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 advisers immediately.

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OMESTI®

OMESTI BERHAD

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

PART A

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

(I) PROPOSED SETTLEMENT OF DEBTS AMOUNTING TO RM8,500,000 OWING TO MICROLINK SOLUTIONS BERHAD THROUGH THE ISSUANCE OF UP TO 85,000,000 NEW ORDINARY SHARES IN OMESTI BERHAD ("COMPANY") ("SHARES") AT AN ISSUE PRICE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED CREDITOR SETTLEMENT");

(II) PROPOSED SETTLEMENT OF REDEEMABLE PREFERENCE SHARES IN OUR COMPANY ("RPS") AMOUNTING TO RM106,441,367 OWING TO OUR RPS HOLDERS THROUGH THE ISSUANCE OF UP TO 1,064,413,670 NEW SHARES AT AN ISSUE PRICE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED RPS SETTLEMENT");

(III) PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 789,036,071 NEW SHARES ("RIGHTS SHARES") ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 1 EXISTING SHARE, AT AN ISSUE PRICE AND HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER, TOGETHER WITH UP TO 315,614,428 FREE DETACHABLE WARRANTS IN OUR COMPANY ("WARRANTS D") ON THE BASIS OF 2 WARRANTS D FOR EVERY 5 RIGHTS SHARES SUBSCRIBED FOR ("PROPOSED RIGHTS ISSUE WITH WARRANTS");

(IV) PROPOSED PRIVATE PLACEMENT OF UP TO 456,465,000 NEW SHARES, REPRESENTING UP TO 15% OF THE TOTAL ENLARGED NUMBER OF ISSUED SHARES (EXCLUDING TREASURY SHARES, IF ANY), TO THIRD PARTY INVESTOR(S) AT AN ISSUE PRICE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED PRIVATE PLACEMENT"); AND

(V) PROPOSED REDUCTION OF RM200,000,000 OF THE ISSUED SHARE CAPITAL OF OUR COMPANY PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016 ("PROPOSED SHARE CAPITAL REDUCTION"),

CIRCULAR TO RPS HOLDERS IN RELATION TO THE PROPOSED RPS SETTLEMENT AND PROPOSED SHARE CAPITAL REDUCTION

PART B

INDEPENDENT ADVICE LETTER FROM SIERAC CORPORATE ADVISERS SDN BHD TO OUR NON-INTERESTED SHAREHOLDERS IN RELATION TO THE PROPOSED CREDITOR SETTLEMENT

PART C

INDEPENDENT ADVICE LETTER FROM SIERAC CORPORATE ADVISERS SDN BHD TO OUR NON-INTERESTED SHAREHOLDERS AND NON-INTERESTED RPS HOLDERS IN RELATION TO THE PROPOSED RPS SETTLEMENT

AND

NOTICES OF EXTRAORDINARY GENERAL MEETING AND RPS HOLDERS' MEETING

Adviser for Part A

TA SECURITIES
AN UNWAVERING COMMITMENT

TA SECURITIES HOLDINGS BERHAD
(Registration No.: 197301001467 (14948-M))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Independent Adviser for Part B & Part C

sierac
corporate advisers

SIERAC CORPORATE ADVISERS SDN BHD
(Registration No. 200001013247 (0515853-A))

The Notices of Extraordinary General Meeting ("**EGM**") and RPS holders' meeting, together with the Form(s) of Proxy are enclosed in this Circular. The details of our EGM and RPS holders' meeting are as follows:

Venue of our EGM and RPS holders' meeting	:	Banquet Hall, Royal Lake Club Kuala Lumpur, Taman Tasek Perdana, Jalan Cenderamulia, Off Jalan Parlimen, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia
Date and time of our EGM	:	Wednesday, 24 September 2025 at 10:30 a.m. or at any adjournment thereof
Last date and time for lodging the Form of Proxy for the EGM	:	Tuesday, 23 September 2025 at 10:30 a.m.
Date and time of our RPS holders' meeting	:	Wednesday, 24 September 2025 at 11:00 a.m. or immediately after the conclusion or adjournment (as the case may be) of our EGM which will be held on the same date at the same venue, whichever shall be the later, or at any adjournment thereof
Last date and time for lodging the Form of Proxy for the RPS holders' meeting	:	Tuesday, 23 September 2025 at 11:00 a.m. or at any adjournment thereof

You are entitled to attend and vote at our EGM and/or RPS holders' meeting or appoint a proxy or proxies to attend and vote on your behalf. The completed Form(s) of Proxy should be lodged at the office of the Share Registrar of our Company, Bina Management (M) Sdn Bhd, at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia or email directly to binawin@binamg168.com not less than 24 hours before the time of our EGM and RPS holders' meeting or any adjournment thereof. The Form(s) of Proxy once deposited will not preclude you from attending and voting in person at our EGM and/or RPS holders' meeting should you subsequently wish to do so.

This Circular is dated 2 September 2025

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular and the accompanying appendices:

"Act"	:	Companies Act 2016
"Additional Warrants C"	:	Up to 42,145,656 additional Warrants C to be issued resulting from the Adjustments
"Adjustments"	:	Adjustments to the exercise price and number of outstanding Warrants C pursuant to the Proposed Rights Issue with Warrants according to the provisions of the Deed Poll C
"Announcement"	:	Announcement in relation to the Proposals dated 6 June 2025
"Base Case Scenario (Placement)"	:	Issuance of up to 334,613,900 Placement Shares, representing up to 15% of the total enlarged number of issued Shares (excluding treasury shares), after taking into consideration: (i) existing 540,673,135 Shares as at the LPD; (ii) assuming none of the 248,362,936 outstanding Warrants C are exercised into new Shares; (iii) assuming issuance of 85,000,000 Shares pursuant to the Proposed Creditor Settlement; (iv) assuming issuance of 1,064,413,670 Shares pursuant to the Proposed RPS Settlement; (v) assuming full subscription of 540,673,135 Rights Shares by all the Entitled Shareholders pursuant to the Proposed Rights Issue with Warrants; and (vi) assuming none of the 216,269,254 Warrants D are exercised into new Shares, prior to the implementation of the Proposed Private Placement
"Base Case Scenario (RIWW)"	:	Issuance of up to 540,673,135 Rights Shares together with up to 216,269,254 Warrants D, after taking into consideration: (i) none of the 248,362,936 outstanding Warrants C are exercised into new Shares prior to the Entitlement Date; and (ii) all Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) subscribe in full for their entitlements under the Proposed Rights Issue with Warrants
"Board"	:	Board of Directors of our Company
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"Circular"	:	This circular dated 2 September 2025 to our shareholders in relation to the Proposals and our RPS holders in relation to the Proposed RPS Settlement and Proposed Share Capital Reduction
"Code"	:	Malaysian Code on Take-overs and Mergers 2016
"Conditions Precedent Period"	:	6 months from the date of the Settlement Agreement or any extended period of time as may be mutually agreed upon in writing by the parties pursuant to the Settlement Agreement

"Court"	:	High Court of Malaya
"Creditor Settlement Shares"	:	Up to 85,000,000 new Shares to be issued by our Company pursuant to the Proposed Creditor Settlement
"Deed Poll C"	:	Deed poll dated 16 February 2021 constituting the Warrants C
"Deed Poll D"	:	Deed poll constituting the Warrants D and governing the rights of the Warrant D holders to be executed by our Company
"Director"	:	A natural person who holds a directorship in our Company, whether in an executive or non-executive capacity, and shall have the meaning given in subsection 2(1) of the Capital Markets and Services Act 2007 and subsection 2(1) of the Act
"e-Courts"	:	Electronic courts
"e-Courts Phase 3 Project"	:	A project awarded by the Legal Affairs Division of the Prime Minister's Department (Bahagian Hal Ehwal Undang-Undang) (BHEUU) via a LA dated 18 February 2025, for the development, installation, configuration, implementation, maintenance, support, and enhancement of application systems and ICT infrastructure upgrades for phase 3 of the e-Courts system in the courts of Peninsular Malaysia, for a period of 3 years, commencing from 1 March 2025 to 29 February 2028, with a total project value of approximately RM70.54 million
"EGM"	:	Extraordinary general meeting
"Entitlement Date"	:	A date to be determined and announced later by our Board after procuring shareholders' approval at our EGM, on which the names of the shareholders of our Company must appear in the Record of Depositors of our Company as at 5.00 p.m. in order to be entitled to participate in the Proposed Rights Issue with Warrants
"Entitled Shareholders"	:	Shareholders of our Company whose names appear in the Record of Depositors of our Company as at the close of business on the Entitlement Date in order to be entitled to participate in the Proposed Rights Issue with Warrants
"Excess Rights Shares"	:	Any Rights Shares with Warrants D which are not taken up or not validly taken up by our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable)
"EPS"	:	Earnings per Share
"FNS"	:	Formis Network Services Sdn Bhd, an indirect 49%-owned subsidiary of our Company (controlled by OHB pursuant to Malaysian Financial Reporting Standard 10: Consolidated Financial Statements through OHB's ability to direct the financial and operating activities of FNS via common personnel between OHB and FNS, being Mohamed Maharoof Bin Vaheed and Nurman Rummel Bin Sanusi, who serve as directors of both OHB and FNS). The remaining 51% equity interest in FNS is held by Yayasan Anaho
"FPE"	:	Financial period ended
"FYE"	:	Financial year ended/ending, as the case may be
"GAMSB"	:	Gryphon Asset Management Sdn Bhd, a substantial shareholder of our Company

"Gerard"	:	Monteiro Gerard Clair, an Executive Director and substantial shareholder of our Company
"GP"	:	Gross profit
"Ho Hup"	:	Ho Hup Construction Company Berhad, a former indirect associated company of our Company. As at the LPD, our Company holds an equity interest of 11.27% in Ho Hup
"IAL"	:	Independent advice letter
"ICT"	:	Information and communication technology
"Interested Director (Creditor Settlement)"	:	Dato' Sri Thong Kok Khee
"Interested Directors (RPS Settlement)"	:	Gerard, Mah Xian-Zhen and Dato' Sri Thong Kok Khee, collectively
"Interested Major Shareholders (RPS Settlement)"	:	Dato' Mah Siew Kwok and Gerard, collectively
"Interested Parties (RPS Settlement)"	:	Interested Directors (RPS Settlement) and Interested Major Shareholders (RPS Settlement), collectively
"Interested Person(s)"	:	Directors, major shareholders or chief executive of our Company or our holding company (if applicable)
"IPSB"	:	Insas Plaza Sdn Bhd
"IT"	:	Information technology
"LA"	:	Letter of award
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	14 August 2025, being the latest practicable date prior to the printing and despatch of this Circular
"LPS"	:	Loss per Share
"LTD"	:	5 June 2025, being the last trading day prior to the Announcement
"MAL"	:	Montego Assets Limited

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"Maximum Scenario (Placement)"	:	Issuance of up to 456,465,000 Placement Shares, representing up to 15% of the total enlarged number of issued Shares (excluding treasury shares), after taking into consideration: (i) existing 540,673,135 Shares as at the LPD; (ii) assuming full exercise of 248,362,936 outstanding Warrants C into 248,362,936 Shares; (iii) assuming issuance of 85,000,000 Shares pursuant to the Proposed Creditor Settlement; (iv) assuming issuance of 1,064,413,670 Shares pursuant to the Proposed RPS Settlement; (v) assuming full subscription of 789,036,071 Rights Shares by all the Entitled Shareholders pursuant to the Proposed Rights Issue with Warrants; and (vi) assuming full exercise of 315,614,428 Warrants D into 315,614,428 Shares, prior to the implementation of the Proposed Private Placement
"Maximum Scenario (RIWW)"	:	Issuance of up to 789,036,071 Rights Shares together with up to 315,614,428 Warrants D, after taking into consideration: (i) all of the 248,362,936 outstanding Warrants C are exercised into up to 248,362,936 new Shares prior to the Entitlement Date; and (ii) all Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) subscribe in full for their entitlements under the Proposed Rights Issue with Warrants
"Maximum Scenario (Settlement)"	:	Assuming all of the 248,362,936 outstanding Warrants C are exercised into up to 248,362,936 new Shares prior to the issuance of Creditor Settlement Shares and/or RPS Settlement Shares
"Microlink"	:	Microlink Solutions Berhad, in which our Company holds an equity interest of 17.18% as at the LPD
"Minimum Scenario (Placement)"	:	Issuance of up to 81,100,900 Placement Shares, representing up to 15% of the existing number of issued Shares of 540,673,135 (excluding Treasury Shares) as at the LPD
"Minimum Scenario (RIWW)" or "Minimum Subscription Level"	:	Issuance of 212,326,530 Rights Shares together with 84,930,612 Warrants D, after taking into consideration: (i) none of the 248,362,936 outstanding Warrants C are exercised into new Shares prior to the Entitlement Date; (ii) subscription by the Undertaking Shareholders pursuant to the Undertakings and subscription by the underwriter(s) to be identified and appointed later pursuant to the Underwriting, to raise a minimum gross proceeds of RM16.99 million, based on an indicative issue price of RM0.08 per Rights Share; and (iii) no other Entitled Shareholders subscribe for their entitlements under the Proposed Rights Issue with Warrants
"Minimum Scenario (Settlement)"	:	Assuming none of the 248,362,936 outstanding Warrants C are exercised into new Shares prior to the issuance of Creditor Settlement Shares and/or RPS Settlement Shares
"MOF"	:	Ministry of Finance Malaysia

"NA"	:	Net assets attributable to owners of our Company
"OHB"	:	Omesti Holdings Berhad, a wholly-owned subsidiary of our Company
"Omesti" or "Company"	:	Omesti Berhad
"Omesti Group" or "Group"	:	Our Company and our subsidiaries, collectively
"Omesti Shares" or "Shares"	:	Ordinary shares in our Company
"Order"	:	An order by the High Court of Malaya which will be sought to confirm the Proposed Share Capital Reduction
"Outstanding Sum as at LPD"	:	Total outstanding balance of RM30.03 million owing by our Company to Microlink as at the LPD in relation to the provision of system integration and related services undertaken by Microlink as a turnkey contractor for the TM Project awarded by our Company
"PAT / (LAT)"	:	Profit / (Loss) after taxation
"PBT / (LBT)"	:	Profit / (Loss) before taxation
"Placee(s)"	:	Independent third-party Bumiputera investor(s) (individuals and/or entities) who qualify under Schedules 6 and 7 of the Capital Markets and Services Act, 2007, to be identified at a later date
"Placement Shares"	:	Up to 456,465,000 new Shares to be issued our Company pursuant to the Proposed Private Placement
"Price-fixing Date"	:	The date on which the issue price of the Creditor Settlement Shares, RPS Settlement Shares, and Rights Shares is determined and fixed by our Board, prior to the announcement of the Entitlement Date
"Price-fixing Date (Placement)"	:	The date on which the issue price of the Placement Shares will be determined and announced by our Board at a later date, after Bursa Securities' approval for the Proposed Private Placement and upon the completion of the Proposed Creditor Settlement, Proposed RPS Settlement and Proposed Rights Issue with Warrants
"Proposals"	:	Proposed Creditor Settlement, Proposed RPS Settlement, Proposed Rights Issue with Warrants, Proposed Private Placement and Proposed Share Capital Reduction, collectively
"Proposed Creditor Settlement"	:	Proposed settlement of debts amounting to RM8,500,000 owing by our Company to Microlink through the issuance of up to 85,000,000 Creditor Settlement Shares at an issue price to be determined and announced later by our Board
"Proposed Private Placement"	:	Proposed private placement of up to 456,465,000 Placement Shares, representing up to 15% of the total enlarged number of issued Shares (excluding treasury shares, if any), to third party investor(s) at an issue price to be determined and announced later by our Board
"Proposed Rights Issue with Warrants"	:	Proposed renounceable rights issue of up to 789,036,071 Rights Shares on the basis of 1 Rights Share for every 1 existing Share, at an issue price and held on an Entitlement Date, together with up to 315,614,428 Warrants D on the basis of 2 Warrants D for every 5 Rights Shares subscribed for

"Proposed RPS Settlement"	:	Proposed settlement of RPS amounting to RM106,441,367 owing by our Company to the holders of RPS through the issuance of up to 1,064,413,670 RPS Settlement Shares at an issue price to be determined and announced later by our Board
"Proposed Share Capital Reduction"	:	Proposed reduction of RM200,000,000 of the issued share capital of our Company pursuant to Section 116 of the Act
"Record of Depositors"	:	Record of securities holders established by Bursa Depository under the rules of Bursa Depository pursuant to the Securities Industry (Central Depositories) Act, 1991
"Rights Shares"	:	Up to 789,036,071 new Shares to be issued by our Company pursuant to the Proposed Rights Issue with Warrants
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively, the lawful currency of Malaysia
"RPS"	:	Redeemable preference shares in our Company with the maturity date on 31 March 2026
"RPS Maturity Date"	:	31 March 2026, being the maturity date of our RPS
"RPS Settlement Shares"	:	Up to 1,064,413,670 new Shares to be issued by our Company pursuant to the Proposed RPS Settlement
"Rules"	:	Rules on Take-overs, Mergers and Compulsory Acquisitions
"SC"	:	Securities Commission Malaysia
"SCA" or "Independent Adviser"	:	Sierac Corporate Advisers Sdn Bhd, being the Independent Adviser for the Proposed Creditor Settlement and Proposed RPS Settlement
"Settlement Sum"	:	Debts owing to Microlink by our Company amounting to RM8,500,000
"Settlement Agreement"	:	Settlement agreement entered into on 6 June 2025 between our Company and Microlink to settle the Settlement Sum
"SSM"	:	Suruhanjaya Syarikat Malaysia
"Supplemental Undertaking Letter"	:	The irrevocable and unconditional supplemental written undertaking dated 14 August 2025 executed by Gerard to subscribe in full for his entitlement under the Proposed Rights Issue with Warrants, and to apply and subscribe for additional Rights Shares with Warrants D not taken up by other Entitled Shareholders and/or their renouncee(s)/transferee(s) by way of Excess Rights Shares application
"TA Securities" or "Adviser"	:	TA Securities Holdings Berhad
"TEAP"	:	Theoretical ex-all price
"TM"	:	Telekom Malaysia Berhad

"TM Project"	:	On 9 April 2020, our Company received a LA from TM for the design, development, customisation, configuration, delivery, installation, integration, conversion, migration, testing, commissioning and training for TM's business support system, for a period of 2 years, with an option for an extension of up to 3 years, subject to the approval of TM's management, with a total contract sum of RM95.59 million. Subsequently, our Company and TM entered into a definitive agreement dated 17 August 2020, formalising the terms and conditions for the execution of the TM Project, commencing from 15 June 2020 to 14 June 2022. Thereafter, both parties executed a supplemental agreement dated 12 August 2021 to vary the terms of the definitive agreement dated 17 August 2020, arising from modifications to the original scope of work, with revised timelines mutually agreed upon by both parties. Following this, our Company and TM entered into an additional contract dated 17 November 2022 for the provision of related products and services in connection with the TM Project, for a period of 1 year commencing from 23 September 2022 to 22 September 2023, with a total contract sum of RM20.00 million. Subsequently, both parties entered into a supplemental agreement dated 25 September 2023 to further extent the additional contract from 23 September 2023 to 30 June 2024, with an additional contract sum of RM13.90 million (aggregate contract value to RM33.90 million)
"TM Project - Phase 1"	:	First phase of the TM Project, which involves the project management, design, development, installation, integration, data migration and testing of the business support system infrastructure and the implementation of Unifi mobile migration module
"TM Project - Phase 2"	:	Second phase of the TM Project, which involves the project management, design, development, installation, integration, data migration and testing of the business support system infrastructure and the implementation of Unifi (fixed) migration module
"TM Project - Phase 3"	:	Third phase of the TM Project, which involves the project management, design, development, installation, integration, data migration and testing of the business support system infrastructure and the implementation of TM One (fixed) migration module and TM wholesale (fixed) migration module
"TNB"	:	Tenaga Nasional Berhad
"Undertakings"	:	The irrevocable and unconditional written undertakings from the Undertaking Shareholders dated 6 June 2025 (as supplemented by the Supplemental Undertaking Letter dated 14 August 2025) to subscribe in full for their respective entitlements under the Proposed Rights Issue with Warrants, amounting to 64,272,055 Rights Shares together with 25,708,822 Warrants D, and to apply and subscribe for additional 59,604,400 Rights Shares together with 23,841,760 Warrants D not taken up by other Entitled Shareholders and/or their renouncee(s)/transferee(s) by way of Excess Rights Shares application, at an indicative issue price of RM0.08 per Rights Share, for an indicative total subscription amount of RM9.91 million *(refer to **Part A, Section 4.5** of this Circular for further details)*
"Undertaking Shareholders"	:	GAMSB (our substantial shareholder), Gerard (our Executive Director and major shareholder), IPSB, MAL and WDPL, collectively
"Underwriting"	:	Underwriting arrangement to be entered into between our Company and underwriter(s) to underwrite 88,450,075 Rights Shares together with 35,380,030 Warrants D, for a total underwriting commitment of RM7.08 million, based on an indicative issue price of RM0.08 per Rights Share, for which no irrevocable and unconditional undertaking has been obtained *(refer to **Part A, Section 4.5** of this Circular for further details)*

"VWAP"	:	Volume-weighted average market price
"Warrants C"	:	248,362,936 outstanding warrants 2021/2026 of our Company as constituted by the Deed Poll C, exercisable at RM0.50 each into 248,362,936 new Shares and expiring on 31 March 2026
"Warrants D"	:	Up to 315,614,428 free detachable warrants in our Company to be issued pursuant to the Proposed Rights Issue with Warrants
"WDPL"	:	Winfields Development Pte Ltd

All references to "we", "us", "our" and "ourselves" are to our Company, or where the context requires, are to our Group or any of our subsidiaries. All references to "you" and "your" in this Circular are to our shareholders, who are entitled to attend and vote at our EGM.

In this Circular, words referring to the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated. Any discrepancies in the tables included in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding.

