“SSA”) with Lee Kong Kheong (“LKK”) and Lim Bee Eng (“LBE”) to acquire 70% of the entire equity interest in the following companies:-

No.	Name of Companies	Names of Vendors	No. of Sale Shares and %	Consideration (RM)
1.	Be Med Sdn Bhd (“BMed”)	LKK	35,000 (1.17%)	548,000
		LBE	2,065,000 (68.83%)	7,261,000
		<b>Total</b>	<b>2,100,000 (70.00%)</b>	<b>7,809,000</b>
2.	Bemed Ventures Sdn Bhd (“BVSb”)	LKK	35,000 (35.00%)	737,000
		LBE	35,000 (35.00%)	737,000
		<b>Total</b>	<b>70,000 (70.00%)</b>	<b>1,474,000</b>
3.	BB Boss Sdn Bhd (“BBoss”)	LKK	238,000 (59.50%)	2,867,000
		LBE	42,000 (10.50%)	506,000
		<b>Total</b>	<b>280,000 (70.00%)</b>	<b>3,373,000</b>

**FURTHER INFORMATION**

- (b) SSA with Bemed Holding Sdn Bhd (“**BHSB**”) to acquire 70% of the entire equity interest in the following companies:-

No.	Name of Companies	Names of Vendors	No. of Sale Shares and %	Consideration (RM)
1.	Bemed (ITT) Sdn Bhd (“ <b>BITT</b> ”)	BHSB	280,000 (70%)	156,000
2.	Bemed (PTJ) Sdn Bhd (“ <b>BPTJ</b> ”)	BHSB	70 (70%)	839,000
3.	Bemed Pharma Sdn Bhd (“ <b>BPSB</b> ”)	BHSB	70 (70%)	742,000
4.	Bemed Healthcare Sdn Bhd (“ <b>BHealthcare</b> ”)	BHSB	700 (70%)	189,000

- (c) SSA with BVSB and Foo Chee Keong (“**FCK**”) to acquire a total of 70,000 ordinary shares in Bemed Lagenda Sdn Bhd (“**BLSB**”), representing 70% of the total number of issued shares in BLSB as follows:-

No.	Name of Company	Names of Vendors	No. of Sale Shares and %	Consideration (RM)
1.	BLSB	BVSB	35,000 (35%)	358,000
		FCK	35,000 (35%)	358,000
		<b>Total</b>	<b>70,000 (70%)</b>	<b>716,000</b>

- (d) SSA with Ho Yuet Wah Brigitte (“**HYWB**”) and BHSB to acquire a total of 140,000 ordinary shares in Bemed Matahari Sdn Bhd (“**BMSB**”), representing 70% of the total number of issued shares in BMSB as follows:-

No.	Name of Company	Names of Vendors	No. of Sale Shares and %	Consideration (RM)
1.	BMSB	HYWB	56,000 (28%)	201,000
		BHSB	84,000 (42%)	301,000
		<b>Total</b>	<b>140,000 (70%)</b>	<b>502,000</b>

- (e) Shareholders’ Agreement (“**SA**”) in respect of BMed with BHSB and LBE to record their commitments and otherwise regulate their rights as shareholders of BMed;
- (f) SA in respect of BITT, BPTJ, BHealthcare, BPSB, BVSB and BBoss with BHSB to record their certain commitments and otherwise regulate their rights as shareholders of BITT, BPTJ, BHealthcare, BPSB, BVSB and BBoss;
- (g) SA in respect of BLSB with BHSB and FCK to record their commitments and otherwise regulate their rights as shareholders of BLSB;
- (h) SA in respect of BMSB with BHSB and HYWB to record their commitments and otherwise regulate their rights as shareholders of BMSB; and

## FURTHER INFORMATION

- (i) Profit Guarantee Agreement with LBE (the “Guarantor”) for the Guarantor to guarantee that the actual aggregate audited consolidated profit after tax (“PAT”) of the Target Companies (as defined below) for the financial year ending (FYE) 31 March 2022, 31 March 2023 and 31 March 2024 (“**Guaranteed Financial Years**”) shall collectively be RM9,000,000.00 with a PAT of no less than RM2,500,000.00 per Guaranteed Financial Year pursuant to the Acquisitions (as defined below).

(BMed, BVSB, BBoss, BITT, BPTJ, BPSB, BHealthcare, BLSB and BMSB are collectively referred to as the “**Target Companies**”, the SSAs referred to the above are collectively referred to as the “**Acquisitions**” and the above transactions are collectively referred to as the “**Proposals**”).