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TABLE OF CONTENTS

		PAGE
EXECUTIVE SUMMARY		**xi**
PART A		
LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSALS AND OUR RPS HOLDERS IN RELATION TO THE PROPOSED RPS SETTLEMENT AND PROPOSED SHARE CAPITAL REDUCTION CONTAINING:		
(1)	**INTRODUCTION**	**1**
(2)	**PROPOSED CREDITOR SETTLEMENT**	**3**
(3)	**PROPOSED RPS SETTLEMENT**	**11**
(4)	**PROPOSED RIGHTS ISSUE WITH WARRANTS**	**13**
(5)	**PROPOSED PRIVATE PLACEMENT**	**27**
(6)	**PROPOSED SHARE CAPITAL REDUCTION**	**30**
(7)	**FUND-RAISING EXERCISE UNDERTAKEN IN THE PAST 5 YEARS**	**31**
(8)	**RATIONALE FOR THE PROPOSALS**	**32**
(9)	**INDUSTRY OUTLOOK AND FUTURE PROSPECTS**	**35**
(10)	**RISK FACTORS**	**45**
(11)	**EFFECTS OF THE PROPOSALS**	**46**
(12)	**HISTORICAL SHARE PRICES**	**59**
(13)	**HIGHEST PERCENTAGE RATIO**	**60**
(14)	**APPROVALS REQUIRED**	**60**
(15)	**CONDITIONALITY**	**61**
(16)	**CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION**	**61**
(17)	**INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM**	**62**
(18)	**TRANSACTIONS WITH THE SAME RELATED PARTIES IN THE PRECEDING 12 MONTHS**	**66**
(19)	**DIRECTORS' STATEMENT AND RECOMMENDATION**	**66**
(20)	**AUDIT & RISK MANAGEMENT COMMITTEE'S STATEMENT**	**66**
(21)	**ESTIMATED TIMEFRAME FOR COMPLETION**	**67**
(22)	**ADVISERS**	**68**
(23)	**EGM AND RPS HOLDERS' MEETING**	**68**
(24)	**FURTHER INFORMATION**	**69**

PART B

INDEPENDENT ADVICE LETTER FROM SCA TO OUR NON-INTERESTED SHAREHOLDERS IN RELATION TO THE PROPOSED CREDITOR SETTLEMENT **70**

PART C

INDEPENDENT ADVICE LETTER FROM SCA TO OUR NON-INTERESTED SHAREHOLDERS AND NON-INTERESTED RPS HOLDERS IN RELATION TO THE PROPOSED RPS SETTLEMENT **106**

APPENDICES

I	**SALIENT TERMS OF THE SETTLEMENT AGREEMENT**	**139**
II	**SALIENT TERMS OF THE RPS**	**141**
III	**INDICATIVE SALIENT TERMS OF THE WARRANTS D**	**144**
IV	**COMPUTATION OF ADJUSTMENTS TO WARRANTS C PURSUANT TO THE PROPOSED RIGHTS ISSUE WITH WARRANTS**	**146**
V	**FURTHER INFORMATION**	**148**
VI	**OTHER INFORMATION**	**151**

NOTICE OF EGM **ENCLOSED**

NOTICE OF RPS HOLDERS' MEETING **ENCLOSED**

FORM OF PROXY FOR EGM **ENCLOSED**

FORM OF PROXY FOR RPS HOLDERS' MEETING **ENCLOSED**

PART A

LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSALS AND OUR RPS HOLDERS IN RELATION TO THE PROPOSED RPS SETTLEMENT AND PROPOSED SHARE CAPITAL REDUCTION

EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposals. You are advised to read this Circular in its entirety for further details of the Proposals and not to rely solely on this Executive Summary in arriving at a decision on the Proposals, as well as the Proposed RPS Settlement and Proposed Share Capital Reduction before voting at our forthcoming EGM and RPS holders' meeting, respectively.

Our Board recommends that you vote **in favour** of the resolutions in relation to the Proposals, as well as the Proposed RPS Settlement and Proposed Share Capital Reduction to be tabled at our forthcoming EGM and RPS holders' meeting, respectively.

Key information	Description	Reference
Details of the Proposals	**Proposed Creditor Settlement** On 6 June 2025, our Company entered into a Settlement Agreement with Microlink to settle the Settlement Sum payable by our Company through the issuance of up to 85,000,000 Creditor Settlement Shares to Microlink at an issue price to be determined and announced later by our Board, with a minimum issue price of RM0.10 each, subject to the terms and conditions contained in the Settlement Agreement.	Part A, Section 2
	Proposed RPS Settlement The Proposed RPS Settlement entails the settlement of RM106,441,367 owing to our RPS holders through the issuance of RPS Settlement Shares at an issue price to be determined and announced later, with a minimum issue price of RM0.10 each.	Part A, Section 3
	Proposed Rights Issue with Warrants The Proposed Rights Issue with Warrants, which is to be undertaken on a renounceable basis, entails the issuance of up to 789,036,071 Rights Shares on the basis of 1 Rights Share for every 1 existing Share, at an issue price and held on an Entitlement Date to be determined and announced later by our Board, together with up to 315,614,428 Warrants D on the basis of 2 Warrants D for every 5 Rights Shares subscribed for by our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable).	Part A, Section 4
	Proposed Private Placement The Proposed Private Placement entails the issuance of up to 456,465,000 Placement Shares, representing up to 15% of the total enlarged number of issued Shares (excluding treasury shares) based on the Maximum Scenario (Placement), to third party investor(s) at an issue price to be determined and announced later.	Part A, Section 5
	Proposed Share Capital Reduction The Proposed Share Capital Reduction entails the reduction of the issued share capital of our Company via the cancellation of the issued share capital which is lost or unrepresented by available assets of RM200,000,000 pursuant to Section 116 of the Act. The corresponding credit of RM200,000,000 arising from such cancellation will be utilised to set-off against the accumulated losses of our Company, and the remaining balance, if any, will be credited to the retained earnings of our Company, which shall be used in a manner to be determined by our Board at a later date and in the best interest of our Company as permitted by the relevant and applicable laws as well as the Listing Requirements.	Part A, Section 6

Key information	Description	Reference
Basis of determining and justification for the issue price of the Creditor Settlement Shares	The issue price is at a discount of up to 10% to the TEAP of our Shares, up to and including the last market day immediately preceding the Price-fixing Date, with a minimum issue price of RM0.10 each to be fixed and announced later by our Board at a Price-fixing Date, after taking into consideration, amongst others, the following: (i) the rationale for the Proposed Creditor Settlement as set out in **Part A, Section 8.1** of this Circular; and (ii) a discount of up to 10% to the TEAP of our Shares, up to and including the last market day immediately preceding the Price-fixing Date, with a minimum issue price of RM0.10 each was determined, after taking into consideration, amongst others, the following: (a) the opportunity cost which may potentially arise from our long outstanding amount owing to Microlink for up to approximately 3 years, which is interest-free; (b) the potential risk faced by Microlink in receiving Creditor Settlement Shares instead of cash such as economic uncertainties influenced by factors including inflation, interest rates, changes in government policies, market sentiments, liquidity of our Shares and volatility in the general equity markets; (c) the unaudited NA per Share as at 30 June 2025 of RM0.08; and (d) the prevailing market price of our Shares.	Part A, Section 2.5
Basis of determining and justification for the issue price of the RPS Settlement Shares	The issue price is at a discount of up to 10% to the TEAP of our Shares, up to and including the last market day immediately preceding the Price-fixing Date, with a minimum issue price of RM0.10 each to be fixed and announced later by our Board at a Price-fixing Date, after taking into consideration, amongst others, the following: (i) the rationale for the Proposed RPS Settlement as set out in **Part A, Section 8.2** of this Circular; and (ii) a discount of up to 10% to the TEAP of our Shares, up to and including the last market day immediately preceding the Price-fixing Date, with a minimum issue price of RM0.10 each was determined, after taking into consideration, amongst others, the following: (a) the potential risk faced by RPS holders in receiving RPS Settlement Shares as oppose to cash such as economic uncertainties influenced by factors including inflation, interest rates, changes in government policies, market sentiments, liquidity of our Shares and volatility in the general equity markets; (b) the unaudited NA per Share as at 30 June 2025 of RM0.08; and (c) the discount from the prevailing market price of our Shares to entice our RPS holders to support the Proposed RPS Settlement instead of cash redemption for all outstanding RPS by our Company on or before the RPS Maturity Date.	Part A, Section 3.2

Key information	Description	Reference
Basis and justification of determining the issue price of the Rights Shares and exercise price of the Warrants D	The issue price of the Rights Shares shall be fixed and announced later by our Board at a Price-fixing Date, after taking into consideration, amongst others, the following: (i) the amount of proceeds to be raised from the Proposed Rights Issue with Warrants, which will be channelled towards the proposed utilisation of proceeds as set out in **Part A, Section 4.7** of this Circular; (ii) the rationale for the Proposed Rights Issue with Warrants as set out in **Part A, Section 8.3** of this Circular; (iii) the prevailing market price of our Shares; and (iv) the resultant TEAP of our Shares based on the 5-day VWAP of our Shares up to and including the last trading day immediately prior to the Price-fixing Date. Our Board intends to fix the issue price of the Rights Shares such that the issue price is at a discount, within a range of 10.00% to 30.00% to the TEAP of our Shares. This was determined by our Board after taking into consideration the need for our Company to price the Rights Shares at an issue price deemed sufficiently attractive to encourage subscription of the Rights Shares and to enable our Group to raise the necessary funds to meet our funding requirements as set out in **Part A, Section 4.7** of this Circular. The Warrants D will be issued at no cost to our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable). The exercise price of Warrants D shall be fixed and announced later by our Board at a Price-fixing Date, after taking into consideration, amongst others, the following: (i) the historical price movement of our Shares; (ii) the Warrants D are exercisable at any time during the tenure of 5 years commencing on and during the date of issuance of Warrants D; and (iii) the TEAP of our Shares based on the 5-day VWAP of our Shares up to and including the last trading day prior to the Price-fixing Date. Our Board intends to fix the exercise price of Warrants D at a discount of not more than 20% to the TEAP of our Shares. This was determined by our Board after taking into consideration the need to fix an exercise price that makes the Warrants D attractive for the purposes of enhancing the subscription level of the Rights Shares and potential of Warrants D being exercised and raise additional funds for our Company for purposes as set out in **Part A, Section 4.7** of this Circular, as and when such Warrants D are exercised in the future.	Part A, Section 4.3
Basis and justification of determining the issue price of the Placement Shares	Our Board will determine and announce the issue price of the Placement Shares at a Price Fixing Date (Placement), after Bursa Securities has approved the Proposed Private Placement and upon the completion of the Proposed Creditor Settlement, Proposed RPS Settlement and Proposed Rights Issue with Warrants. Based on Paragraph 6.04(a) of the Listing Requirements, the Placement Shares will be priced at not more than 10% discount to the 5-day VWAP of Omesti Shares immediately before the Price Fixing Date (Placement).	Part A, Section 5.3

<table>
<tr><th>Key information</th><th>Description</th><th>Reference</th></tr>
<tr><td>Utilisation of proceeds</td><td>

Proposed Rights Issue with Warrants

Based on an indicative issue price of RM0.08 per Rights Share, the Proposed Rights Issue with Warrants is expected to raise gross proceeds of up to approximately RM63.12 million, which is expected to be utilised as follows:

Utilisation of proceeds	Expected timeframe for utilisation of proceeds*	Minimum Scenario (RIWW)	Base Case Scenario (RIWW)	Maximum Scenario (RIWW)
		RM'000	RM'000	RM'000
Repayment of bank borrowings	Within 6 months	15,086	15,620	15,620
Existing and future projects for our Group's business performance division	Within 36 months	-	20,734	40,603
Working capital for our Group's healthcare division	Within 36 months	-	5,000	5,000
Estimated expenses for the Proposals	Immediate	1,900	1,900	1,900
Total		**16,986**	**43,254**	**63,123**

Note:
** From the date of completion of the Proposed Rights Issue with Warrants.*

Proposed Private Placement

Based on an indicative issue price of the Placement Shares of RM0.10 each, the Proposed Private Placement is expected to raise gross proceeds of up to approximately RM45.65 million, which is expected to be utilised as follows:

Utilisation of proceeds	Expected timeframe for utilisation of proceeds*	Minimum Scenario (Placement)	Base Case Scenario (Placement)	Maximum Scenario (Placement)
		RM'000	RM'000	RM'000
Repayment to Microlink	Within 3 months	8,110	21,528	21,528
Working capital	Within 36 months	-	11,933	24,119
Total		**8,110**	**33,461**	**45,647**

Note:
** From the date of completion of the Proposed Private Placement.*

</td><td>Part A, Section 4.7</td></tr>
</table>

Key information	Description	Reference
Rationale for the Proposals	**Proposed Creditor Settlement** The Proposed Creditor Settlement is intended to partially settle the Outstanding Sum as at LPD. Our Board has considered other available options and is of the opinion that the settlement via the issuance of Creditor Settlement Shares to Microlink is the most appropriate option to partially settle the outstanding debt, for the following reasons: (i) our Group had opted not to take on bank borrowings to repay our outstanding debts in order to preserve our cash flow and liquidity to efficiently service the working capital requirements of our Group. If our Group had taken on bank borrowings for the Proposed Creditor Settlement: (a) our Group would need to comply with bank borrowing requirements such as pledging our existing assets as collateral, potentially significant covenants being imposed by banks and/or fixed payment schedules which would affect our flexibility as well as control over our assets and cash flow; and (b) our Group would incur miscellaneous fees such as legal fees and stamp duty for loan documentation as well as other processing and administrative fees in addition to interest cost. As at 30 June 2025, our Group's bank borrowings (including lease liabilities) stood at approximately RM40.47 million; (ii) the repayment to Microlink via issuance of Creditor Settlement Shares is expected to reduce our Group's debt whilst preserving our Group's cash and bank balances. As at 30 June 2025, our Group has cash and bank balances of approximately RM2.90 million (net of fixed deposits pledged with banks) which can be utilised for other purposes such as working capital and existing businesses; and (iii) the issuance of Creditor Settlement Shares is expected to further strengthen our Company's equity base as well as the NA and gearing ratio of our Group as a result of the increase in our Company's issued share capital upon the issuance of Creditor Settlement Shares.	Part A, Section 8.1
	Proposed RPS Settlement The Proposed RPS Settlement is intended to settle the amount owing to our RPS holders of RM106,441,367 prior to the RPS Maturity Date. Our Board has considered other available options and is of the opinion that the settlement via the issuance of RPS Settlement Shares to RPS holders is the most appropriate option to repay our RPS holders, for the following reasons: (i) our Group had opted not to pursue fund-raising exercises to repay our RPS holders, after considering the challenges in raising the required quantum of funds before the RPS Maturity Date; (ii) our Group had opted not to take on bank borrowings to repay our RPS holders in order to preserve our cash flow and liquidity to efficiently service the working capital requirements of our Group. If our Group had taken on bank borrowings for the Proposed RPS Settlement:	Part A, Section 8.2

Key information	Description	Reference
Rationale for the Proposals ***(cont'd)***	(a) our Group would need to comply with bank borrowing requirements such as pledging our existing assets as collateral, potentially significant covenants being imposed by banks and/or fixed payment schedules which would affect our flexibility as well as control over our assets and cash flow; and (b) our Group would incur miscellaneous fees such as legal fees and stamp duty for loan documentation as well as other processing and administrative fees in addition to annual interest expense which will negatively affect the financial performance of our Group. As at 30 June 2025, our Group's bank borrowings (including lease liabilities) stood at approximately RM40.47 million; (iii) the repayment to our RPS holders via issuance of RPS Settlement Shares is expected to reduce our Group's debt whilst preserving our Group's cash and bank balances. As at 30 June 2025, our Group has cash and bank balances of approximately RM2.90 million (net of fixed deposits pledged with banks) which can be utilised for other purposes such as working capital and existing businesses; and (iv) the issuance of RPS Settlement Shares is expected to further strengthen our Company's equity base as well as the NA and gearing ratio of our Group as a result of the increase in our Company's issued share capital upon the issuance of RPS Settlement Shares. **<u>Proposed Rights Issue with Warrants</u>** After due consideration of various types of fund-raising, our Board is of the view that the Proposed Rights Issue with Warrants is an appropriate avenue to raise the necessary funding for our Group at this juncture for the purposes as set out in **Part A, Section 4.7** of this Circular, after taking into consideration the following: (i) the Proposed Rights Issue with Warrants will strengthen the financial position and capital base of our Company, by reducing our gearing level and increasing our NA thereby providing greater financial flexibility, as illustrated in **Part A, Section 11.3** of this Circular; (ii) the Proposed Rights Issue with Warrants will enable the issuance of new Shares without diluting our shareholders' equity interest, based on the assumption that all our Entitled Shareholders subscribe in full for their respective entitlements under the Proposed Rights Issue with Warrants and exercise their Warrants D subsequently; (iii) the Proposed Rights Issue with Warrants will provide all our Entitled Shareholders with an opportunity to participate in an equity offering in our Company on a pro-rata basis and ultimately, participate in the prospects and future growth of our Group by subscribing to the Rights Shares at a discount to the TEAP of our Shares; (iv) the Proposed Rights Issue with Warrants will strengthen the capital base of our Company and enhance the overall financial position of our Group;	Part A, Section 8.2 Part A, Section 8.3

Key information	Description	Reference
Rationale for the Proposals *(cont'd)*	(v) the Proposed Rights Issue with Warrants will enable our Company to raise the requisite funds as set out in **Part A, Section 4.7** of this Circular, without incurring additional interest expense, as compared to bank borrowings, thereby minimising any potential cash outflow in respect of interest servicing; and (vi) the Warrants D attached to the Rights Shares is meant to reward and provide our Entitled Shareholders with an option to further increase their equity participation in our Company by exercising their Warrants D during the exercise period and enable them to further participate in the future growth of our Group as and when the Warrants D are exercised. The exercise of the Warrants D will also strengthen the capital base of our Company and shareholders' funds as well as potentially provide funds for our Group to finance our working capital requirements.	Part A, Section 8.3
	Proposed Private Placement The Proposed Private Placement is mainly undertaken to increase the Bumiputera shareholdings of our Company with the objective to improve the competitiveness of our Group in project tender process. Among the projects available for tender, some of the projects require a higher percentage of Bumiputera shareholdings in our Company. Hence, as part of our Group's business strategy, we seek to increase our Bumiputera shareholdings to broaden the types of projects available for our Group to tender via the issuance of new Shares to third-party Bumiputera investor(s) pursuant to the Proposed Private Placement. This move is expected to improve our Group's competitiveness and allow our Group to participate in more projects which is expected to further enhance our income stream. In addition, our Board is of the view that the Proposed Private Placement is the most appropriate avenue of fund raising as the Proposed Private Placement: (i) will enable our Group to increase the Bumiputera shareholdings in our Company; (ii) will enable our Group to raise additional funds to repay our debt owing to Microlink and fund our working capital requirements without incurring additional financing costs as compared to conventional bank borrowings; (iii) will enable our Group to improve our liquidity and financial flexibility by strengthening our financial position; and (iv) will enable our Company to further strengthen our equity base.	Part A, Section 8.4
	Proposed Share Capital Reduction The Proposed Share Capital Reduction will enable our Company and our Group to rationalise their financial positions by reducing the accumulated losses to better reflect the value of the underlying assets and the financial position of our Company and our Group. In addition, the reduction of accumulated losses is expected to enhance the credibility of both our Company and our Group with, among others, our bankers, customers, suppliers, investors and other stakeholders.	Part A, Section 8.5

Key information	Description	Reference
Approvals required	The Proposals are subject to approvals being obtained from the following: (i) Bursa Securities, for the: (a) admission of Warrants D to the Official List of the Main Market of Bursa Securities; and (b) listing of and quotation for the following on the Main Market of Bursa Securities: - Rights Shares; - Warrants D; - new Shares to be issued arising from the exercise of Warrants D; - Additional Warrants C; - new Shares to be issued arising from the exercise of Additional Warrants C; - Creditor Settlement Shares; - RPS Settlement Shares; and - Placement Shares; (ii) our shareholders at an EGM to be convened in relation to the Proposals; (iii) our RPS holders at the RPS holders' meeting to be convened in relation to the Proposed Share Capital Reduction and Proposed RPS Settlement; (iv) the Order from the Court confirming the Proposed Share Capital Reduction pursuant to Section 116 of the Act; (v) SC for the registration of the abridged prospectus in relation to the Proposed Rights Issue with Warrants; and (vi) any other relevant authorities and/or parties, if required.	Part A, Section 14
Conditionality	The Proposals are not inter-conditional upon each other. The Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by our Company.	Part A, Section 15
Directors' statement and recommendation	Our Board (save for the Interested Director (Creditor Settlement), Tan Wee Hoong and Gerard, who have abstained from deliberating and voting in respect of the Proposed Creditor Settlement as well as the Interested Directors (RPS Settlement), who have abstained from deliberating and voting in respect of the Proposed RPS Settlement), after having considered all aspects of the Proposals, including but not limited to the rationale and effects of the Proposals, the salient terms of the Settlement Agreement, and the proposed utilisation of proceeds to be raised from the Proposed Rights Issue with Warrants and Proposed Private Placement, is of the opinion that the Proposals is in the best interests of our Company. Accordingly, our Board (save for the Interested Director (Creditor Settlement), Tan Wee Hoong and Gerard, who have abstained from deliberating and voting in respect of the Proposed Creditor Settlement as well as the Interested Directors (RPS Settlement), who have abstained from deliberating and voting in respect of the Proposed RPS Settlement) recommends that you vote **in favour** of the resolution pertaining to the Proposals, as well as the Proposed RPS Settlement and Proposed Share Capital Reduction to be tabled at our forthcoming EGM and RPS holders' meeting, respectively.	Part A, Section 19

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
Malaysia

2 September 2025

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)
Monteiro Gerard Clair (Executive Director)
Mah Xian-Zhen (Non-Independent Non-Executive Director)
Tan Wee Hoong (Independent Non-Executive Director)
Syed Md Najib Bin Syed Md Noor (Independent Non-Executive Director)
Pauline Teh @ Pauline Teh Abdullah (Independent Non-Executive Director)

To: Our shareholders and our RPS holders

Dear Sir / Madam,

(I) PROPOSED CREDITOR SETTLEMENT;
(II) PROPOSED RPS SETTLEMENT;
(III) PROPOSED RIGHTS ISSUE WITH WARRANTS;
(IV) PROPOSED PRIVATE PLACEMENT; AND
(V) PROPOSED SHARE CAPITAL REDUCTION

1. INTRODUCTION

On 6 June 2025, TA Securities had, on behalf of our Board, announced that our Company proposed to undertake the Proposals.

As at the date of the Announcement, the Proposed Creditor Settlement was not deemed as a related party transaction. On 29 August 2025, TA Securities had, on behalf of our Board, announced that, following the subsequent emergence of the Interested Director (Creditor Settlement) as a major shareholder of Microlink upon the completion of Microlink's rights issue with warrants on 29 July 2025, as set out in **Part A, Section 17.1** of this Circular, the Proposed Creditor Settlement is deemed as a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements. In addition, in view of the interests of the Interested Parties (RPS Settlement) as set out in **Part A, Section 17.2** of this Circular, the Proposed RPS Settlement is also deemed as a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements.

Accordingly, SCA has been appointed by our Company as the Independent Adviser to advise our non-interested shareholders in relation to the Proposed Creditor Settlement and Proposed RPS Settlement, as well as our non-interested RPS holders in relation to the Proposed RPS Settlement, on whether the Proposed Creditor Settlement and Proposed RPS Settlement are fair and reasonable and whether the transactions are to the detriment of our non-interested shareholders and non-interested RPS holders.

The IAL from SCA to our non-interested shareholders in relation to the Proposed Creditor Settlement is set out in **Part B** of this Circular.

The IAL from SCA to our non-interested shareholders and non-interested RPS holders in relation to the Proposed RPS Settlement is set out in **Part C** of this Circular.

Further details of the Proposals are set out in the ensuing sections.

On 13 August 2025, TA Securities had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 12 August 2025, granted its approval for the following:

(a) admission of up to 315,614,428 Warrants D to the Official List of the Main Market of Bursa Securities; and

(b) listing of and quotation for the following on the Main Market of Bursa Securities:

- up to 789,036,071 Rights Shares;
- up to 315,614,428 Warrants D;
- up to 315,614,428 new Shares to be issued arising from the exercise of Warrants D;
- up to 42,145,656 Additional Warrants C;
- up to 42,145,656 new Shares to be issued arising from the exercise of Additional Warrants C;
- up to 85,000,000 Creditor Settlement Shares;
- up to 1,064,413,670 RPS Settlement Shares; and
- up to 456,465,000 Placement Shares.

The approval of Bursa Securities is subject to the conditions as set out in **Part A, Section 14** of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS AND TO SET OUT THE VIEWS AND RECOMMENDATION OF OUR BOARD AS WELL AS TO SEEK OUR SHAREHOLDERS' APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS AND OUR RPS HOLDERS' APPROVAL FOR THE PROPOSED RPS SETTLEMENT AND PROPOSED SHARE CAPITAL REDUCTION, WHICH WILL BE TABLED AT OUR FORTHCOMING EGM AND RPS HOLDERS' MEETING, RESPECTIVELY. THE NOTICES OF EGM AND RPS HOLDERS' MEETING TOGETHER WITH THE RESPECTIVE FORMS OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM.

RPS HOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED RPS SETTLEMENT AND PROPOSED SHARE CAPITAL REDUCTION TO BE TABLED AT OUR FORTHCOMING RPS HOLDERS' MEETING.

2. PROPOSED CREDITOR SETTLEMENT

2.1 Details of the Proposed Creditor Settlement

On 6 June 2025, our Company entered into a Settlement Agreement with Microlink to settle the Settlement Sum payable by our Company through the issuance of up to 85,000,000 Creditor Settlement Shares to Microlink at an issue price to be determined and announced later by our Board, with a minimum issue price of RM0.10 each, subject to the terms and conditions contained in the Settlement Agreement. The salient terms of the Settlement Agreement are set out in **Appendix I** of this Circular.

As at the LPD, our Company has an outstanding balance of RM30.03 million owing to Microlink. The outstanding amount owing is primarily arising from the provision of system integration and related services by Microlink as a turnkey contractor for the TM Project awarded by our Company through a series of purchase orders ("**PO**") issued since 2020, details of which are set out in **Part A, Section 2.3** of this Circular.

Microlink has made multiple verbal attempts to engage with our Company to request settlement of the outstanding balances since June 2024, following the full provision of its services. Notwithstanding the multiple engagements, our Group continue to face challenges in meeting the demand of Microlink due to cash flow constraints (as detailed in **Part A, Section 2.3** of this Circular) as well as our ongoing efforts to restructure our financial position, prioritised preserving cash flow for the repayment of borrowings to financial institutions (which were mainly used to finance our working capital requirements) and meet our financial commitments. Nevertheless, our Company remains committed to repay the outstanding obligations through a combination of the Proposed Creditor Settlement, proceeds to be raised from the Proposed Private Placement (refer to **Part A, Section 5.5** of this Circular for further details), internally generated funds of our Group and/or bank borrowings, of which the breakdown yet to be determined at this juncture.

The Proposed Creditor Settlement entails a partial settlement to the Outstanding Sum as at LPD, through the issuance of Creditor Settlement Shares at an issue price to be determined and announced later, as follows:

Amount as at 31 March 2024 (Audited) RM	Outstanding Sum as at LPD RM	Settlement Sum RM	Amount outstanding after the Proposed Creditor Settlement RM	No. of Creditor Settlement Shares to be issued
30,270,087[(1)]	30,028,379	8,500,000[(2)]	21,528,379[(2)]	85,000,000[(3)]

Notes:

(1) The amount of RM30.27 million owing to Microlink as at 31 March 2024 was recognised under amounts owing to related parties in our Company's audited statements of financial position as at 31 March 2024. This classification follows the reclassification of our investment in an associate, Microlink to non-current asset held for sale on 31 March 2024. The reclassification was made upon our Board's approval in view of our Group's efforts to dispose of our shares in Microlink via the identification of potential purchasers.

(2) The settlement amount of RM8.50 million was mutually agreed upon by our Company and Microlink through the execution of Settlement Agreement, as Microlink is only willing to accept partial settlement in Shares in order to mitigate its exposure to market risk arising from the Creditor Settlement Shares and remaining balances to be fully settled in cash. As such, the remaining balance of the Outstanding Sum as at LPD of approximately RM21.53 million is proposed to be settled in cash by our Company upon completion of the Proposed Creditor Settlement, via a combination of proceeds to be raised from the Proposed Private Placement, internally generated funds of our Group, and/or bank borrowings, subject to further mutual agreement between both parties.

(3) Based on an indicative issue price of RM0.10 per Creditor Settlement Share.

As at the LPD, our Company does not hold any treasury shares and has:

(i) an issued share capital of RM279,794,933 comprising 540,673,135 Shares;

(ii) 248,362,936 outstanding Warrants C; and

(iii) 106,441,367 units of RPS.

2.2 Information on Microlink

Microlink was incorporated in Malaysia on 7 July 2003 under the Companies Act 1965 as a private limited company under the name of M-Cape Holdings Sdn Bhd and is deemed incorporated under the Act. On 22 September 2004, its name was changed to Microlink Solutions Sdn Bhd and subsequently on 4 March 2005, it was converted into a public limited company as Microlink Solutions Berhad. It was listed on the MESDAQ Market of Bursa Securities on 23 June 2006 (now known as ACE Market of Bursa Securities) and subsequently on 27 February 2023 transferred the listing of and quotation for the entire issued share capital of Microlink from the ACE Market to the Main Market of Bursa Securities.

Microlink is principally involved in investment holding and provision of research and development on IT solutions to the financial services industry. Its subsidiaries are involved in provision of IT solutions, research and development for IT solutions, deployment services, consultancy services in IT services, system integration services, distribution and maintenance of computer hardware and software.

As at the LPD, the issued share capital of Microlink is RM252,051,219 comprising 1,608,594,232 ordinary shares.

The substantial shareholders of Microlink as well as their respective shareholdings in Microlink as at the LPD (based on publicly available information extracted from Bursa Securities' website) are as follows:

Name	Place of incorporation / Nationality	Direct		Indirect	
		No. of ordinary shares	(%)[1]	No. of ordinary shares	(%)[1]
OHB	Malaysia	276,397,900	17.18	-	-
IPSB	Malaysia	180,150,000	11.20	-	-
MAL	Virgin Islands, British	161,550,000	10.04	-	-
Media Lang Limited	Hong Kong	187,442,800	11.65	-	-
RHB Trustees Berhad - Kenanga Islamic Absolute Return Fund	Malaysia	100,450,000	6.24	-	-
Citigroup Nominees (Tempatan) Sdn Bhd - Exempt an for Kenanga Investors Berhad	Malaysia	132,406,000	8.23		
Gading Sari Ventures Sdn Bhd	Malaysia	106,250,000	6.61	-	-
Dato' Sri Thong Kok Khee	Malaysian	-	-	529,143,850[2]	32.90
Insas Berhad	Malaysia	-	-	529,142,800[3]	32.90
Omesti	Malaysia	-	-	276,397,900[4]	17.18
Insas Technology Berhad	Malaysia	-	-	187,442,800[5]	11.65
Southgroup Investments Limited	Hong Kong	-	-	161,550,000[6]	10.04
Gading Sari Holdings Sdn Bhd	Malaysia	-	-	106,250,000[7]	6.61
KBYMM Al-Sultan Abdullah Ibni Sultan Haji Ahmad Shah	Malaysian	-	-	106,250,000[8]	6.61

Notes:

(1) Based on 1,608,594,232 ordinary shares in Microlink.

(2) Deemed interested by virtue of his interest in Insas Berhad (deemed interested by virtue of its interests in MAL, IPSB and Media Lang Limited pursuant to Section 8 of the Act) and his son, Thong Weng Sheng's direct shareholdings pursuant to Section 8 of the Act.

(3) Deemed interested by virtue of its interest in its subsidiaries, being MAL, IPSB, and Media Lang Limited pursuant to Section 8 of the Act.

(4) Deemed interested by virtue of its interest in OHB pursuant to Section 8 of the Act.

(5) Deemed interested by virtue of its interest in its subsidiaries, being Media Lang Limited pursuant to Section 8 of the Act.

(6) Deemed interested by virtue of its interest in its subsidiaries, being MAL pursuant to Section 8 of the Act.

(7) Deemed interested by virtue of its interest in Gading Sari Ventures Sdn Bhd (a wholly-owned subsidiary of Gading Sari Holdings Sdn Bhd) pursuant to Section 8 of the Act.

(8) Deemed interested by virtue of his interest in Gading Sari Holdings Sdn Bhd pursuant to Section 8 of the Act.

The directors of Microlink as well as their respective shareholdings in Microlink as at the LPD (based on publicly available information extracted from Bursa Securities' website) are as follows:

Name	Place of incorporation / Nationality	Direct		Indirect	
		No. of ordinary shares	(%)[1]	No. of ordinary shares	(%)[1]
Tun Arifin Bin Zakaria (Independent Non-Executive Chairman)	Malaysian	-	-	-	-
Karen Yap Pik Li (Independent Non-Executive Director)	Malaysian	-	-	-	-
Dato' Ahmad Najmi Bin Abdul Razak (Non-Independent Non-Executive Director)	Malaysian	-	-	-	-
Noor Zaliza Yati Binti Yahya (Independent Non-Executive Director)	Malaysian	-	-	-	-
Narayanasamy A/L N Chithambaram (Independent Non-Executive Director)	Malaysian	-	-	-	-
Thong Weng Sheng (Executive Director)	Malaysian	1,050	0.00	-	-
Wong Kwang Chwen (Executive Director)	Malaysian	253,200	0.02	-	-
Tan Wee Hoong[2] (Non-Independent Non-Executive Director)	Malaysian	-	-	-	-

Notes:

(1) Based on 1,608,594,232 ordinary shares in Microlink.

(2) He is also an Independent Non-Executive Director of our Company.

2.3 Nature of debt owing to Microlink

The Outstanding Sum as at LPD is primarily arising from the provision services by Microlink as a turnkey contractor for the TM Project[(1)], which are unsecured, interest-free and with credit terms granted for a period of 60 days.

The breakdown of the Outstanding Sum as at LPD is detailed as follows:

Period of transaction	Description	Amount (RM'million)
April 2022 – March 2023	Provision of system integration and related services for TM Project - Phase 1 as turnkey contractor awarded by our Company, as detailed below: Commencement date / PO date : 30 September 2020 Completion date / invoice date : 21 June 2022 Total contract / order value (RM) : 38,000,000.00	2.12
	Provision of system integration and related services for TM Project - Phase 2 as turnkey contractor awarded by our Company, as detailed below: Commencement date / PO date : 7 October 2021 Completion date / invoice date : 7 March 2023 Total contract / order value (RM) : 4,450,000.00	2.25
	Provision of system integration and related services for TM Project - Phase 3 as turnkey contractor awarded by our Company, as detailed below: Commencement date / PO date : 7 October 2021 Completion date / invoice date : 7 March 2023 Total contract / order value (RM) : 4,546,911.14	4.55
	Provision of system integration and related services for implementation of fifth-generation ("**5G**") technology under the TM Project, as detailed below: Commencement date / PO date : 26 January 2022 Completion date / invoice date : 7 March 2023 Total contract / order value (RM) : 9,829,528.30	5.76
	Provision of configuration and modification services on the existing business support system in relation to the TM Project, as detailed below: Commencement date / PO date : 15 March 2022 Completion date / invoice date : 7 March 2023 Total contract / order value (RM) : 1,393,555.99	0.35
	Provision of 1-year system maintenance and support services in relation to TM Project, as detailed below: Commencement date / PO date : 1 September 2022 Completion date / invoice date : 29 February 2024 Total contract / order value (RM) : 5,467,600.00	4.80
April 2023 - March 2024	Provision of 1-year system maintenance and support services in relation to TM Project, as detailed below: Commencement date / PO date : 1 September 2022 Completion date / invoice date : 29 February 2024 Total contract / order value (RM) : 15,000,000.00	10.20
	Total	**30.03**

Note:

(1) On 9 April 2020, our Company received a LA from TM for the TM Project. Subsequently, on 17 August 2020, our Company and TM entered into a definitive agreement formalising the terms and conditions for the execution of the TM Project.

Following this, our Company issued a series of PO to Microlink since 2020 throughout the duration of the TM Project, appointing it as the turnkey contractor. Microlink's scope of work includes providing system integration and related services, as well as offering system maintenance and support services for the of the business support system. Meanwhile, Omesti as a main contractor for the TM Project, subcontracted the major portions of the scope of work to Microlink, given that the required technical expertise resided with Microlink. The scope of work for Microlink encompasses end-to-end responsibilities under a turnkey model, including the design, development, migration, implementation, customisation, delivery, and ongoing support of the system, while Omesti's role primarily act as a technology partner, responsible for testing and technical consultancy in support of the overall project execution.

For information purposes, the cash flow position of our Group from the FYE 31 March 2022 to the 15-month FPE 30 June 2025 is as follows:

	Audited			Unaudited
	FYE 31 March 2022 RM'000	**FYE 31 March 2023 RM'000**	**FYE 31 March 2024 RM'000**	**15-month FPE 30 June 2025(1) RM'000**
Net cash (used in) / from operating activities	(3,215)	22,003	7,304	29,713
Net cash (used in) / from investing activities	(131,984)	15,939	41,140	27,572
Net cash (used in) / from financing activities	80,866	(78,943)	(70,226)	(53,582)
Net (decrease) / increase in cash and cash equivalents	**(54,333)**	**(41,001)**	**(21,782)**	**3,703**
Cash and cash equivalents at beginning of financial years/period(2)	116,525	61,401	20,697	(820)
Effects of foreign exchange rate changes	(791)	297	265	17
Cash and cash equivalents at the end of financial years/period(2)	**61,401**	**20,697**	**(820)**	**2,900**

(Source: Annual reports and quarterly results of our Group for respective financial years/period under review)

Notes:

(1) Our Company has changed the FYE from 31 March 2025 to 30 September 2025.

(2) Cash and cash equivalents at the beginning and end of the financial years/period are net of fixed deposits pledged with banks.

Commentaries:

(a) FYE 31 March 2023 vs FYE 31 March 2022

Our Group's cash and cash equivalents decreased by RM40.70 million or 66.29% to RM20.70 million for the FYE 31 March 2023 (FYE 31 March 2022: RM61.40 million), mainly due to net cash used in financing activities of RM78.94 million in FYE 31 March 2023 (FYE 31 March 2022: net cash generated from financing activities of RM80.87 million) arising from higher repayment of term loans / borrowings of RM124.76 million (FYE 31 March 2022: RM79.71 million) and lower drawdown of term loans / borrowings of RM78.55 million (FYE 31 March 2022: RM138.87 million).

However, this was partially offset by:

(a) net cash generated from operating activities of RM22.00 million in FYE 31 March 2023 (FYE 31 March 2022: net cash used in operating activities of RM3.22 million) arising from the decrease in trade and other receivables and increase in other payables, deposits and accruals; and

(b) net cash generated from investing activities of RM15.94 million in FYE 31 March 2023 (FYE 31 March 2022: net cash used in investing activities of RM131.98 million) arising from proceeds received from the dilution of equity interests in Microlink from 50.57% to 36.55%, and lower cash outflows for the purchase of other intangible assets (i.e., license agreements and software development costs).

(b) FYE 31 March 2024 vs FYE 31 March 2023

Our Group's cash and cash equivalents decreased by RM21.52 million or more than 100% to a negative balance of RM0.82 million for the FYE 31 March 2024 (FYE 31 March 2023: RM20.70 million), mainly due to lower net cash generated from operating activities of RM7.30 million in FYE 31 March 2024 (FYE 31 March 2023: RM22.00 million) arising from higher loss before tax (as detailed in **Section 1 of Appendix VI** of this Circular).

However, this was partially offset by:

(i) lower net cash used in financing activities of RM70.23 million in FYE 31 March 2024 (FYE 31 March 2023: RM78.94 million) arising from lower repayment of term loans / borrowings of RM 41.48 million (FYE 31 March 2023: RM124.76 million), and partially offset by lower drawdown of term loans / borrowings of RM8.29 million (FYE 31 March 2023: RM78.55 million); and

(ii) higher net cash generated from investing activities of RM41.14 million in FYE 31 March 2024 (FYE 31 March 2023: RM15.94 million) arising from higher proceeds received from the dilution of equity interests in Microlink from 36.55% to 32.95%.

(c) 15-month FPE 30 June 2025 (unaudited) vs FYE 31 March 2024

Our Group's cash and cash equivalents increased by RM3.72 million or more than 100% to RM2.90 million for the 15-month FPE 30 June 2025 (FYE 31 March 2024: negative balance of RM0.82 million), mainly due to:

(i) higher net cash generated from operating activities of RM29.80 million in 15-month FPE 30 June 2025 (FYE 31 March 2024: RM7.30 million) arising from lower loss before tax (as detailed in **Section 1 of Appendix VI** of this Circular); and

(ii) lower net cash used in financing activities of RM53.58 million in 15-month FPE 30 June 2025 (FYE 31 March 2024: RM70.23 million) arising from lower repayment of term loans / borrowings of RM36.77 million (FYE 31 March 2024: RM41.48 million) and lower repayment of lease liabilities of RM11.44 million (FYE 31 March 2024: RM25.80 million).

However, this was partially offset by lower net cash generated from investing activities of RM27.49 million in 15-month FPE 30 June 2025 (FYE 31 March 2024: RM41.14 million) arising from lower proceeds received from the dilution of equity interests in Microlink from 32.95% to 25.77% (and was further diluted to 17.18% as at the LPD following the completion of Microlink's rights issue with warrants and the listing of and quotation for 536,198,072 rights shares on 29 July 2025).

As detailed in the cash flow analysis above, our Group has been incurring continuous net cashflow deficit over the financial years under review as a result of:

(i) high amount of net cash used in investing activities for the FYE 31 March 2022 mainly due to the purchase of other intangible assets (i.e., license agreements and software development costs in relation to the TM Project) of RM80.04 million (partially funded via borrowings), acquisition of additional interests in subsidiary, being the "Be Pharmacy" outlets of RM24.65 million, and purchase of other investments (i.e., quoted shares, including investment in Microlink) of RM21.85 million (partially funded via borrowings); and

(ii) high amount of borrowing repayments since the beginning of FYE 31 March 2023. This was due to the high level of borrowings incurred by our Company (as detailed in **Section 1 of Appendix VI** of this Circular), mainly to finance our capital expenditure and working capital requirements (including TM Project), as well as equity investments in quoted shares such as Microlink (Microlink was our subsidiary during or prior to the FYE 31 March 2022 but ceased to be our subsidiary since the FYE 31 March 2023 following the subsequent disposal of some of our equity interest in Microlink, the proceeds of which were mainly utilised to repay borrowings), which resulted in substantial monthly repayment obligations to financial institutions.

Due to substantial debt servicing obligations, we prioritised the allocation of available cash resources toward the repayment of borrowings in order to meet financial commitments and preserve our Group's credit standing. Although our Group has been generating positive cash flows from operating activities and investing activities (mainly from the divestment of equity interest in Microlink) since the FYE 31 March 2023, these cash inflows were not sufficient to fully cover the high cash outflows related to financing activities. As a result, the Outstanding Sum as at the LPD has remained unpaid since April 2022. However, we remain committed to repay the outstanding amount owing to Microlink.