The Proposals have been completed on 28<sup>th</sup> January 2022, OHB now owns 70% of the total number of issued shares in BMed, BVSB, BBoss, BITT, BPTJ, BPSB, BHealthcare, BLSB and BMSB.

- (ii) On 19 January 2022, Omesti entered into a Heads of Agreement (HOA) with Man Yau Holdings Berhad (MYHB), a wholly-owned subsidiary of Omesti, and Microlink Solutions Berhad (Microlink), wherein Omesti and MYHB on the one hand are desirous of undertaking the transfer of certain information technology projects to Microlink on the other hand, which will comprise and involve the following:
- (a) the proposed sale and transfer by Omesti to Microlink of its rights and interests under the Telekom Malaysia Berhad Business Support System Project (TMBSSP) contracts;
- (b) the proposed sale and transfer by Omesti to Microlink of 250,000 ordinary shares in Formis Research & Development Sdn Bhd, representing 100% of its equity interest, which is carrying out certain electronic services development and maintenance projects,; and
- (c) the proposed sale and transfer by MYHB to Microlink of 10,000 ordinary shares in Omesti Assist Sdn Bhd, representing 100% of its equity interest, which is also carrying out certain electronic services development and maintenance projects.

Omesti, MYHB and Microlink had on 12 April 2022 mutually agreed to extend the effective period of the HOA for another three (3) months, subject to any further extension as may be mutually agreed upon between the Parties. The HOA had expired and lapsed on 18 July 2022 and no further extension of time had been agreed between Omesti, MYHB and Microlink.

- (iii) Joint Venture and Shareholders’ Agreement (“JVSA”) dated 2 March 2022 entered into between OHB with Tree Med Sdn Bhd (collectively referred to as the “Parties”) for the purpose of regulating the conditions for and of a joint venture company, namely, Omesti Tree Med Sdn Bhd. The purpose of the JVSA is to formalise a collaboration between the Parties and to pool resources for the common purpose of participating and bidding in tenders issued and securing projects initiated by the Ministry of Health, Malaysia.
- (iv) Joint Venture and Shareholders’ Agreement (“JVSA”) dated 7 March 2022 entered into between OHB with Medical Innovation Ventures Sdn Bhd (collectively referred to as the “Parties”) for the purpose of regulating the conditions for and of a joint venture company, namely, Medilabz Signature Sdn Bhd. The purpose of the JVSA is to formalise a collaboration between the Parties and to pool resources for establishing and operating a test laboratory capable of conducting, among others, Polymerase Chain Reaction (“PCR”) testing.
- (v) Joint Venture and Shareholders’ Agreement (“JVSA”) dated 12 July 2022 entered into between OHB with 360 Medic Holdings Sdn Bhd (collectively referred to as the “Parties”) for the purpose of regulating the conditions for and of a joint venture company, namely, Aurora 360 Sdn Bhd. The purpose of the JVSA is to formalise a collaboration between the Parties and to pool resources for establishing and operating one or more diagnostic and screening centre(s) in Malaysia.

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**FURTHER INFORMATION**

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**4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at Ho Hup Tower – Aurora Place, 2-07-01 – Level 7, Plaza Bukit Jalil, No. 1, Persiaran Jalil 1, Bandar Bukit Jalil, 57000 Kuala Lumpur during office hours from Mondays to Fridays (except public holidays) from the date of this Circular until the date of the 23<sup>rd</sup> AGM:

- (i) Constitution of Omesti;
- (ii) The audited consolidated financial statements of Omesti for the past two (2) financial years ended 31 March 2022 and 31 March 2023;
- (iii) The relevant cause papers in respect of the material litigation referred to in Section 2 above; and
- (iv) The material contract referred to in Section 3 above.

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**OMESTI BERHAD**

[Registration No. 200001028094 (530701-T)]  
(Incorporated in Malaysia)

**EXTRACT OF RESOLUTIONS TO BE TABLED AS SPECIAL BUSINESS AT THE FORTHCOMING 23<sup>RD</sup> ANNUAL GENERAL MEETING****ORDINARY RESOLUTION 5****PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

“THAT the Company and/or its subsidiaries be and is/are hereby authorised to enter into recurrent related party transactions from time to time with Related Parties who may be a Director, a major shareholder of the Company and/or its subsidiaries or a person connected with such a Director or major shareholder, as specified in Section 2.3 of the Circular to Shareholders dated 28 July 2023 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 Malaysia Securities Berhad.

THAT the mandate given by the shareholders of the Company shall only continue to be in force until the conclusion of the next 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.”