2.4 Salient terms of the Settlement Agreement

The Settlement Sum with Microlink will be settled through the issuance of up to 85,000,000 Creditor Settlement Shares to Microlink at an issue price to be determined and announced later by our Board, with a minimum issue price of RM0.10 each, as full repayment of the Settlement Sum.

The Settlement Agreement is conditional upon, amongst others, the following conditions precedent being fulfilled within the Conditions Precedent Period:

(i) our Company having obtained the approval from Bursa Securities for the listing of and quotation for the Creditor Settlement Shares to Microlink on the Main Market of Bursa Securities; and

(ii) our Company having obtained the approval from our shareholders for the Proposed Creditor Settlement.

The Settlement Agreement shall become unconditional upon the satisfaction or fulfilment of all the abovementioned conditions precedent. In the event any of the conditions precedent is not satisfied or fulfilled within the Conditions Precedent Period and the parties therein do not extend the same, either party shall have the option, at its discretion, by notice in writing to the other party to terminate the Settlement Agreement.

Further details of the salient terms of the Settlement Agreement are set out in **Appendix I** of this Circular.

2.5 Basis of determining and justification for the issue price of the Creditor Settlement Shares

Our Board intends to fix the issue price of the Creditor Settlement Shares such that the issue price is at a discount of up to 10% to the TEAP of our Shares[(1)], up to and including the last market day immediately preceding the Price-fixing Date, with a minimum issue price of RM0.10 each. However, the issue price of the Creditor Settlement Shares shall be fixed and announced later by our Board at a Price-fixing Date, after taking into consideration, amongst others, the following:

(i) the rationale for the Proposed Creditor Settlement as set out in **Part A, Section 8.1** of this Circular; and

(ii) a discount of up to 10% to the TEAP of our Shares, up to and including the last market day immediately preceding the Price-fixing Date, with a minimum issue price of RM0.10 each was determined, after taking into consideration, amongst others, the following:

(a) the opportunity cost which may potentially arise from our long outstanding amount owing to Microlink for up to approximately 3 years, which is interest-free;

(b) the potential risk faced by Microlink in receiving Creditor Settlement Shares instead of cash such as economic uncertainties influenced by factors including inflation, interest rates, changes in government policies, market sentiments, liquidity of our Shares and volatility in the general equity markets;

(c) the unaudited NA per Share as at 30 June 2025 of RM0.08; and

(d) the prevailing market price of our Shares.

For illustrative purposes, an indicative issue price of RM0.10 per Creditor Settlement Share is at a premium of RM0.0169 or 20.34% to the TEAP of our Shares of RM0.0831, calculated based on the 5-day VWAP of our Shares up to and including the LPD of RM0.0861, based on an indicative issue price of RM0.08 per Rights Share and an indicative exercise price of RM0.10 per Warrant D.

Note:

(1) In the event shareholders' approval for the Proposed Rights Issue with Warrants is not obtained at our forthcoming EGM, the issue price of the Creditor Settlement Shares will be fixed at a discount of up to 10% to the 5-day VWAP of our Shares, up to and including the last market day immediately preceding the price-fixing date of the Proposed Creditor Settlement.

2.6 Ranking of the Creditor Settlement Shares

The Creditor Settlement Shares shall, upon allotment and issuance, rank equally in all respects with our then existing issued Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distributions which may be declared, made or paid to our shareholders, where the entitlement date of which is prior to the dates of allotment and issuance of the Creditor Settlement Shares.

2.7 Take-over implications and public shareholding spread

The issuance of Creditor Settlement Shares to Microlink pursuant to the Proposed Creditor Settlement will not give rise to any mandatory take-over offer obligation under the Code and the Rules issued by the SC.

In addition, the issuance of Creditor Settlement Shares to Microlink is not expected to result in any breach in the public shareholding spread requirement by our Company under Paragraph 8.02(1) of the Listing Requirements, which stipulates that a listed issuer must ensure that at least 25% of its total listed shares (excluding any treasury shares) are in the hands of public shareholders, upon completion of the Proposed Creditor Settlement. The pro forma public shareholdings spread of our Company after the Proposed Creditor Settlement is illustrated below:

	As at the LPD		After the Proposed Creditor Settlement			
			Minimum Scenario (Settlement)		Maximum Scenario (Settlement)	
	No. of Shares	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Share Capital	540,673,135	100.00	625,673,135[(1)]	100.00	874,036,071[(2)]	100.00
(-) Shareholdings of directors of our Group, substantial shareholders of our Company and their associates	237,699,685	43.96	322,699,685[(3)]	51.58	401,203,674[(3)]	45.90
Public shareholding spread	**302,973,450**	**56.04**	**302,973,450**	**48.42**	**472,832,397**	**54.10**

Notes:

(1) After taking into consideration the issuance of 85,000,000 Creditor Settlement Shares.

(2) After taking into consideration the issuance of 85,000,000 Creditor Settlement Shares and assuming full exercise of 248,362,936 outstanding Warrants C.

(3) Upon completion of the Proposed Creditor Settlement, Microlink will emerge as a major shareholder of our Company, holding 13.59% of our Shares under the Minimum Scenario (Settlement), and a substantial shareholder of our Company, holding 9.72% of our Shares under the Maximum Scenario (Settlement).

3. PROPOSED RPS SETTLEMENT

3.1 Details of the Proposed RPS Settlement

On 28 December 2020, our Company obtained shareholders' approval for the renounceable rights issue of up to 119,775,814 new RPS in our Company at an issue price of RM1.00 per RPS, together with up to 279,476,894 free detachable warrants ("**Rights Issue of RPS with Warrants**"). Further details of the salient terms of our RPS are set out in in **Appendix II** of this Circular, as extracted from our circular to shareholders dated 4 December 2020 or our abridged prospectus dated 8 March 2021.

On 7 April 2021, our Company announced the completion of the Rights Issue of RPS with Warrants, following the admission to the Official List and listing of and quotation for 106,441,367 RPS and 248,362,936 Warrants C on the Main Market of Bursa Securities on 7 April 2021. In accordance with the amended constitution of our Company, which took effect on 28 December 2020, the tenure of our RPS is 5 years commencing from and inclusive the date of issuance of the RPS of 1 April 2021. As such, the maturity date of the RPS is 31 March 2026.

In view of the above, and in order to repay our RPS holders, our Boards intends to undertake the Proposed RPS Settlement amounting to RM106,441,367 owing to our RPS holders through the issuance of RPS Settlement Shares at an issue price to be determined and announced later, with a minimum issue price of RM0.10 each, after taking into consideration the cash position of our Group as well as the rationale for the Proposed RPS Settlement as detailed in **Part A, Section 8.2** of this Circular.

For shareholders' information, in order to identify our entitled RPS holders for the Proposed RPS Settlement and to facilitate the orderly redemption of all outstanding RPS on the redemption date, trading of the RPS on the Main Market of Bursa Securities will be suspended at a later date to be determined and announced by our Board, prior to the redemption date. Upon the successful allotment and issuance of the RPS Settlement Shares to our RPS holders, the RPS Settlement Shares will be listed on the Main Market of Bursa Securities and subsequently, the RPS will be delisted from the Main Market of Bursa Securities. A notice setting out the details of the redemption of all outstanding RPS will be issued and despatched to our RPS holders by our Company at a later date.

Pursuant to the salient terms of the RPS, our RPS holders are entitled to receive cumulative gross preferential dividend rate of 5.0% per annum based on the issue price of RM1.00 per RPS, subject to the availability of distributable profits of our Company and the provisions of the Act. For information purposes, our Company has paid total dividends amounting to approximately RM17.28 million in respect of the RPS since the date of issuance, funded entirely through the internally generated funds of our Group. However, our Company notes that no dividends were declared or paid in respect of the RPS since 29 June 2024 up to the LPD, as our Company did not record any distributable profits including retained earnings for the relevant period. Accordingly, such unpaid dividends, while cumulative in nature, will not be payable under the terms of the RPS as the condition for payment (i.e., the availability of distributable profits) was not met.

Nevertheless, under the Proposed RPS Settlement, our RPS holders will be repaid with 100% of the issue price of each RPS, in accordance with the original terms pursuant to the RPS. Hence, following the completion of the Proposed RPS Settlement, all obligations of our Company towards our RPS holders shall be deemed fully satisfied and that our RPS holders shall have no further claims, rights, or entitlements of any nature whatsoever against our Company, whether existing or arising in the future, in connection with or relating to the RPS.

3.2 Basis of determining and justification for the issue price of the RPS Settlement Shares

Our Board intends to fix the issue price of the RPS Settlement Shares such that the issue price is at a discount of up to 10% to the TEAP of our Shares[(1)], up to and including the last market day immediately preceding the Price-fixing Date, with a minimum issue price of RM0.10 each. However, the issue price of the RPS Settlement Shares shall be fixed and announced later by our Board at a Price-fixing Date, after taking into consideration, amongst others, the following:

(i) the rationale for the Proposed RPS Settlement as set out in **Part A, Section 8.2** of this Circular; and

(ii) a discount of up to 10% to the TEAP of our Shares, up to and including the last market day immediately preceding the Price-fixing Date, with a minimum issue price of RM0.10 each was determined, after taking into consideration, amongst others, the following:

(a) the potential risk faced by RPS holders in receiving RPS Settlement Shares as oppose to cash such as economic uncertainties influenced by factors including inflation, interest rates, changes in government policies, market sentiments, liquidity of our Shares and volatility in the general equity markets;

(b) the unaudited NA per Share as at 30 June 2025 of RM0.08; and

(c) the discount from the prevailing market price of our Shares to entice our RPS holders to support the Proposed RPS Settlement instead of cash redemption for all outstanding RPS by our Company on or before the RPS Maturity Date.

For illustrative purposes, an indicative issue price of RM0.10 per RPS Settlement Share is at a premium of RM0.0169 or 20.34% to the TEAP of our Shares of RM0.0831, calculated based on the 5 day-VWAP of our Shares up to and including the LPD of RM0.0861, based on an indicative issue price of RM0.08 per Rights Share and an indicative exercise price of RM0.10 per Warrant D.

Note:

(1) In the event shareholders' approval for the Proposed Rights Issue with Warrants is not obtained at our forthcoming EGM, the issue price of the RPS Settlement Shares will be fixed at a discount of up to 10% to the 5-day VWAP of our Shares, up to and including the last market day immediately preceding the price-fixing date of the Proposed RPS Settlement.

For illustrative purposes, assuming an RPS holder is entitled to a settlement amount of RM10,000. Based on the minimum issue price of RM0.10 per RPS Settlement Share, such RPS holder will be issued with 100,000 Shares pursuant to the Proposed RPS Settlement. If the issue price is set at a premium to the TEAP of our Shares, our RPS holder will receive our Shares with a market value lower than the cash settlement amount they would have otherwise received, as illustrated below:

Issue price	**Cash settlement (RM)**	**Proposed RPS Settlement (RM)**
Premium to the TEAP	10,000	8,310[(1)]

Note:

(1) Assuming the issue price of the RPS Settlement Share is at a premium of RM0.0169 or 20.34% to the TEAP of our Shares of RM0.0831, with 100,000 Shares to be issued under the Proposed RPS Settlement. The RPS holder will receive Shares worth RM8,310 based on market value.

While the number of Shares to be issued is based on the full RPS settlement amount, the actual market value received by the RPS holder may be lower or higher than the cash settlement amount, depending on the prevailing market price of our Shares at the time of issuance.

3.3 Ranking of the RPS Settlement Shares

The RPS Settlement Shares shall, upon allotment and issuance, rank equally in all respects with our then existing issued Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distributions which may be declared, made or paid to our shareholders, where the entitlement date of which is prior to the dates of allotment and issuance of the RPS Settlement Shares.

3.4 Take-over implications and public shareholding spread

The issuance of RPS Settlement Shares to our RPS holders pursuant to the Proposed RPS Settlement will not give rise to any mandatory take-over offer obligation under the Code and the Rules issued by the SC.

In addition, the issuance of RPS Settlement Shares to our RPS holders is not expected to result in any breach in the public shareholding spread requirement by our Company under Paragraph 8.02(1) of the Listing Requirements, which stipulates that a listed issuer must ensure that at least 25% of its total listed shares (excluding any treasury shares) are in the hands of public shareholders, upon completion of the Proposed RPS Settlement. The pro forma public shareholdings spread of our Company after the Proposed RPS Settlement is illustrated below:

	As at the LPD		After the Proposed RPS Settlement			
			Minimum Scenario (Settlement)		Maximum Scenario (Settlement)	
	No. of Shares	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Share Capital	540,673,135	100.00	1,605,086,805[(1)]	100.00	1,853,449,741[(2)]	100.00
(-) Shareholdings of directors of our Group, substantial shareholders of our Company and their associates	237,699,685	43.96	794,665,085	49.51	873,169,074	47.11
Public shareholding spread	**302,973,450**	**56.04**	**810,421,720**	**50.49**	**980,280,667**	**52.89**

Notes:

(1) After taking into consideration the issuance of 1,064,413,670 RPS Settlement Shares.

(2) After taking into consideration the issuance of 1,064,413,670 RPS Settlement Shares and assuming full exercise of 248,362,936 outstanding Warrants C.

4. PROPOSED RIGHTS ISSUE WITH WARRANTS

4.1 Details of the Proposed Rights Issue with Warrants

The Proposed Rights Issue with Warrants, which is to be undertaken on a renounceable basis, entails the issuance of up to 789,036,071 Rights Shares on the basis of 1 Rights Share for every 1 existing Share, at an issue price and held on an Entitlement Date to be determined and announced later by our Board, together with up to 315,614,428 Warrants D on the basis of 2 Warrants D for every 5 Rights Shares subscribed for by our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable).

For information purposes, our Company intends to allot and issue the Creditor Settlement Shares and RPS Settlement Shares after the Ex-Date of the Proposed Rights Issue with Warrants, being the day prior to the Entitlement Date, and the Placement Shares after the completion of the Proposed Rights Issue with Warrants. As such, the Shares issued under the Proposed Creditor Settlement, Proposed RPS Settlement and Proposed Private Placement will not be entitled to subscribe for the Right Shares with Warrants D under the Proposed Rights Issue with Warrants.

4.2 Basis and number of Rights Shares with Warrants D to be issued

The basis of 1 Rights Share for every 1 existing Share held on the Entitlement Date was arrived at after considering, amongst others, the following:

(i) amount of proceeds to be raised from the subscription of Rights Shares which is to be channelled towards the purposes as set out in **Part A, Section 4.7** of this Circular; and

(ii) rationale for the Proposed Rights Issue with Warrants as detailed in **Part A, Section 8.3** of this Circular.

The basis of 2 Warrants D for every 5 Rights Shares subscribed for was arrived at after considering, amongst others, the following:

(i) rationale for the Proposed Rights Issue with Warrants as detailed in **Part A, Section 8.3** of this Circular; and

(ii) compliance with Paragraph 6.50 of the of the Listing Requirements, which states that the number of new Shares arising from the exercise or conversion of all outstanding convertible equity securities, must not exceed 50% of the total number of issued Shares (excluding treasury shares and before the exercise of the convertible equity securities) at all times. Please refer to the illustration of compliance with Paragraph 6.50 of the Listing Requirements as set out in **Part A, Section 11.1** of this Circular for further details.

As at the LPD, our Company does not hold any treasury shares and has:

(i) an issued share capital of RM279,794,933 comprising 540,673,135 Shares;

(ii) 248,362,936 Warrants C; and

(iii) 106,441,367 units of RPS.

For illustrative purposes, the Proposed Rights Issue with Warrants shall be undertaken based on the following scenarios:

Minimum Scenario (RIWW)	Issuance of 212,326,530 Rights Shares together with 84,930,612 Warrants D, after taking into consideration: (i) none of the 248,362,936 outstanding Warrants C are exercised into new Shares prior to the Entitlement Date; (ii) subscription by the Undertaking Shareholders pursuant to the Undertakings and subscription by the underwriter(s) to be identified and appointed later pursuant to the Underwriting to raise a minimum gross proceeds of RM16.99 million, based on an indicative issue price of RM0.08 per Rights Share; and (iii) no other Entitled Shareholders subscribe for their entitlements under the Proposed Rights Issue with Warrants.
Base Case Scenario (RIWW)	Issuance of up to 540,673,135 Rights Shares together with up to 216,269,254 Warrants D, after taking into consideration: (i) none of the 248,362,936 outstanding Warrants C are exercised into new Shares prior to the Entitlement Date; and (ii) all Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) subscribe in full for their entitlements under the Proposed Rights Issue with Warrants.

Maximum Scenario (RIWW)	Issuance of up to 789,036,071 Rights Shares together with up to 315,614,428 Warrants D, after taking into consideration: (i) all of the 248,362,936 outstanding Warrants C are exercised into up to 248,362,936 new Shares prior to the Entitlement Date; and (ii) all Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) subscribe in full for their entitlements under the Proposed Rights Issue with Warrants.

The actual number of Rights Shares and Warrants D to be issued will depend on the total number of issued Shares of our Company held by the Entitled Shareholders on the Entitlement Date and the eventual subscription rate of the Proposed Rights Issue with Warrants.

The Proposed Rights Issue with Warrants is renounceable in full or in part. Accordingly, our Entitled Shareholders can fully or partially subscribe for and/or renounce their entitlements under the Proposed Rights Issue with Warrants. However, the Rights Shares and Warrants D cannot be renounced separately. As such, our Entitled Shareholders who renounce all their entitlements for the Rights Shares shall be deemed to have renounced all the accompanying entitlements to the Warrants D to be issued together with the Rights Shares and will not be entitled to any Warrants D. If our Entitled Shareholders accept only part of their entitlements for the Rights Share, they shall be entitled to the Warrants D in proportion to their acceptance of their entitlements for the Rights Share.

Any fractional entitlements arising from the Proposed Rights Issue with Warrants, if any, will be disregarded and/or dealt with by our Board in such manner as our Board at its absolute discretion deems fit and expedient in order to minimise the incidence of odd lots and in the best interest of our Company.

Any Rights Shares with Warrants D which are not taken up or not validly taken up by our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) shall be made available for Excess Rights Shares applications. It is the intention of our Board to reduce the incidence of odd lots and to allocate the Excess Rights Shares, if any, in a fair and equitable manner on a basis to be determined by our Board and announced later by our Company.

The Warrants D are attached to the Rights Shares and will be issued at no cost to our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who subscribe for the Rights Shares. The Warrants D will be immediately detached from the Rights Shares upon allotment and issuance. The Warrants D will be separately listed and traded from the Rights Shares on the Main Market of Bursa Securities if our Company meets the condition under the Listing Requirements of at least 100 Warrants D holders holding not less than 1 board lot of Warrant D (i.e., comprising 100 Warrants D). The Warrants D will not be listed if such condition is not met. The Warrants D will be issued in registered form and constituted by the provisions of the Deed Poll D to be executed by our Company. The indicative salient terms of the Warrants D are set out in **Appendix III** of this Circular.

4.3 Basis and justification of determining the issue price of the Rights Shares and exercise price of the Warrants D

4.3.1 Issue price of the Rights Shares

The issue price of the Rights Shares shall be fixed and announced later by our Board at a Price-fixing Date, after taking into consideration, amongst others, the following:

(i) the amount of proceeds to be raised from the Proposed Rights Issue with Warrants, which will be channelled towards the proposed utilisation of proceeds as set out in **Part A, Section 4.7** of this Circular;

(ii) the rationale for the Proposed Rights Issue with Warrants as set out in **Part A, Section 8.3** of this Circular;

(iii) the prevailing market price of our Shares; and

(iv) the resultant TEAP of our Shares based on the 5-day VWAP of our Shares up to and including the last trading day immediately prior to the Price-fixing Date.

Our Board intends to fix the issue price of the Rights Shares such that the issue price is at a discount, within a range of 10.00% to 30.00% to the TEAP of our Shares. This was determined by our Board after taking into consideration the need for our Company to price the Rights Shares at an issue price deemed sufficiently attractive to encourage subscription of the Rights Shares and to enable our Group to raise the necessary funds to meet our funding requirements as set out in **Part A, Section 4.7** of this Circular.

For illustrative purposes, an indicative issue price of RM0.08 per Rights Share is assumed throughout this Circular. The indicative issue price is at a discount of approximately RM0.0031 or 3.73% to the TEAP of our Shares of RM0.0831, calculated based on the 5-day VWAP of our Shares up to and including the LPD of RM0.0861, and an illustrative exercise price of RM0.10 per Warrant D.

4.3.2 Exercise price of the Warrants D

The Warrants D will be issued at no cost to our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who successfully subscribe for the Rights Shares.

The exercise price of Warrants D shall be fixed and announced later by our Board at a Price-fixing Date, after taking into consideration, amongst others, the following:

(i) the historical price movement of our Shares;

(ii) the Warrants D are exercisable at any time during the tenure of 5 years commencing on and during the date of issuance of Warrants D; and

(iii) the TEAP of our Shares based on the 5-day VWAP of our Shares up to and including the last trading day prior to the Price-fixing Date.

Our Board intends to fix the exercise price of Warrants D at a discount of not more than 20% to the TEAP of our Shares. This was determined by our Board after taking into consideration the need to fix an exercise price that makes the Warrants D attractive for the purposes of enhancing the subscription level of the Rights Shares and potential of Warrants D being exercised and raise additional funds for our Company for purposes as set out in **Part A, Section 4.7** of this Circular, as and when such Warrants D are exercised in the future.

For illustrative purposes, an indicative exercise price of RM0.10 per Warrant D is assumed throughout this Circular. The indicative exercise price is at a premium of RM0.0169 or 20.34% to the TEAP of our Shares of RM0.0831, calculated based on the 5 day-VWAP of our Shares up to and including the LPD of RM0.0861, and an illustrative issue price of RM0.08 per Rights Share.

4.4 Ranking of the Rights Shares, Additional Warrants C, Warrants D and new Shares to be issued arising from the exercise of Additional Warrants C and Warrants D

The Proposed Rights Issue with Warrants will give rise to the Adjustments as illustrated in **Appendix IV** of this Circular. The Additional Warrants C shall, upon allotment and issuance, rank equally in all respects with our then existing Warrants C.

The Rights Shares and new Shares to be issued arising from the exercise of Warrants D and Additional Warrants C shall, upon allotment and issuance, rank equally in all respects with our then existing issued Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distributions which may be declared, made or paid to our shareholders, where the entitlement date of which is prior to the dates of allotment and issuance of the Rights Shares and the new Shares to be issued arising from the exercise of Warrants D and Additional Warrants C.

The holders of the Warrant D will not be entitled to any voting rights or right to participate in any form of dividend, distribution and/or offer of further securities in our Company until and unless such holders of the Warrant D exercise their Warrants D into new Shares and such new Shares have been issued and allotted.

4.5 Minimum Subscription Level, Undertakings and Underwriting

The Proposed Rights Issue with Warrants will be undertaken on the Minimum Subscription Level basis, to raise a minimum of RM16.99 million based on an indicative issue price of RM0.08 per Rights Share, which will be channelled towards the proposed utilisation of proceeds as set out in **Part A, Section 4.7** of this Circular.

To meet the Minimum Subscription Level:

(i) our Company had on 6 June 2025 obtained the irrevocable and unconditional written undertakings from the Undertaking Shareholders (as supplemented by the Supplemental Undertaking Letter dated 14 August 2025) to subscribe in full for their respective entitlements under the Proposed Rights Issue with Warrants, amounting to 64,272,055 Rights Shares together with 25,708,822 Warrants, and to apply and subscribe for additional 59,604,400 Rights Shares together with 23,841,760 Warrants D not taken up by other Entitled Shareholders and/or their renouncee(s)/transferee(s) by way of Excess Rights Shares application, at an indicative issue price of RM0.08 per Rights Share, for an indicative total subscription amount of RM9.91 million; and

(ii) our Company shall procure underwriter(s) to underwrite 88,450,075 Rights Shares together with 35,380,030 Warrants D, for a total underwriting commitment of RM7.08 million, based on an indicative issue price of RM0.08 per Rights Share. The underwriting commission payable to underwriter(s) and all other costs in relation to the Underwriting will be fully borne by our Company. The Underwriting arrangement will be finalised at a later date (i.e., after obtaining the relevant approvals for the Proposed Rights Issue with Warrants and prior to the announcement of the Entitlement Date). The terms of the Underwriting have therefore not been finalised and no Underwriting agreement has been entered into by our Company at this juncture. The Underwriting agreement, when entered into, will be disclosed in the abridged prospectus to be issued prior to the Entitlement Date.

Pursuant to Paragraph 6.18(2) of the Listing Requirements, TA Securities, as the Adviser for the Proposed Rights Issue with Warrants, will be part of the syndicate of underwriter(s) for the Rights Shares with Warrants D under the Minimum Subscription Level.

For information purposes, we are unable to procure irrevocable and unconditional undertakings from:

(i) Dato' Mah Siew Kwok, major shareholder of our Company as he has opted to retain flexibility in managing his investment. Nevertheless, he may evaluate his participation in the Proposed Rights Issue with Warrants at a later stage, depending on prevailing market conditions, market price of our Shares and financial capability, at the time of implementation; and

(ii) H2O Holdings Sdn Bhd, major shareholder of our Company as it is currently facing difficulties to secure the necessary financing to support its participation in the Proposed Rights Issue with Warrants.

Pursuant to the Undertakings, the Undertaking Shareholders:

(i) will not sell, transfer or dispose of any of their existing shareholdings or otherwise reduce their existing shareholdings in our Company, in any manner from the date of such Undertakings until the Entitlement Date;

(ii) confirmed that they have sufficient and valid financial means and resources to fulfil their subscription amount that would be payable in connection with their Undertakings; and

(iii) will ensure that their shareholdings in our Company as well as the aggregate shareholdings of them and any persons acting in concert with them (if any) do not trigger any mandatory take-over offer obligations under the Code and the Rules issued by the SC pursuant to their Undertakings.

The Undertakings demonstrates the Undertaking Shareholders' commitment and support towards our Company and the Proposed Rights Issue with Warrants. TA Securities, being the Adviser for the Proposed Rights Issue with Warrants, has verified that the Undertaking Shareholders have sufficient financial resources to fulfil their obligations under the Undertakings, based on the available balance of margin financing facilities procured by Gerard, as well as the confirmation from GAMSB, IPSB, MAL, WDPL, and further supported by Insas Berhad, being their major shareholder based on the latest audited and unaudited financial statements.

Pursuant to Paragraph 6.18(4) of the Listing Requirements, if our Company is unable to achieve the Minimum Subscription Level due to occurrence of termination events to be included in the Underwriting agreement or for any reason whatsoever, the Proposed Rights Issue with Warrants shall be aborted and all application monies received by our Company pursuant to the Proposed Rights Issue with Warrants will be refunded to our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who have subscribed for the Rights Shares with Warrants D.

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Details of the Undertakings and Underwriting, based on an indicative issue price of RM0.08 per Rights Share, are as follows:

Undertaking Shareholders / underwriter(s)	Direct shareholding		No. of Rights Shares under entitlement and to be subscribed pursuant to the Undertakings / Underwriting					Direct shareholding				
	As at the LPD		Entitlement	Undertakings / Underwriting	Additional Undertaking	Total subscription		(I) After the Proposed Rights Issue with Warrants		Entitlement	(II) After (I) and assuming full exercise of the Warrants D	
	No. of Shares	%(1)	No. of Rights Shares(2)	No. of Rights Shares	No. of Rights Shares	No. of Rights Shares	Amount to be raised (RM)(3)	No. of Shares	%(4)	No. of Warrants D(5)	No. of Shares	%(6)
GAMSB(7)	35,159,500	6.50	35,159,500	35,159,500	-	35,159,500	2,812,760	70,319,000	9.34	14,063,800	84,382,800	10.07
Gerard	10,412,555	1.93	10,412,555	10,412,555	59,604,400	70,016,955	5,601,356	80,429,510	10.68	28,006,782	108,436,292	12.94
IPSB(8)	7,500,000	1.39	7,500,000	7,500,000	-	7,500,000	600,000	15,000,000	1.99	3,000,000	18,000,000	2.15
MAL(9)	7,700,000	1.42	7,700,000	7,700,000	-	7,700,000	616,000	15,400,000	2.05	3,080,000	18,480,000	2.21
WDPL(10)	3,500,000	0.65	3,500,000	3,500,000	-	3,500,000	280,000	7,000,000	0.93	1,400,000	8,400,000	1.00
Underwriter(s)	-	-	-	88,450,075	-	88,450,075	7,076,006	88,450,075	11.75	35,380,030	123,830,105	14.78
Total	**64,272,055**	**11.89**	**64,272,055**	**152,722,130**	**59,604,400**	**212,326,530**	**16,986,122**	**276,598,585**	**36.73**	**84,930,612**	**361,529,197**	**43.15**

Notes:

(1) Based on the issued share capital of 540,673,135 Shares as at the LPD.

(2) On the basis of 1 Rights Share for every 1 existing Share.

(3) Based on an indicative issue price of RM0.08 per Rights Share.

(4) Based on the enlarged share capital of 752,999,665 Shares after the completion of the Proposed Rights Issue with Warrants under the Minimum Scenario (RIWW) (issuance of 212,326,530 Rights Shares but prior to the exercise of Warrants D).

(5) On the basis of 2 Warrants D for every 5 Rights Shares subscribed for.

(6) Based on the enlarged share capital of 837,930,277 Shares after the completion of the Proposed Rights Issue with Warrants under the Minimum Scenario (RIWW) and assuming full exercise of the Warrants D by the Undertaking Shareholders.

(7) GAMSB holds 35,159,500 Shares in Omesti (representing 6.50% direct equity interest) and 52,645,250 ordinary shares in Ho Hup (representing 10.16% direct equity interest) as at the LPD, based on publicly available information extracted from Bursa Securities' website.

As at the LPD (according to the latest available information extracted from the statutory report of GAMSB obtained from SSM), the directors of GAMSB (all of whom are Malaysians) are Dato' Wong Gian Kui and Thong Mei Chuen.

The shareholder of GAMSB as well as its shareholdings in GAMSB as at the LPD are as follows:

		Direct		Indirect	
Name	**Place of incorporation**	**No. of ordinary shares**	**%**	**No. of ordinary shares**	**%**
Insas Berhad	*Malaysia*	*47,640,000*	*100.00*	*-*	*-*
Total		***47,640,000***	***100.00***	***-***	***-***

(8) IPSB holds 7,500,000 Shares in Omesti (representing 1.39% direct equity interest) and 118,127,756 ordinary shares in M & A Equity Holdings Berhad (representing 5.91% direct equity interest) as at the LPD, based on publicly available information extracted from Bursa Securities' website.

As at the LPD (according to the latest available information extracted from the statutory report of IPSB obtained from SSM), the directors of IPSB (all of whom are Malaysians) are Dato' Wong Gian Kui and Dato' Sri Thong Kok Khee (he is also the Deputy Chairman / Non-Independent Non-Executive Director of our Company).

The shareholder of IPSB as well as its shareholdings in IPSB as at the LPD are as follows:

		Direct		Indirect	
Name	**Designation**	**No. of ordinary shares**	**%**	**No. of ordinary shares**	**%**
Insas Berhad	*Shareholder*	*97,400,002*	*100.00*	*-*	*-*
Total		***97,400,002***	***100.00***	***-***	***-***

(9) MAL holds 7,700,000 Shares in Omesti (representing 1.42% direct equity interest) and 15,060,000 ordinary shares in Ho Hup (representing 2.91% direct equity interest) as at the LPD, based on publicly available information extracted from Bursa Securities' website.

Insas Berhad (incorporated in Malaysia) is the sole shareholder of MAL, holding 100% direct equity interest. Information on the directors of MAL is not publicly available.

(10) WDPL holds 3,500,000 Shares in Omesti (representing 0.65% direct equity interest) and 5,000,000 ordinary shares in Ho Hup (representing 0.96% direct equity interest) as at the LPD, based on publicly available information extracted from Bursa Securities' website.

As at the LPD (according to the latest available information extracted from the statutory report of WDPL obtained from SSM), the directors of WDPL are as follows:

Name	**Nationality**
Dato' Wong Gian Kui	*Malaysian*
Dato' Sri Thong Kok Khee	*Malaysian*
Soon Li Yen	*Malaysian*
Thong Weng Sheng	*Malaysian*
Seet Hon Chiew	*Singaporean*
Tan Seng Chuan	*Malaysian*
Thong Mei Chuen	*Malaysian*

The shareholders of WDPL as well as their respective shareholdings in WDPL as at the LPD are as follows:

Name	*Place of incorporation*	*Direct*		*Indirect*	
		No. of ordinary shares	*%*	*No. of ordinary shares*	*%*
Immobillaire Holdings Pte Ltd	*Singapore*	*300*	*30.00*	-	-
Winfields Development Sdn Bhd	*Malaysia*	*-(1)*	-	-	-
Topacres Sdn Bhd	*Malaysia*	*400(2)*	*40.00*	-	-
Immobillaire Holdings Sdn Bhd	*Malaysia*	*300*	*30.00*	-	-
Total		***1,000***	***100.00***	**-**	**-**

Notes:

(1) Winfields Development Sdn Bhd is holding 2,354,400 preference shares in WDPL.

(2) Topacres Sdn Bhd is a wholly-owned subsidiary of Insas Berhad, holding 6,800,000 preference shares in WDPL.

4.6 Take-over implications and public shareholding spread

The subscription of the Rights Shares by the Undertaking Shareholders pursuant to the Undertakings will not give rise to any mandatory take-over offer obligation under the Code and the Rules issued by the SC. The Undertaking Shareholders has undertaken to observe and comply at all times with the provisions of the Code and Rules and will seek from the SC the necessary exemptions from undertaking such mandatory take-over offer obligation, if required.

In addition, the Undertakings and Underwriting are not expected to result in any breach in the public shareholding spread requirement by our Company under Paragraph 8.02(1) of the Listing Requirements, which stipulates that a listed issuer must ensure that at least 25% of its total listed shares (excluding any treasury shares) are in the hands of public shareholders, upon completion of the Proposed Rights Issue with Warrants. The pro forma public shareholdings spread of our Company before and after the implementation of the Proposed Rights Issue with Warrants under the Minimum Scenario (RIWW) is illustrated below:

	As at the LPD		**(I) After the Proposed Rights Issue with Warrants (Minimum Scenario (RIWW))**		**(II) After (I) and assuming full exercise of the Warrants D (Minimum Scenario (RIWW))**	
	No. of Shares	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Share Capital	540,673,135	100.00	752,999,665(1)	100.00	837,930,277(2)	100.00
(-) Shareholdings of directors of our Group, substantial shareholders of our Company and their associates	237,699,685	43.96	450,026,215	59.76	534,956,827	63.84
Public shareholding spread	**302,973,450**	**56.04**	**302,973,450**	**40.24**	**302,973,450**	**36.16**

Notes:

(1) After taking into consideration the issuance of 212,326,530 Rights Shares under the Minimum Scenario (RIWW).

(2) Assuming full exercise of 84,930,612 Warrants D under the Minimum Scenario (RIWW).

Under the Base Case Scenario (RIWW) and Maximum Scenario (RIWW), our Company will comply with the public shareholding spread in view of the assumption that all of our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) subscribe in full for their entitlements under the Proposed Rights Issue with Warrants.

4.7 Utilisation of proceeds

Based on an indicative issue price of RM0.08 per Rights Share, the Proposed Rights Issue with Warrants is expected to raise gross proceeds of up to approximately RM63.12 million, which is expected to be utilised as follows:

Utilisation of proceeds	**Expected timeframe for utilisation from completion of the Proposed Rights Issue with Warrants**	**Minimum Scenario (RIWW)** **RM'000**	**Base Case Scenario (RIWW)** **RM'000**	**Maximum Scenario (RIWW)** **RM'000**
Repayment of bank borrowings[(1)]	Within 6 months	15,086	15,620	15,620
Existing and future projects for our Group's business performance division[(2)]	Within 36 months	-	20,734	40,603
Working capital for our Group's healthcare division[(3)]	Within 36 months	-	5,000	5,000
Estimated expenses for the Proposals[(4)]	Immediate	1,900	1,900	1,900
Total		**16,986**	**43,254**	**63,123**

The actual gross proceeds to be raised from the Proposed Rights Issue with Warrants is dependent on the actual issue price of the Rights Shares and number of Rights Shares to be issued. Any excess of proceeds raised under the Minimum Scenario (RIWW) will be allocated in the following order of priority up to the amount under the Maximum Scenario (RIWW):

(i) estimated expenses for the Proposals;
(ii) repayment of bank borrowings;
(iii) existing and future projects for our Group's business performance division; and
(iv) working capital for our Group's healthcare division.

Notes:

(1) As at the LPD, our Group's total bank borrowings stood at RM15.62 million. Our Group intends to earmark up to RM15.62 million of the proceeds to fully repay our existing bank borrowings. The details are set out below:

Type of facility	***Amount outstanding as at the LPD RM'000***	***Proposed repayment RM'000***	***Interest rate per annum %***	***Interest savings per annum RM'000***
Term loans				
- *OSK Capital Sdn Bhd[(a)]*	*15,089*	*15,089*	*10.25*	*1,547*
- *RHB Bank Berhad[(b)]*	*531*	*531*	*6.85*	*36*

Notes:

(a) The term loans from OSK Capital Sdn Bhd were drawn down mainly to fully repay earlier loan facilities and to finance the working capital of our Group's operations, which comprise staff-related expenses, office-related expenses and other miscellaneous expense, as well as other investments of our Group, including equity investments. For the avoidance of doubt, the term loans were originally due on 31 March 2025 and have been granted a further extension by OSK Capital Sdn Bhd to 30 September 2025. Our Company has since requested a further extension until 30 November 2025.

(b) The term loans from RHB Bank Berhad were drawn down mainly to finance the working capital of our Group's operations, which comprise staff-related expenses, office-related expenses and other miscellaneous expense. For the avoidance of doubt, the term loans are due on 5 April 2026.

In order to finance our Group's daily operation as well as secure potential contracts for our business performance division, we have decided to allocate up to RM15.62 million to fully pare down our existing bank borrowings, which will then enable our Group to benefit from an annual interest savings of approximately RM1.58 million and provide flexibility to drawdown term loans to facilitate the working capital requirements for our business performance division.

Our Group believes that the partial repayment of our existing bank borrowings will help to finance our Group's core operations as well as existing day-to-day operations as a whole by providing more flexibility and financial buffer.

If there is a delay in the implementation of the Proposed Rights Issue with Warrants, our Group may use other sources of funds (such as internally generated fund, if available) to fully repay the bank borrowings. In such circumstances, the proceeds earmarked for the repayment of bank borrowings shall be utilised to fund our existing and future projects for our business performance division.

(2) Our Group intends to allocate up to RM40.60 million of the proceeds to fund our existing and future projects for our business performance division. To continue surpassing the growing demands of our clientele and meet future expenditures in a timely manner, our Group will continue to invest in research and development and human capital to enhance our capabilities as well as continuously exploring business opportunities both locally and internationally to drive growth and ensure the sustainability of profits across our business performance division.

*In respect of research and development, our Group has initiated the development of AI Large Language Model ("**LLM**") in March 2024 designed for universities and colleges to assist in citation writing. Over the past few years, we have been investing in the development of our e-Courts system from its earlier phases, with parts of the research and development work being partly outsourced. Moving forward, we intend to invest in the continued enhancement of our e-Courts system capabilities, which will be deployed under the e-Courts Phase 3 Project and further marketed to judicial systems in other countries.*

In this regard, our Group will incur additional costs to support our existing and future projects, amongst others, research and development costs, staff costs and the purchase of hardware and equipment.

On 20 February 2025, our Board announced that FNS had on 19 February 2025, accepted a LA from the Legal Affairs Division of the Prime Minister's Department (Bahagian Hal Ehwal Undang-Undang) (BHEUU) for the e-Courts Phase 3 Project, for a period of 3 years, commencing from 1 March 2025 to 29 February 2028, with a total project value of approximately RM70.54 million.

The description of the e-Courts Phase 3 Project as set out in the LA, as follows:

Perkhidmatan Mengkaji, Menganalisa, Merekabentuk, Membangun, Membekal, Menghantar, Memasang, Menanggal, Melupus, Mengkonfigurasi, Menguji Lari, Melatih, Melaksana, Mentauliah, Menyenggara dan Menyediakan Sokongan Teknikal bagi Pembangunan dan Penambahbaikan Sistem Aplikasi dan Penaiktarafan Infrastruktur ICT Sistem e-Kehakiman Fasa 3 (eKFf3) di Mahkamah Semenanjung Malaysia.

The formal contract for the e-Courts Phase 3 Project has been executed on 7 August 2025 between the Government of Malaysia and FNS, following the acceptance of the LA. The delay in executing the formal contract is due to ongoing discussions with the client to align expectations between both parties, particularly with regard to the scope of work and reaching a mutual consensus. However, the e-Courts Phase 3 Project has been commenced since 1 March 2025, with preliminary work undertaken, including identifying the need for the e-Courts Phase 3 Project, ensuring alignment with government policies, preparing the project proposal, conducting feasibility studies, and providing briefings to obtain initial approvals, of which costs of approximately RM1.82 million has been incurred as at the LPD.

For information purposes, the e-Courts system is a comprehensive digital court solution developed to accelerate the administration of justice by optimising operations for the judiciary and legal professionals, including enhancements in document management, case handling, system security, and user interface features.

The total development and implementation cost for the e-Courts Phase 3 Project is estimated to be approximately RM56.94 million. Accordingly, our Group intends to allocate up to RM40.60 million of the proceeds, to be utilised over 3 years, to partially facilitate the funding for the e-Courts Phase 3 Project in the following manner:

Details	***Base Case Scenario (RIWW) RM'000***	***Maximum Scenario (RIWW) RM'000***
Hardware and software equipment (including end-user devices (desktops and laptops), hardware applications and software (Microsoft Office, operating systems, and antivirus solutions), data centre server storage, data recovery centre server storage, network devices and other related infrastructure)	*15,734*	*35,603*
Sub-contractor fees for outsourced support and professional services	*5,000*	*5,000*
Total	***20,734***	***40,603***

The above allocation of proceeds is indicative at this juncture and may change depending on the operating and funding requirement of the e-Courts Phase 3 Project at the time of utilisation. Any surplus or shortfall of the allocation as outlined above, or in the event the e-Courts Phase 3 Project is not materialised, will be adjusted against other existing and/or future projects under our Group's business performance division.

As at the LPD, the existing projects under our Group's business performance division, include, among others, the following:

No.	***Clients***	***LA / contract period***	***Project description***	***Total contract value (RM'mil)***
1.	*Legal Affairs Division of the Prime Minister's Department (Bahagian Hal Ehwal Undang-Undang)*	*1 March 2025 to 29 February 2028*	*e-Courts Phase 3 Project*	*70.54*
2.	*Chief Registrar's Office of the Federal Court of Malaysia*	*1 December 2022 to 30 November 2025*	*Maintenance and support services for phase 2 of the e-Courts system*	*33.85*
3.	*Ministry of Higher Education ("**MOHE**")*	*1 February 2023 to 31 May 2027*	*Rental service of ICT equipment on a lease basis in Zone 4 (i.e., Sabah and Sarawak) for the use of MOHE*	*28.94*

No.	*Clients*	*LA / contract period*	*Project description*	*Total contract value (RM'mil)*
4.	*TNB*	*1 January 2023 to 31 December 2027*	*Leasing of personal computers*	*25.31*
5.	*Universiti Malaysia Terengganu*	*1 December 2019 to 31 March 2026*	*Renting, installing, testing and maintaining desktop, laptop and computer*	*4.03*
6.	*TNB*	*2 September 2022 to 1 September 2025*	*Supply, delivery, installation, configuration, migration, testing, commissioning and maintenance of firewall and network intrusion prevention system (NIPS)*	*6.68*
7.	*TM*	*1 April 2025 to 31 December 2027*	*Firewall upgrade, license renewal and maintenance services for TM's Network Security Analysis and Traffic Management System (NSATMS)*	*6.30*
8.	*Lembaga Air Perak*	*1 December 2022 to 30 November 2027*	*Software maintenance*	*4.21*
9.	*TNB*	*31 March 2025 to 30 March 2027*	*consolidation and renewal of maintenance and support services for F5 load balancer*	*3.75*
10.	*MOF*	*2 January 2024 to 1 January 2027*	*Renewal of the VMware license (which provides virtualisation and cloud infrastructure solutions) under MOF software*	*1.52*
11.	*Auro-Lite (M) Sdn Bhd*	*1 January 2025 to 31 December 2027*	*Provision of software license and preventive maintenance services for library management system*	*1.08*
12.	*Universiti Teknologi MARA (UiTM)*	*21 February 2023 to 8 August 2026*	*Develop, supply, delivery, installation and commissioning of digital publication system for citation and infometrics purposes*	*0.78*
13.	*Kementerian Perumahan dan Kerajaan Tempatan*	*9 September 2024 to 8 January 2028*	*Maintenance for backup software and server rack*	*0.83*

No.	*Clients*	*LA / contract period*	*Project description*	*Total contract value (RM'mil)*
14.	*Petronas Dagangan Berhad*	*1 January 2025 to 31 December 2026*	*Support and maintenance of Scheduling Transport Automatic Replenishment System (STARS)*	*2.68*
15.	*Others (contract value less than RM0.50 million)*			*2.81*
Total				***199.98***

The balance cost of approximately RM36.21 million (based on the net effect under the Base Case Scenario, being RM56.94 million less RM20.73 million), is expected to be financed via a combination of bank borrowings, internally generated funds of our Group and future fund-raising exercises, if any, the breakdown of which has yet to be determined at this juncture. Any surplus from the proceeds earmarked, depending on the funding options secured, will be re-allocated to fund our Group's other existing projects, future projects and/or collaborations, working capital requirements and/or repayment of bank borrowings. If any future projects, and/or strategic collaborations / acquisitions are identified, our Group will make the necessary announcements in compliance with the Listing Requirements, where required.

(3) Our Group intends to allocate up to RM5.00 million of the proceeds for fund the working capital requirements of our healthcare division in the following manner:

Working capital	***Base Case Scenario (RIWW) and Maximum Scenario (RIWW) RM'000***
Purchase of inventories[(a)]	*3,000*
General administration and operating expenses[(b)]	*2,000*
Total	***5,000***

Notes:

(a) Mainly for the purchase of pharmaceutical products for our pharmacy and trading businesses within our healthcare division.

(b) Including staff related expenses (staff training, wages and salaries, statutory contribution and staff welfare), office-related expenses (office rental, utilities, office upkeep, and equipment), marketing and advertising expenses (online marketing, digital advertising, social media campaigns, and promotional activities), and other miscellaneous expenses (audit fees, professional fees, consultancy fees and secretarial fees).

The above allocation of proceeds is indicative at this juncture and is subject to change depending on the operating and funding requirements of our Group at the time of utilisation. Any surplus or shortfall for any category under working capital requirements of our healthcare division will be adjusted against the other category. Any surplus from the proceeds earmarked, will be re-allocated to fund our Group's future projects and/or collaborations, and working capital requirements.

(4) Being the estimated expenses incidental to the Proposals, such as professional fees (inclusive of estimated underwriting commission payable to underwriter(s)), fees to relevant authorities, and other miscellaneous expenses which include expenses for our EGM, RPS holders' meeting, advertising and printing. Any surplus or shortfall for such expenses will be adjusted accordingly to/from our Group's working capital.

The exact quantum of proceeds that may be raised by our Company from the exercise of Warrants D is dependent on the subscription level for the Proposed Rights Issue with Warrants, the actual exercise price of Warrants D and number of Warrants D exercised during the tenure of the Warrants D. The proceeds from the exercise of Warrants D will be received on an "as and when basis" over the tenure of the Warrants D.

For illustrative purposes, the gross proceeds that may be raised upon the full exercise of the Warrants D based on an indicative exercise price of RM0.10 per Warrant D is set out below:

	Minimum Scenario (RIWW)	Base Case Scenario (RIWW)	Maximum Scenario (RIWW)
No. of Warrants D to be issued	84,930,612	216,269,254	315,614,428
Total gross proceeds to be raised assuming full exercise of the Warrants D (RM)	8,493,061	21,626,925	31,561,443

Notwithstanding the above, our Company intends to utilise the proceeds raised from the exercise of Warrants D for our working capital requirements. The proceeds raised are expected to be utilised to finance our Group's day-to-day operations including but not limited to the payment of general administration and operating expenses such as software subscription fees, sub-contractor fees for outsourced support, the purchase of hardware and equipment for our business performance division, the purchase of inventory for our healthcare division, marketing expenses (online marketing, digital advertising, social media campaigns and promotional activities), staff related expenses (staff training, wages and salaries, statutory contribution and staff welfare), office-related expenses (office rental, utilities, office upkeep and equipment) and other miscellaneous expenses (audit fees, professional fees, consultancy fees and secretarial fees). The actual breakdown of utilisation cannot be ascertained at this juncture and will be dependent on the operating and funding requirements of our Group at the time of utilisation. As such, the detailed allocation can only be determined by our Board at a later date.

Pending utilisation, the proceeds to be raised from the Proposed Rights Issue with Warrants for the abovementioned purpose may be placed as deposits with financial institutions and/or short-term money market instruments, as our Board may deem fit. Any interest income derived from the deposits with financial institutions and/or any gains arising from the short-term money market instruments will be used as additional funds for our working capital requirements (as detailed above), of which the actual breakdown cannot be determined at this juncture and is subject to the operating and funding requirements of our Group at the time of utilisation.

5. PROPOSED PRIVATE PLACEMENT

5.1 Placement size

Our Company intends to implement the Proposed Private Placement after the completion of the Proposed Creditor Settlement, Proposed RPS Settlement and Proposed Rights Issue with Warrants.

Premised on the above, the Proposed Private Placement entails the issuance of up to 456,465,000 Placement Shares, representing up to 15% of the total enlarged number of issued Shares (excluding treasury shares), after taking into consideration the Maximum Scenario (Placement), computed as follows:

	Minimum Scenario (Placement)	Base Case Scenario (Placement)	Maximum Scenario (Placement)
	No. of Shares	No. of Shares	No. of Shares
As at the LPD	540,673,135	540,673,135	540,673,135
To be issued assuming full exercise of the outstanding Warrants C	-	-	248,362,936
To be issued pursuant to the Proposed Creditor Settlement	-	85,000,000	85,000,000
To be issued pursuant to the Proposed RPS Settlement	-	1,064,413,670	1,064,413,670
To be issued pursuant to the Proposed Rights Issue with Warrants	-	540,673,135	789,036,071

	Minimum Scenario (Placement)	Base Case Scenario (Placement)	Maximum Scenario (Placement)
	No. of Shares	**No. of Shares**	**No. of Shares**
To be issued assuming full exercise of the Warrants D	-	-	315,614,428
Enlarged issued Shares	**540,673,135**	**2,230,759,940**	**3,043,100,240**
To be issued pursuant to the Proposed Private Placement	**81,100,900**	**334,613,900**	**456,465,000**

The actual number of Placement Shares to be issued pursuant to the Proposed Private Placement will depend on the total number of issued Shares on a date to be determined later by our Board, after the approvals set out in **Part A, Section 14** of this Circular have been obtained and upon completion of the Proposed Creditor Settlement, Proposed RPS Settlement and Proposed Rights Issue with Warrants.

5.2 Placement arrangement

The Placement Shares are intended to be placed to the Placees, to be identified at a later date. In accordance with Paragraph 6.04(c) of the Listing Requirement, the Placement Shares will not be placed to the following parties:

(i) Interested Person(s), or

(ii) person(s) connected with the Interested Person(s); and

(iii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

Subject to market conditions and the timing of identification of the Placees, the Proposed Private Placement may be implemented in 1 or more tranches within 6 months from the date of approval from Bursa Securities for the Proposed Private Placement or any extended period as may be approved by Bursa Securities. The implementation of the placement arrangement in multiple tranches would provide flexibility to our Company to procure interested investors to subscribe for the Placement Shares within the period as approved by Bursa Securities.

If issued in multiple tranches, the issue price for each tranche of the Placement Shares may be determined separately. The basis of determining the issue price of the Placement Shares will be in accordance with market-based principles.

5.3 Basis and justification of determining the issue price of the Placement Shares

Our Board will determine and announce the Price Fixing Date (Placement), after receipt of all relevant approvals for the Proposed Private Placement and upon the completion of the Proposed Creditor Settlement, Proposed RPS Settlement and Proposed Rights Issue with Warrants. Based on Paragraph 6.04(a) of the Listing Requirements, the Placement Shares will be priced at not more than 10% discount to the 5-day VWAP of our Shares up to and including the last trading day immediately prior to the Price Fixing Date (Placement).

For illustrative purposes, an indicative issue price of RM0.10 per Placement Shares, representing a premium of RM0.0169 or approximately 20.34% to the TEAP of our Shares of RM0.0831 each (calculated based on the 5-day VWAP of our Shares up to and including the LPD of RM0.0861 each).

5.4 Ranking of Placement Shares

The Placement Shares shall upon allotment and issuance, rank equally in all respects with our then existing Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other form of distributions that may be declared, made or paid to our shareholders, the entitlement date of which is prior to the dates of allotment and issuance of the Placement Shares.

5.5 Utilisation of proceeds

Based on an indicative issue price of the Placement Shares of RM0.10 each, the Proposed Private Placement is expected to raise gross proceeds of up to approximately RM45.65 million, which is expected to be utilised by our Group in the following manner:

Utilisation of proceeds	**Expected timeframe for utilisation from completion of the Proposed Private Placement**	**Minimum Scenario (Placement)**	**Base Case Scenario (Placement)**	**Maximum Scenario (Placement)**
		RM'000	**RM'000**	**RM'000**
Repayment to Microlink[(1)]	Within 3 months	8,110	21,528	21,528
Working capital[(2)]	Within 36 months	-	11,933	24,119
Total		**8,110**	**33,461**	**45,647**

Notes:

*(1) Our Group intends to allocate up to RM21.53 million of the proceeds raised from the Proposed Private Placement to repay the outstanding amount owing to Microlink after the Proposed Creditor Settlement, in respect of services rendered by Microlink to our Company as detailed in **Part A, Sections 2.1 and 2.3** of this Circular.*

In the event that the amount of proceeds raised is less than the outstanding amount owing to Microlink after the Proposed Creditor Settlement, the shortfall shall be funded via a combination of internally generated funds and/or bank borrowings of our Group.

(2) Our Group intends to allocate up to RM24.12 million of the proceeds to fund the working capital requirements of our Group in the following manner:

Details	***Base Case Scenario (Placement) RM'000***	***Maximum Scenario (Placement) RM'000***
Staff cost[(a)]	*7,933*	*18,119*
Sub-contractor fees for our existing and/or future projects	*1,000*	*3,000*
General administration and operating expenses such as office related expenses (including utilities expenses, office rental, and upkeep of office and office equipment) and other miscellaneous items (such as audit fees, professional fees, consultancy fees and secretarial fees)	*3,000*	*3,000*
Total	***11,933***	***24,119***

Note:

(a) Including staff-related expenses of our Group such as staff training (including courses and certifications), wages and salaries, statutory contribution and staff welfare, which the breakdown is as follows:

Staff-related expenses	***Base Case Scenario (Placement) RM'000***	***Maximum Scenario (Placement) RM'000***
Wages and salaries	*6,843*	*14,400*
Statutory contribution	*890*	*1,872*
Staff training	*100*	*1,000*
Staff welfare	*100*	*847*
Total	***7,933***	***18,119***

The above allocation of proceeds is indicative at this juncture and is subject to change depending on the operating and funding requirements of our Group at the time of utilisation. Any surplus or shortfall for any category under working capital requirements will be adjusted against the other category.

6. PROPOSED SHARE CAPITAL REDUCTION

6.1 Details of the Proposed Share Capital Reduction

The Proposed Share Capital Reduction entails the reduction of the issued share capital of our Company via the cancellation of the issued share capital which is lost or unrepresented by available assets of RM200,000,000 pursuant to Section 116 of the Act. The corresponding credit of RM200,000,000 arising from such cancellation will be utilised to set-off against the accumulated losses of our Company, and the remaining balance, if any, will be credited to the retained earnings of our Company, which shall be used in a manner to be determined by our Board at a later date and in the best interest of our Company as permitted by the relevant and applicable laws as well as the Listing Requirements.

For illustrative purposes, the pro forma effects of the Proposed Share Capital Reduction on our Company and our Group's accumulated losses based on the latest audited consolidated statement of financial position as at 31 March 2024 and the unaudited consolidated statement of financial position as at 30 June 2025 are as follows:

	Audited as at 31 March 2024		**Unaudited as at 30 June 2025[(1)]**	
	Company RM'000	**Group RM'000**	**Company RM'000**	**Group RM'000**
Accumulated losses	(316,563)	(264,348)	(328,731)	(286,745)
(+) Credit arising from the Proposed Share Capital Reduction	200,000	200,000	200,000	200,000
(-) Estimated expenses for the Proposals	(1,900)	(1,900)	(1,900)	(1,900)
Accumulated losses	**(118,463)**	**(66,248)**	**(130,631)**	**(88,645)**

Note:
(1) Our Company has changed the FYE from 31 March 2025 to 30 September 2025.

The summary and commentaries of the financial information of our Group for the audited FYE 31 March 2022, FYE 31 March 2023 and FYE 31 March 2024, as well as the unaudited 15-month FPE 30 June 2025 are set out in **Appendix VI** of this Circular.

An Order by the Court will be sought to confirm the Proposed Share Capital Reduction pursuant to Section 116 of the Act, after the approval of shareholders and RPS holders for the Proposed Share Capital Reduction has been obtained by our Company at our forthcoming EGM and RPS holders' meeting, respectively. The effective date of the Proposed Share Capital Reduction will be the date of successful lodgement of the sealed Order of the Court for the Proposed Share Capital Reduction with the Registrar of Companies pursuant to Section 116(6) of the Act. An immediate announcement will be made on the effective date of the Proposed Share Capital Reduction.

For avoidance of doubt, the Proposed Share Capital Reduction will not result in:

(i) any adjustments to the share price of our Shares;

(ii) any changes in the total number of Shares in issue or the number of Shares held by our shareholders;

(iii) any payment to our shareholders; and

(iv) any cash outflow or change in the NA of our Group, save for the estimated expenses to be incurred in relation to the Proposals.

7. FUND-RAISING EXERCISES UNDERTAKEN IN THE PAST 5 YEARS

Save as disclosed below, our Company has not undertaken any other fund-raising exercises in the past 5 years prior to the LPD:

Rights Issue of RPS with Warrants

On 18 November 2020, our Company had obtained approval from Bursa Securities vide its letter dated 17 November 2020, for (i) admission to the Official List and listing of and quotation for up to 119,775,812 RPS and up to 279,476,894 free detachable warrants to be issued pursuant to the Rights Issue of RPS with Warrants; and (ii) listing of and quotation for up to 279,476,894 Shares to be issued pursuant to the exercise of the warrants. Subsequently, our Company had on 28 December 2020, obtained shareholders' approval for the Rights Issue of RPS with Warrants.

The Rights Issue of RPS with Warrants was completed following the admission to the Official List and listing of and quotation for 106,441,367 RPS and 248,362,936 Warrants C on the Main Market of Bursa Securities on 7 April 2021, which raised total gross proceeds of RM106.44 million.

There was no variation to the utilisation of proceeds raised from the Rights Issue of RPS with Warrants, and the proceeds have been fully utilised as at the LPD for the following purposes:

Utilisation purposes	**Timeframe for utilisation from the receipt of proceeds**	**RM'000**
Funding for the TM Project[(1)]	Within 6 months	56,580
Repayment of borrowings[(2)]	Within 6 months	44,400
Working capital[(3)]	Within 12 months	4,501
Estimated expenses for the Rights Issue of RPS with Warrants	Within 1 month	960
Total		**106,441**

Notes:

(1) Our Group had utilised the proceeds earmarked for the implementation of the TM Project for the following purposes:

	RM'000
Acquisition of software licences from Huawei Technologies Malaysia Sdn Bhd for the implementation of TM's business support system	*33,770*
Software training fees (for training sessions provided to TM employees throughout the duration of the TM Project, conducted by Huawei Technologies Malaysia Sdn Bhd)	*9,489*
Development and implementation costs (incurred through Microlink as a turnkey contractor for the TM Project)	*13,321*
Total	***56,580***

(2) Our Group had utilised the proceeds earmarked for the repayment of borrowings as follows:

Name	***Type of facility***	***Purpose of borrowing***	***Interest rate (%)***	***Principal amount RM'000***	***Repayment RM'000***
Insas Credit Leasing Sdn Bhd	*Term loans*	*To finance the working capital of our Group*	*12.00*	*33,317*	*33,607*

Name	*Type of facility*	*Purpose of borrowing*	*Interest rate (%)*	*Principal amount RM'000*	*Repayment RM'000*
AmBank Berhad	*Trust receipt*	*To finance the working capital of our Group*	*6.45 to 6.95*	*12,357*	*8,290*
Standard Chartered Bank Berhad	*Trust receipt*	*To finance the working capital of our Group*	*3.65*	*1,853*	*1,870*
OCBC Bank (M) Berhad	*Trust receipt*	*To finance the working capital of our Group*	*7.01*	*622*	*633*
Total				***48,158***	***44,400***

All the outstanding for the above borrowings have been fully repaid as at the LPD.

(3) Our Group had utilised the proceeds earmarked for the working capital requirements of our Group for the following purpose:

	RM'000
Staff salaries for the TM Project (incurred through Microlink as a turnkey contractor for the TM Project, including the hiring of system analysts, programmers and quality assurance staff)	*4,501*
Total	***4,501***

8. RATIONALE FOR THE PROPOSALS

8.1 Proposed Creditor Settlement

The Proposed Creditor Settlement is intended to partially settle the Outstanding Sum as at LPD. Our Board has considered other available options and is of the opinion that the settlement via the issuance of Creditor Settlement Shares to Microlink is the most appropriate option to partially settle the outstanding debt, for the following reasons:

(i) our Group had opted not to take on bank borrowings to repay our outstanding debts in order to preserve our cash flow and liquidity to efficiently service the working capital requirements of our Group. If our Group had taken on bank borrowings for the Proposed Creditor Settlement:

(a) our Group would need to comply with bank borrowing requirements such as pledging our existing assets as collateral, potentially significant covenants being imposed by banks and/or fixed payment schedules which would affect our flexibility as well as control over our assets and cash flow; and

(b) our Group would incur miscellaneous fees such as legal fees and stamp duty for loan documentation as well as other processing and administrative fees in addition to interest cost.

As at 30 June 2025, our Group's bank borrowings (including lease liabilities) stood at approximately RM40.47 million and total equity stood at approximately RM47.45 million (gearing ratio: 0.85). In the event our Group had funded the Proposed Creditor Settlement entirely through bank borrowings, our Group's bank borrowings (including lease liabilities) would increase to RM48.97 million (gearing ratio: 1.03);

(ii) the repayment to Microlink via issuance of Creditor Settlement Shares is expected to reduce our Group's debt whilst preserving our Group's cash and bank balances. As at 30 June 2025, our Group has cash and bank balances of approximately RM2.90 million (net of fixed deposits pledged with banks) which can be utilised for other purposes such as working capital and existing businesses; and

(iii) the issuance of Creditor Settlement Shares is expected to further strengthen our Company's equity base as well as the NA and gearing ratio of our Group as a result of the increase in our Company's issued share capital upon the issuance of Creditor Settlement Shares.

8.2 Proposed RPS Settlement

The Proposed RPS Settlement is intended to settle the amount owing to our RPS holders of RM106,441,367 prior to the RPS Maturity Date as a proactive measure to manage our redemption obligations in a timely manner, as the redemption of RPS via the issuance of RPS Settlement Shares requires time to obtain approvals from the relevant authorities, our shareholders and RPS holders, while also managing RPS holders' expectations and ensuring compliance with the mandatory provisions of Malaysian laws and relevant regulations. Additionally, early redemption would allow us to exempt from the ongoing dividend obligation, in the event our Group generate distributable profits in the near future prior to the maturity of RPS as the RPS carries a fixed cumulative gross preferential dividend rate of 5.0% per annum at an issue price of RM1.00 per RPS out of the distributable profits of our Company, thereby conserving our Group's future cashflow.

Our Board has considered other available options and is of the opinion that the settlement via the issuance of RPS Settlement Shares to RPS holders is the most appropriate option to repay our RPS holders, for the following reasons:

(i) our Group had opted not to pursue fund-raising exercises to repay our RPS holders, after considering the challenges in raising the required quantum of funds before the RPS Maturity Date;

(ii) our Group had opted not to take on bank borrowings to repay our RPS holders in order to preserve our cash flow and liquidity to efficiently service the working capital requirements of our Group. If our Group had taken on bank borrowings for the Proposed RPS Settlement:

(a) our Group would need to comply with bank borrowing requirements such as pledging our existing assets as collateral, potentially significant covenants being imposed by banks and/or fixed payment schedules which would affect our flexibility as well as control over our assets and cash flow; and

(b) our Group would incur miscellaneous fees such as legal fees and stamp duty for loan documentation as well as other processing and administrative fees in addition to annual interest expense which will negatively affect the financial performance of our Group.

As at 30 June 2025, our Group's bank borrowings (including lease liabilities) stood at approximately RM40.47 million and total equity stood at approximately RM47.45 million (gearing ratio: 0.85). In the event our Group had funded the Proposed RPS Settlement entirely through bank borrowings, our Group's bank borrowings (including lease liabilities) would increase to RM146.91 million (gearing ratio: 3.10);

(iii) the repayment to our RPS holders via issuance of RPS Settlement Shares is expected to reduce our Group's debt whilst preserving our Group's cash and bank balances. As at 30 June 2025, our Group has cash and bank balances of approximately RM2.90 million (net of fixed deposits pledged with banks) which can be utilised for other purposes such as working capital and existing businesses; and

(iv) the issuance of RPS Settlement Shares is expected to further strengthen our Company's equity base as well as the NA and gearing ratio of our Group as a result of the increase in our Company's issued share capital upon the issuance of RPS Settlement Shares.

8.3 Proposed Rights Issue with Warrants

After due consideration of various types of fund-raising, our Board is of the view that the Proposed Rights Issue with Warrants is an appropriate avenue to raise the necessary funding for our Group at this juncture for the purposes as set out in **Part A, Section 4.7** of this Circular, after taking into consideration the following:

(i) the Proposed Rights Issue with Warrants will strengthen the financial position and capital base of our Company, by reducing our gearing level and increasing our NA thereby providing greater financial flexibility, as illustrated in **Part A, Section 11.3** of this Circular;

(ii) the Proposed Rights Issue with Warrants will enable the issuance of new Shares without diluting our shareholders' equity interest, based on the assumption that all our Entitled Shareholders subscribe in full for their respective entitlements under the Proposed Rights Issue with Warrants and exercise their Warrants D subsequently;

(iii) the Proposed Rights Issue with Warrants will provide all our Entitled Shareholders with an opportunity to participate in an equity offering in our Company on a pro-rata basis and ultimately, participate in the prospects and future growth of our Group by subscribing to the Rights Shares at a discount to the TEAP of our Shares;

(iv) the Proposed Rights Issue with Warrants will strengthen the capital base of our Company and enhance the overall financial position of our Group;

(v) the Proposed Rights Issue with Warrants will enable our Company to raise the requisite funds as set out in **Part A, Section 4.7** of this Circular, without incurring additional interest expense, as compared to bank borrowings, thereby minimising any potential cash outflow in respect of interest servicing; and

(vi) the Warrants D attached to the Rights Shares is meant to reward and provide our Entitled Shareholders with an option to further increase their equity participation in our Company by exercising their Warrants D during the exercise period and enable them to further participate in the future growth of our Group as and when the Warrants D are exercised. The exercise of the Warrants D will also strengthen the capital base of our Company and shareholders' funds as well as potentially provide funds for our Group to finance our working capital requirements.

8.4 Proposed Private Placement

The Proposed Private Placement is mainly undertaken to increase the Bumiputera shareholdings of our Company with the objective to improve the competitiveness of our Group in our project tender process. Among the projects available for tender, some of the projects require a higher percentage of Bumiputera shareholdings in our Company. Hence, as part of our Group's business strategy, we seek to increase our Bumiputera shareholdings to broaden the types of projects available for our Group to tender via issuance of new Shares to third-party Bumiputera investor(s) pursuant to the Proposed Private Placement. This move is expected to improve our Group's competitiveness and allow our Group to participate in more projects which is expected to further enhance our income stream.

In addition, our Board is of the view that the Proposed Private Placement represents the most appropriate avenue for fund raising as the Proposed Private Placement:

(i) will enable our Group to increase the Bumiputera shareholdings in our Company, taking into consideration the dilutive impact arising upon completion of the Proposals.

For illustrative purposes, the pro forma effects of Bumiputera shareholdings in our Company before and after the completion of the Proposed Private Placement (which our Company intends to implement the Proposed Private Placement after the completion of the Proposed Creditor Settlement, Proposed RPS Settlement and Proposed Rights Issue with Warrants) under the Base Case Scenario (as defined herein) are as follows:

	(I) As at the LPD		(II) After (I) and the Proposed Creditor Settlement, Proposed RPS Settlement and Proposed Rights Issue with Warrants (Base Case Scenario)		(III) After (II) and the Proposed Private Placement (Base Case Scenario)	
	No. of Shares	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Share Capital	540,673,135	100.00	2,230,759,940[(1)]	100.00	2,565,373,840[(2)]	100.00
(-) Non-Bumiputera and foreign shareholdings	395,886,295	73.22	1,520,082,330	68.14	1,520,082,330	59.25
Bumiputera shareholdings	**144,786,840**	**26.78**	**710,677,610**	**31.86**	**1,045,291,510**	**40.75**

Notes:

(1) After taking into consideration the issuance of 85,000,000 Creditor Settlement Shares, 1,064,413,670 RPS Settlement Shares, and 540,673,135 Rights Shares under the Base Case Scenario (save for the Proposed Private Placement).

(2) After taking into consideration the issuance of 85,000,000 Creditor Settlement Shares, 1,064,413,670 RPS Settlement Shares, 540,673,135 Rights Shares and 334,613,900 Placement Shares under the Base Case Scenario.

(ii) will enable our Group to raise additional funds to repay our debt owing to Microlink and fund our working capital requirements without incurring additional financing costs as compared to conventional bank borrowings;

(iii) will enable our Group to improve our liquidity and financial flexibility by strengthening our financial position; and

(iv) will enable our Company to further strengthen our equity base.

8.5 Proposed Share Capital Reduction

The Proposed Share Capital Reduction will enable our Company and our Group to rationalise their financial positions by reducing the accumulated losses to better reflect the value of the underlying assets and the financial position of our Company and our Group. In addition, the reduction of accumulated losses is expected to enhance the credibility of both our Company and our Group with, among others, our bankers, customers, suppliers, investors and other stakeholders.

9. INDUSTRY OUTLOOK AND FUTURE PROSPECTS

9.1 Malaysian economy

For the year as a whole, the Malaysian economy grew by 5.1% in 2024 (2023: 3.6%), due to continued expansion in domestic demand and a rebound in exports. On the domestic front, growth was mainly driven by stronger household spending reflecting favourable labour market conditions, policy measures to support households and healthy household balance sheets. In addition, strong investment approvals and further progress of multi-year projects by the private and public sectors, which includes catalytic initiatives under national master plans (i.e. New Industrial Master Plan, National Energy Transition Roadmap, and National Semiconductor Strategy) provided further impetus to investment growth. On the external front, exports recovered amid steady global growth, continued tech upcycle as well as higher tourist arrivals and spending. This provided support to the current account, leading to a continued surplus of 1.7% of gross domestic product (GDP) in 2024 (1.5% in 2023).

*(Source: Economic and Financial Developments in Malaysia Economy in the Fourth Quarter of 2024, Bank Negara Malaysia ("**BNM**"))*

The Malaysian economy expanded by 4.4% in the second quarter of 2025 (1Q 2025: 4.4%), driven by robust domestic demand. Household spending was higher amid positive labour market conditions and income-related policy measures, including the upward revision of minimum wage and civil servant salaries. Of significance, both private and public investments recorded stronger expansion, supported by the realisation of new and existing projects. In the external sector, export growth was slower due mainly to lower commodities-related exports. This was partially offset by continued electrical and electronics ("**E&E**") exports and robust tourism activity. At the same time, import growth was higher, driven by strong demand for capital goods, reflecting higher investment activities.

On the supply side, growth was driven by the services and manufacturing sectors. The services sector was supported by consumer-related and Government services. Steady growth in domestic-oriented clusters underpinned the performance in the manufacturing sector. Overall growth was weighed down by a contraction in the mining sector amid lower commodities production. On a quarter-on-quarter, seasonally-adjusted basis, growth expanded by 2.1% (1Q 2025: 0.7%).

(Source: Economic and Financial Developments in Malaysia Economy in the Second Quarter of 2025, BNM)

The growth in 2025 is projected between 4.5% and 5.5%, supported by a resilient external sector, benefitting from improved global trade and stronger demand for electrical and electronic goods, leveraging the country's strategic position within the semiconductor supply chain. Additionally, robust domestic demand, fuelled by strong private sector expenditure, will support the expansion, through continued implementation of key national master plans and ongoing initiatives. A pertinent initiative which is Government-Linked Enterprises Activation and Reform Program, will synergise efforts across government-linked entities to catalyse growth in high growth sectors, encompassing energy transition, advanced manufacturing, food security, healthcare, Islamic finance and biopharmaceuticals. The potential investment from this initiative is expected to amount to RM120 billion over the span of five years. On the production side, most sectors are expected to expand, highlighting the resilience and agility of Malaysia's economy.

(Source: Economic Outlook 2025, MOF)

9.2 Overview and outlook of the IT and ICT industry in Malaysia

The information and communication subsector recorded an increase in revenue of 3.4% in 2024. For the second quarter of 2025, information and communication segment recorded an increase in revenue of RM45.3 billion, representing a 1.1% quarter-on-quarter growth as compared to the first quarter of 2025 of RM44.8 billion, representing a 0.0% quarter-on-quarter growth.

(Source: Quarterly Services Statistics, 2nd quarter of 2025, Department of Statistics Malaysia)

The information and communication subsector expanded by 3% in the first half of 2024, attributed to the telecommunication segment. The subsector is expected to grow by 3.2% in the second half of the year supported by the uptick in digital-based services, social commerce activities (refers to buying and selling products or services through social media platforms) as well as streaming of entertainment contents and major sporting events. Likewise, the adoption of digital services, particularly artificial intelligence ("**AI**"), cloud computing and cybersecurity programming is anticipated to spur the subsector's growth. Moreover, mobile internet packages for civil servants, students and media practitioners are expected to further increase the internet subscription rate. Hence, the subsector is anticipated to record a growth of 3.1% in 2024.

The information and communication subsector is expected to grow by 2.6% in 2025, mainly attributed to the completion of 5G network that will enhance the coverage and network quality. Furthermore, a surge in investment for digital infrastructure including data centres will be crucial in improving the subsector's growth.

Budget 2025 will also lay the foundation for a digital and innovation driven economy positioning the country towards achieving a high-income nation. In this regard, the Malaysia Digital Economy Blueprint will support the Government's effort to become a regional leader in digital economy by 2030. The Blueprint will significantly benefit Malaysia's micro, small, and medium enterprises ("**MSMEs**") through enhanced digital adoption, improved infrastructure, expanded market access, empowered upskilling and retraining, and strengthened cybersecurity as well as increased productivity and competitiveness. Accordingly, Government-linked Enterprises Activation and Reform Programme will focus on encouraging connections between high growth high value industries and MSMEs along the supply chain through digital platforms.

The Government will prioritise cyber security throughout the digital infrastructure network which connects all users, towards a safe and secure ecosystem that will contribute to increased investor and business confidence. Furthermore, through the National Cyber Security Agency, the Government will cooperate with stakeholders to address cyber security threats by ensuring compliance to the Cyber Security Act 2024 [Act 854]. This will include building the capacity of the entire government machinery by undertaking a cyber risk assessment and audit exercise to enhance the resilience of digital infrastructures.

It is paramount to provide continuous and uninterrupted connectivity across the nation by expanding the communication network to cover all blind spots, particularly in promoting investments in data centres, cloud computing, and other technology-driven services. This encompasses having comprehensive and reliable internet infrastructure that facilitates innovation and adopting advanced technologies such as robotics, AI and the Internet of Things (IoT), which are appealing to investors looking for cutting-edge environment.

In addition, Budget 2025 will entail efforts to position Kuala Lumpur as a top 20 global startup hub by 2030 through the KL20 Action Plan initiative. This initiative aims to create a conducive environment, fostering investment and deal-sourcing opportunities for venture capitalists as well as encouraging more funding for startups to drive innovation in Malaysia. Overall, the Government will emphasise continuously improving regulations to keep pace with technological advancements and ensuring a supportive business environment in addressing disparities in digital access and literacy.

(Source: Economic Outlook 2025, MOF)

ICT and e-commerce industry generated a value-added of RM427.7 billion in 2023 as compared to RM411.6 billion in 2022, recording a growth of 3.9%. The contribution of ICT and e-commerce to the national economy rose to 23.5% from 22.9% in 2022. This performance was driven by the gross value added of the ICT industry ("**GVAICT**") at 13.8% and e-commerce from other industries at 9.6%.

GVAICT amounted to RM252.0 billion, recording a growth of 3.8% compared to 11.4% in 2022. This growth was supported by ICT services, which contributed 41.6%, followed by ICT manufacturing, ICT trade, and content & media, with shares of 38.2%, 14.2%, and 6.0%, respectively.

(Source: Malaysia Digital Economy 2024, Department of Statistics Malaysia)

9.3 Overview and outlook of the healthcare industry in Malaysia

In October 2024, Malaysia's Prime Minister and Minister of Finance, Anwar Ibrahim, announced the 2025 government budget, allocating RM45.3 billion to the healthcare sector. This allocation marks a 10% increase from RM41.2 billion allocated in 2024 and means the sector will receive the second largest budgetary allocation, following education. Of the total healthcare budget, RM1.3 billion will fund upgrades and repairs to public hospitals, while RM300 million has been allocated to upgrade dilapidated clinics, particularly in rural areas, to enable more comprehensive and efficient care.

Giving its commentary on the healthcare budget, a Fitch Solutions agency ("**BMI**"), said Malaysia has prioritised healthcare infrastructure enhancements in recent years to address challenges such as an ageing population, the growing burden of chronic diseases and urban-rural disparities. The 2025 budget continues this trend, reflecting sustained commitments to strengthening the public health system. Malaysia's increasing healthcare budget allocations, coupled with rising demand for private healthcare both domestically and from medical tourists, has prompted us to revise our five- year growth forecast for health expenditure.

BMI said it now expects health expenditure to increase at a compound annual growth rate of 8.7% over the 2023-2028 period, up from previous forecast of 8.3%. Private hospitals are anticipated to experience increased demand for services through stronger collaborations with the public sector and the rollback of healthcare subsidies for high-income individuals. In its 2025 budget, the Ministry of Health stated it will enhance collaborations with 91 private hospitals to outsource public health patients for services such as cardiology, radiology, and nephrology. Additionally, the ministry has reiterated it will continue outsourcing heart patients among government pensioners aged 65 and above through the National Heart Institute. These initiatives will drive increased demand in private hospitals that are well-equipped to handle specialised treatments and complex procedures and aims to alleviate the burden on public healthcare facilities.

(Source: https://www.ijn.com.my/6041-2/,accessed on the LPD, National Heart Institute)

For healthcare, the Government is committed to provide expeditious services to the citizens, and will significantly enhance the delivery system to achieve universal access to quality services. This includes expanding mobile community services, upgrading equipment and facilities in hospitals and clinics, while ensuring adequate number of healthcare personnel to create a more conducive environment across all centres. At the same time, efforts will also be given to transform the healthcare system from focusing on treating illnesses to disease prevention. Budget 2025 will ensure the sustainability of public healthcare system through innovative financing in acquiring medical equipment, to address the issue of high cost in procuring and replacing equipment due to rapid advancement of technology.

(Source: Economic Outlook 2025, MOF)

The Malaysian pharmaceutical market is expected to grow moderately, with sales forecast to reach USD2.3 billion (MYR10.4 billion) in 2024, a 6.2% increase in local currency terms, though growth is projected at 5.8% in US dollar terms due to currency fluctuations, said BMI.

The country has introduced a reform to its pharmaceutical procurement process, following a disruption in human insulin supply last August 2024 due to reported production issues at a local manufacturing plant. Ministry of Health Malaysia ("**MOH**") announced that it will no longer operate under a single-supplier procurement system that awards pharmaceutical procurement contracts to a single drugmaker.

Furthermore, the MOH's new procurement system aims to address medicine shortages and supply chain disruptions, strengthen bargaining power, and introduce flexibility to source cheaper alternatives when necessary. However, challenges persist, including regulatory inefficiencies that delay the approval of new drugs and limit timely access to government contracts.

(Source: https://healthcareasiamagazine.com/healthcare/news/malaysian-pharmaceutical-market-project-modest-growth-amidst-new-reform, accessed on the LPD)

There were 20,931 registered pharmacists who renewed their annual certificates for 2023 according to their sector of practice. The total cost of medicines procured for all MOH hospitals, institutions and health clinics was RM3,308.56 million. The expenditure increased by 3.61% as compared to the total cost in 2022. Medicine expenditures for Approved Product Purchase List (APPL) through concessionaire company was RM1,210.42 million (36.58%), MOH contracts at the expense of RM1,363.79 million (41.22%), and direct purchase and quotations at the expense of RM734.35 million (22.20%).

(Source: Annual Report 2023, MOH)

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9.4 Prospects and future plans of our Group

As at the LPD, our Group is principally involved in the following business segments:

Segment	Description
Business performance	Provision of business performance improvement related services, including large-scale and multi-stakeholder ICT systems integration to streamline and enhance operations across various sectors. As at the LPD, our subsidiaries under the business performance segment are as follows: (i) Formis Research and Development Sdn Bhd (a wholly-owned subsidiary of our Company); (ii) Omesti Actify Sdn Bhd (an indirect wholly-owned subsidiary of our Company); (iii) Omesti Assist Sdn Bhd (an indirect wholly-owned subsidiary of our Company); (iv) Formis Network Services Sdn Bhd (an indirect 49%-owned subsidiary of our Company); (v) Prima Arenaniaga Sdn Bhd (an indirect wholly-owned subsidiary of our Company); (vi) Amadeus Digital Xpress Sdn Bhd (an indirect wholly-owned subsidiary of our Company); (vii) Red Ape Solutions Sdn Bhd (an indirect wholly-owned subsidiary of our Company); (viii) Formis Software & Technologies Sdn Bhd (an indirect wholly-owned subsidiary of our Company); and (ix) Continuous Network Services Sdn Bhd (a wholly-owned subsidiary of our Company)
Healthcare	Provision of medical and pharmaceutical services, including wholesale and retail trading of pharmaceutical products and test laboratory services. As at the LPD, our subsidiaries under the healthcare segment are as follows: (i) BB Boss Sdn Bhd (an indirect 70%-owned subsidiary of our Company); (ii) Bemed Venture Sdn Bhd (an indirect 70%-owned subsidiary of our Company); (iii) Bemed (PTJ) Sdn Bhd (an indirect 70%-owned subsidiary of our Company); (iv) Be Med Sdn Bhd (an indirect 70%-owned subsidiary of our Company); (v) Bemed Tempua Sdn Bhd (an indirect 70%-owned subsidiary of our Company); (vi) Bemed (ITT) sdn Bhd (an indirect 70%-owned subsidiary of our Company); (vii) Bemed Pharma Sdn Bhd (an indirect 70%-owned subsidiary of our Company); (viii) Bemed Matahari Sdn Bhd (an indirect 70%-owned subsidiary of our Company); (ix) Bemed Lagenda Sdn Bhd (an indirect 70%-owned subsidiary of our Company); (x) Bemed Healthcare Sdn Bhd (an indirect 70%-owned subsidiary of our Company); (xi) RJ Drugstore Sdn Bhd (an indirect wholly-owned subsidiary of our Company); and (xii) Medilabz Signature Sdn Bhd (an indirect 70%-owned subsidiary of our Company)

Segment	Description
Digital and infrastructure	Provision of digital and infrastructure services, including build, lease, operation, and maintenance of telco-neutral infrastructure. As at the LPD, Ohana Communications Sdn Bhd (an indirect wholly-owned subsidiary of our Company) is our sole subsidiary under the digital and infrastructure segment
Others	Investment holding and other dormant companies. As at the LPD, our subsidiaries under others are as follows: <u>Investment holding companies</u> (i) O Dojo Sdn Bhd (an indirect wholly-owned subsidiary of our Company); (ii) Omesti Holdings Berhad (a wholly-owned subsidiary of our Company); (iii) Next Intelligent Sdn Bhd (an indirect wholly-owned subsidiary of our Company); (iv) Continuous Network Advisors Sdn Bhd (a wholly-owned subsidiary of our Company); (v) Channel Legacy Sdn Bhd (an indirect wholly-owned subsidiary of our Company); (vi) Man Yau Holdings Bhd (a wholly-owned subsidiary of our Company); (vii) Omesti Bemed Sdn Bhd (an indirect wholly-owned subsidiary of our Company); and (viii) Omesti Healthcare Sdn Bhd (an indirect wholly-owned subsidiary of our Company), <u>Dormant companies</u> (i) Bancore Asia Pte Ltd (an indirect wholly-owned subsidiary of our Company); (ii) Bancore Sdn Bhd (an indirect wholly-owned subsidiary of our Company); (iii) Chelsea Apps Factory Bangsar Sdn Bhd (an indirect 80%-owned subsidiary of our Company); (iv) Comline Dotcom Sdn Bhd (an indirect wholly-owned subsidiary of our Company); (v) Com-Line Systems Sdn Bhd (an indirect 85%-owned subsidiary of our Company); (vi) Formis Niaga Solusi Sdn Bhd (an indirect wholly-owned subsidiary of our Company); (vii) Mindforum Sdn Bhd (an indirect 70%-owned subsidiary of our Company); (viii) Omesti Data Sdn Bhd (an indirect wholly-owned subsidiary of our Company); (ix) Omesti Tree Med Sdn Bhd (an indirect wholly-owned subsidiary of our Company); (x) Yakimbi ICT Sdn Bhd (an indirect wholly-owned subsidiary of our Company); (xi) Yakimbi Sdn Bhd (an indirect 94.4%-owned subsidiary of our Company); (xii) PDAC Formis Sdn Bhd (an indirect 70%-owned subsidiary of our Company); (xiii) PT Formis Solusi Indonesia (an indirect wholly-owned subsidiary of our Company); and (xiv) Formis International Limited (an indirect wholly-owned subsidiary of our Company)

The financial performance of each segment of our Group for the past 5 financial years and period up to 15-month FPE 30 June 2025 are as follows:

	Audited										Unaudited	
	FYE 31 March 2020		FYE 31 March 2021		FYE 31 March 2022		FYE 31 March 2023[1]		FYE 31 March 2024		15-month FPE 30 June 2025[2]	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Revenue												
Business performance	112,456	44.0	99,344	42.2	153,609	50.3	92,345	79.5	91,414	78.7	54,696	62.1
Healthcare	-	-	-	-	15,368	5.0	22,736	19.6	23,534	20.3	32,424	36.8
Digital and infrastructure	968	0.4	41	0.0	57	0.1	55	0.0	57	0.0	71	0.1
Others	34	0.0	4,383	1.9	646	0.2	1,090	0.9	1,144	1.0	875	1.0
Trading and distribution (discontinued)	142,152	55.6	131,456	55.9	135,614	44.4	-	-	-	-	-	-
Total	**255,610**	**100.0**	**235,224**	**100.0**	**305,294**	**100.0**	**116,226**	**100.0**	**116,149**	**100.0**	**88,066**	**100.0**
GP / GP Margin												
Business performance	69,414	78.9	55,008	80.0	105,599	85.4	34,783	81.9	47,917	86.7	41,574	82.0
	61.7%		*55.4%*		*68.7%*		*37.7%*		*52.4%*		*76.0%*	
Healthcare	-	-	-	-	2,417	2.0	6,558	15.5	6,581	11.9	8,196	16.2
	-		-		*15.7%*		*28.8%*		*28.0%*		*25.3%*	
Digital and infrastructure	(244)	(0.3)	(970)	(1.4)	2	0.0	42	0.1	55	0.1	71	0.1
	(25.2)%	-	*(2,365.9)%*		*3.5%*		*76.4%*		*96.5%*		*100.0%*	
Others	1,981	2.3	446	0.6	1,117	0.9	1,072	2.5	722	1.3	865	1.7
	5,826.5%	-	*10.2%*		*172.9%*		*98.3%*		*63.1%*		*98.9%*	
Trading and distribution (discontinued)	16,851	19.1	14,304	20.8	14,429	11.7	-	-	-	-	-	-
	11.9%		*10.9%*		*10.6%*		-	-	-	-	-	-
Total	**88,002**	**100.0**	**68,788**	**100.0**	**123,564**	**100.0**	**42,455**	**100.0**	**55,275**	**100.0**	**50,706**	**100.0**
PBT / (LBT)												
Business performance	37,523	112.4	21,114	254.4	(14,900)	(1,139.1)	(12,752)	20.7	(104,436)	40.8	(7,756)	36.4
Healthcare	-	-	-	-	2,566	196.2	(690)	1.1	(7,276)	2.8	1,556	(7.3)
Digital and infrastructure	(640)	(1.9)	(2,079)	(25.1)	(679)	(51.9)	2,261	(3.6)	(432)	0.2	(303)	1.4
Others	(3,546)	(10.6)	1,445	17.4	3,246	248.1	(50,373)	81.8	(144,121)	56.2	(14,794)	69.5
Trading and distribution (discontinued)	45	0.1	(12,180)	(146.7)	11,075	846.7	-	-	-	-	-	-
Total	**33,382**	**100.0**	**8,300**	**100.0**	**1,308**	**100.0**	**(61,554)**	**100.0**	**(256,265)**	**100.0**	**(21,297)**	**100.0**
PAT / (LAT)												
Business performance	33,188	117.1	19,739	309.6	(23,253)	261.4	(13,596)	21.8	(105,681)	41.0	(7,828)	36.6
Healthcare	-	-	-	-	2,023	(22.7)	(776)	1.2	(7,420)	2.9	1,518	(7.1)
Digital and infrastructure	(640)	(2.3)	(2,079)	(32.6)	(679)	7.6	2,260	(3.6)	(432)	0.2	(303)	1.4
Others	(3,546)	(12.5)	1,416	22.2	2,954	(33.2)	(50,311)	80.6	(144,229)	55.9	(14,794)	69.1
Trading and distribution (discontinued)	(659)	(2.3)	(12,700)	(199.2)	10,061	(113.1)	-	-	-	-	-	-
Total	**28,343**	**100.0**	**6,376**	**100.0**	**(8,894)**	**100.0**	**(62,423)**	**100.0**	**(257,762)**	**100.0**	**(21,407)**	**100.0**

Notes:

(1) During the FYE 31 March 2023, our Group has discontinued our trading and distribution division, which was involved in the trading and system integration of hardware and software solutions.

(2) Our Company has changed the FYE from 31 March 2025 to 30 September 2025.

Business performance

Within our business performance division, our Group's expertise in ICT systems integration has enabled us to provide large-scale solutions and services that streamline operations and enhance performance of our clients across multiple sectors, such as business process management, cybersecurity services, digital court solutions, digital human resource ("**HR**") solutions, corporate secretarial services, payroll services, system integration, digital financial report, and data services, among others.

Save for the trading and distribution division, which was divested during the FYE 31 March 2023, our Group's business performance division has been our largest revenue contributor over the past 5 financial years. However, revenue from this division started to decline since the FYE 31 March 2023, mainly due to lower order book being recognised from lower total project values secured. Nonetheless, this division has consistently contributed the highest GP, with GP margins of 38% or higher. The PBT and PAT were positive in the FYE 31 March 2020 and FYE 31 March 2021, but began to decline in subsequent years, mainly due to higher operating expenses incurred from higher amortisation of intangible assets (license agreements / software development costs). A significant LAT of RM105.68 million was recorded for the FYE 31 March 2024, mainly due to one-off impairment loss on intangible assets (software development costs) following the completion of TM Project on 29 February 2024 (with no further extension thereafter). Nevertheless, LAT was significantly reduced to RM7.83 million in the 15-month FPE 30 June 2025 (annualised LAT for the 15-month FPE 30 June 2025 of RM6.26 million) as no further impairment losses were incurred.

However, our Group is actively bidding for and securing additional high-margin projects, focused on expanding our business performance division, leveraging our expertise in multi-stakeholder integration projects to capitalise on the growing demand for digital transformation services in both public and private sectors. During the FYE 31 March 2024 up to the LPD, our Group has successfully secured several long-term and sustainable projects from the public sector, such as system maintenance contracts from government agencies, sub-contractor works form Bumiputera company for Universiti Putra Malaysia ("**UPM**") campus network implementation, and contract from TNB for the provision of cybersecurity services, among others.

On 19 February 2025, FNS secured an e-Courts Phase 3 Project through its digital court infrastructure, with a total project value of approximately RM70.54 million. Please refer to **Part A, Section 4.7** of this Circular for further details. Our Group has been involved in project of e-Courts system since 2012, providing end-to-end court management solutions that improve efficiency in court delivery systems.

Moving forward, our Group seeks to deepen our involvement in providing tailored solutions to address specific operational challenges faced by businesses, as well as technology-driven solutions to optimise business processes. As part of these initiatives, our Group's internal technical team is currently testing and develop hybrid cloud solutions and AI LLM designed for universities and colleges to assist in citation writing. Additionally, our Group intends to foster strategic partnerships with technology providers to further strengthen our technical capabilities and expand our client base, thereby offer more innovative solutions and maintain a competitive edge in the rapidly evolving technology landscape.

Healthcare

In addition to our business performance division, our Group's healthcare division is involved in the operation of pharmacies, distribution of pharmaceutical products, vaccines, medical devices, and test laboratory services. Our healthcare division has demonstrated consistent year-on-year growth, with revenue increasing from RM15.37 million in the FYE 31 March 2022 to RM32.42 million in the 15-month FPE 30 June 2025 (annualised revenue for the 15-month FPE 30 June 2025 of RM25.94 million), as well as consistent GP margins ranging from approximately 16% to 29% since the FYE 31 March 2022, reflecting healthy gross profitability in our pharmacy retail segment.

Our healthcare division began with 10 pharmacy outlets during the FYE 31 March 2022, marking our entry into the pharmaceutical retail business. Thereafter, expanded to 19 outlets during the FYE 31 March 2023, driven by the profitability in the segment (PAT of RM2.02 million was recorded in the FYE 31 March 2022). However, due to underperformance, 6 outlets were closed down during the FYE 31 March 2024 and the 15-month FPE 30 June 2025, driven by a decline in revenue from these outlets, which resulted to losses in the FYE 31 March 2023 (LAT of RM0.78 million) and the FYE 31 March 2024 (LAT of RM7.42 million). Following our cost control and rationalisation efforts, the division returned to profitability in the 15-month FPE 30 June 2025, recording a PAT of RM1.52 million (annualised PAT for the 15-month FPE 30 June 2025 of RM1.21 million). As at the LPD, the division operates 1 warehouse and 13 outlets, under the outlet "Be Pharmacy" within the Klang Valley region (i.e., KL, PJ, Puchong, and Shah Alam).

Our healthcare division remains challenging and competitive following the endemic of Coronavirus Disease 2019 (Covid-19). Despite these challenges, our Group is focused on strengthening our position by sourcing high-margin products, expanding our product offerings, and enhancing our distribution network. Our Group also intends to explore partnerships with healthcare providers to introduce new medical products, and services to the Malaysian market, thereby broadening the revenue streams of our healthcare division.

Digital and infrastructure

Our Group's digital and infrastructure division experienced a significant drop in revenue since the FYE 31 March 2021, following the transfer of the retail operations (provision of broadband services) of Ohana Communications Sdn Bhd (a wholly-owned subsidiary of our Company) to Viewqwest Holdings Sdn Bhd (an indirect 20%-owned associated company of our Company) during the FYE 31 March 2021. Prior to the transfer, the retail operations had contributed a substantial portion of revenue to the division. However, the retail business has incurred losses to the division due to underperformance, recording a LAT of RM0.65 million for the FYE 31 March 2020 and RM2.08 million for the FYE 31 March 2021.

As part of our Group's cost rationalisation efforts and to strengthen cash flow, we have decided to exit the loss-making retail business. Since the transfer (from the FYE 31 March 2022 onwards), our digital and infrastructure division has mainly focused on the leasing of telecommunication infrastructure, recorded a consistent revenue of approximately RM0.06 million annually (being the lowest revenue contributor among other segments). The division has recorded a LAT of RM0.70 million for the FYE 31 March 2022, mainly due to higher operating expenses incurred for the retail operations (i.e., staff costs and consultancy fees), and PAT of RM2.26 million for the FYE 31 March 2023 arising mainly from the reversal of impairment loss on other receivables upon settlement. Thereafter, LAT of RM0.43 million and RM0.30 million were recorded for the FYE 31 March 2024 and the 15-month FPE 30 June 2025 (annualised LAT for the 15-month FPE 30 June 2025 of RM0.24 million), respectively mainly due to staff costs incurred for personnel retained to manage contractual obligations.

Trading and distribution (discontinued)

Prior to the divestment of our equity interests in Microlink, our trading and distribution division (carried out solely through Microlink) has contributed a significant portion of our Group's revenue, with GP margins ranging from approximately 12% to 21% from the FYE 31 March 2020 to the FYE 31 March 2022. However, a significant LAT of RM12.70 million was recorded for the FYE 31 March 2021, mainly due to the impairment loss on trade receivables arising from long-outstanding debts deemed irrecoverable, and inventory write-downs resulting from slow-moving stocks and a decline in the net realisable value of inventories, arising from the business activities of distribution and maintenance of computer hardware and software products.

During the FYE 31 March 2023, our Group has discontinued our trading and distribution division, as part of our strategic divestment to unlock the value / gain of our investments in Microlink through the disposal of shares in Microlink on the open market, reducing our equity interest in Microlink from an indirect subsidiary to an indirect associate company of our Company. This restructuring aimed to strengthen our Group's financial position and aligned with our strategic shift, focusing our resources on expanding our business performance and healthcare divisions. As at the LPD, our Company holds 17.18% equity interest in Microlink. Moving forward, our Group intends to gradually dispose of and pare down its holdings in Microlink to raise cash, depending on prevailing market conditions, share price performance, and the funding requirements of our Group. In doing so, we will carefully assess the appropriate timing for any disposals to manage the impact on our income statement, particularly with regard to any further impairment losses that may arise from such disposals.

Others

The main revenue contributor from others (being the investment holdings companies) mainly arising from management fees and rental income from co-working spaces, with revenue ranging from RM0.80 million to RM1.10 million since the discontinuation our trading and distribution division (from FYE 31 March 2023 onwards). Losses began to incur from the FYE 31 March 2023, with LAT of RM50.31 million recorded in the FYE 31 March 2023, mainly arising from the one-off impairment loss on investments in Ho Hup and significant tax provision incurred from the gain on disposal of Microlink, subsequently increased to RM144.23 million for the FYE 31 March 2024, mainly due to one-off impairment loss on an asset held for sale (Microlink) following its disposal and reclassification of the investment in Microlink from "investment in an associate" to "non-current asset held for sale", and one-off impairment on the fair value of quoted shares in Ho Hup. However, LAT reduced significantly to RM14.79 million for the 15-month FPE 30 June 2025 (annualised LAT for the 15-month FPE 30 June 2025 of RM11.84 million), mainly due to lower one-off expenses incurred.

Overall

Based on the contracts secured by our Group (as stated in **Part A, Section 4.7** of this Circular) as at the LPD, a total order book of RM119.89 million under the business performance division and RM0.16 million under the digital and infrastructure division will be recognised as follows:

	LPD up to 18-month FPE 30 September 2025 RM'000	**FYE 30 September 2026 RM'000**	**FYE 30 September 2027 RM'000**	**FYE 30 September 2028 RM'000**	**Total order book RM'000**
Business performance	3,105	31,710	77,819	7,258	**119,892**
Digital and infrastructure	5	57	57	43	**162**
Total	**3,110**	**31,767**	**77,876**	**7,301**	**120,054**

No order book was secured for the healthcare division, as it solely operates as a pharmacy retail business.

Our Group has undertaken various efforts to improve our financial and operational performance by taking prudent measures to strengthen our core business, exploring growth avenues by securing new potential projects, and forming strategic partnerships to expand our market presence and capabilities. The details of which is disclosed in **Section 4 of Appendix VI** of this Circular.

In view of the outlook of the ICT and healthcare industries in Malaysia as set out in **Part A, Sections 9.2 and 9.3** of this Circular, respectively, our management remains optimistic on the future prospects of our Group moving forward. The Proposed Creditor Settlement and Proposed RPS Settlement (which are intended to repay our Group's outstanding debts and preserve our cash flow and liquidity to efficiently service our Group's working capital requirements) are expected to strengthen our Group's equity base as well as our NA and gearing ratio, and thus enhance our financial position. Additionally, the Proposed Private Placement will enable our Group to raise additional funds to repay our debt owing to Microlink and fund our working capital requirements without incurring additional financing costs.

Our Board believes that the Proposed Rights Issue with Warrants is in the best interests of our Company as it provides the necessary capital for our Group to expand our existing core business and support working capital for our operations, align with our Group's long-term growth plan. While it is noted that the healthcare division has recorded consistent year-on-year revenue growth compared to the business performance division, our Board is of the view that a larger portion of the proceeds is allocated to the business performance division as significant upfront investment is required for the recently secured e-Courts Phase 3 Project, which involves substantial costs relating to research and development, the purchase of hardware and software equipment, and subcontractor fees (as detailed in **Part A, Section 4.7** of this Circular), to ensure successful project execution. However, healthcare division operates as a mature retail pharmacy business that does not require substantial initial capital outlays, and its day-to-day operations can also be supported by our Group's internally generated funds.

Our Group will continue to focus on improving our existing business operations (including cost management measures to control our Group's operational expenses) as well as seek new business opportunities for expansion. This, in turn, is expected to further improve our Group's financial performance and enhance our shareholders' value in the long term.

(Source: our management)

10. RISK FACTORS

10.1 Non-completion risk of the Proposed Creditor Settlement

The completion of the Proposed Creditor Settlement is subject to, amongst others, the fulfilment of the conditions precedent within the Conditions Precedent Period, failing which may result in termination of the Settlement Agreement. As a result of such termination, the debts shall remain due and payable by our Company to Microlink, whereby Microlink has requested for full settlement of the debts since June 2024. In this respect, our Company will take reasonable steps that are within our control to ensure completion of the Proposed Creditor Settlement, including but not limited to closely monitoring the progress of the Proposed Creditor Settlement and ensuring timely fulfilment of the conditions precedent within the Conditions Precedent Period as stipulated in the Settlement Agreement.

10.2 Non-completion risk of the Proposed RPS Settlement

The completion of the Proposed RPS Settlement is subject to, amongst others, the approval of our RPS holders at our RPS holders' meeting to be convened, failing which may result in non-redemption of the RPS, whereby our Company is obligated to redeem and repay our RPS holders by the RPS Maturity Date. Failure to do so could expose our Company to the risk of potential legal action by our RPS holders for breach of obligations. Any such default may also result in a loss of market confidence in our Company, which would adversely impact future corporate exercises and business dealings, and could potentially trigger the prescribed criteria under Practice Note 17 of the Listing Requirements.

However, considering our Group's recent financial performance, the RPS Maturity Date and our Company's cash flow position as at the LPD (cash and bank balances of approximately RM1.27 million (net of fixed deposits pledged with banks)) and the rationale for the Proposed RPS Settlement as set out in **Part A, Section 8.2** of this Circular, the issuance of the RPS Settlement Shares may be the most viable solution for our Company to settle the amount owing to our RPS holders without triggering any financial default to our RPS holders or any other loan covenants imposed by any lenders.

In this respect, our Company will take reasonable steps that are within our control to ensure completion of the Proposed RPS Settlement in compliance with the laws of Malaysia and the relevant regulations.

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11. EFFECTS OF THE PROPOSALS

11.1 Issued share capital

The pro forma effects of the Proposals on the issued share capital of our Company as at the LPD are as follows:

	Minimum Scenario[1]		Base Case Scenario[2]		Maximum Scenario[3]	
	No. of Shares	**RM**	**No. of Shares**	**RM**	**No. of Shares**	**RM**
As at the LPD	540,673,135	279,794,933	540,673,135	279,794,933	540,673,135	279,794,933
To be issued assuming full exercise of the outstanding Warrants C[10]	-	-	-	-	248,362,936	151,302,728[4]
	540,673,135	**279,794,933**	**540,673,135**	**279,794,933**	**789,036,071**	**431,097,661**
To be issued pursuant to the Proposed Creditor Settlement[11]	85,000,000	8,500,000[5]	85,000,000	8,500,000[5]	85,000,000	8,500,000[5]
	625,673,135	**288,294,933**	**625,673,135**	**288,294,933**	**874,036,071**	**439,597,661**
To be issued pursuant to the Proposed RPS Settlement[11]	1,064,413,670	106,441,367[6]	1,064,413,670	106,441,367[6]	1,064,413,670	106,441,367[6]
	1,690,086,805	**394,736,300**	**1,690,086,805**	**394,736,300**	**1,938,449,741**	**546,039,028**
To be issued pursuant to the Proposed Rights Issue with Warrants	212,326,530	13,546,433[7]	540,673,135	34,516,573[7]	789,036,071	50,372,063[7]
	1,902,413,335	**408,282,733**	**2,230,759,940**	**429,252,873**	**2,727,485,812**	**596,411,091**
To be cancelled pursuant to the Proposed Share Capital Reduction	-	(200,000,000)	-	(200,000,000)	-	(200,000,000)
	1,902,413,335	**208,282,733**	**2,230,759,940**	**229,252,873**	**2,727,485,812**	**396,411,091**
To be issued pursuant to the Proposed Private Placement	81,100,900	8,110,090[8]	334,613,900	33,461,390[8]	-	-
	1,983,514,235	**216,392,823**	**2,565,373,840**	**262,714,263**	**2,727,485,812**	**396,411,091**
To be issued assuming full exercise of the Warrants D[10]	84,930,612	11,932,751[9]	216,269,254	30,364,203[9]	315,614,428	44,312,266[9]
	2,068,444,847	**228,325,574**	**2,781,643,094**	**293,078,466**	**3,043,100,240**	**440,723,357**
To be issued pursuant to the Proposed Private Placement	-	-	-	-	456,465,000	45,646,500[8]
Enlarged issued share capital	**2,068,444,847**	**228,325,574**	**2,781,643,094**	**293,078,466**	**3,499,565,240**	**486,369,857**

Notes:

(1) Assuming Minimum Scenario (RIWW), Minimum Scenario (Settlement) and Minimum Scenario (Placement).

(2) Assuming:

(a) none of the 248,362,936 outstanding Warrants C are exercised into new Shares prior to the Entitlement Date, and issuance of Creditor Settlement Shares, RPS Settlement Shares and Placement Shares;

(b) all Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) subscribe in full for their entitlements under the Proposed Rights Issue with Warrants; and

(c) Proposed Private Placement to be implemented after the completion of Proposed Creditor Settlement, Proposed RPS Settlement and Proposed Rights Issue with Warrants.

(3) Assuming Maximum Scenario (RIWW), Maximum Scenario (Settlement) and Maximum Scenario (Placement).

(4) Based on an exercise price of RM0.50 per Warrant C and after accounting for the reversal of the warrants reserve amount of RM27.12 million pursuant to the exercise of Warrants C.

(5) Based on an indicative issue price of RM0.10 per Creditor Settlement Share.

(6) Based on an indicative issue price of RM0.10 per RPS Settlement Share.

(7) Based on an indicative issue price of RM0.08 per Rights Share and after accounting for the corresponding warrants reserve amount to be recognised in the share capital in respect of Warrants D.

(8) Based on an indicative issue price of RM0.10 per Placement Share.

(9) Based on an indicative exercise price of RM0.10 per Warrants D and after accounting for the reversal of the warrants reserve amount recognised in the share capital in respect of Warrants D.

(10) The Proposed Rights Issue with Warrants will not result in non-compliance with Paragraph 6.50 of the Listing Requirements as illustrated below:

	Minimum Scenario (RIWW)	***Base Case Scenario (RIWW)***	***Maximum Scenario (RIWW)***
	No. of Shares	***No. of Shares***	***No. of Shares***
Number of issued Shares after ***[A]*** *issuance of the Rights Shares*	*752,999,665*	*1,081,346,270*	*1,578,072,142*
Number of Shares to be issued assuming full exercise of the Warrants D ***[B]***	*84,930,612*	*216,269,254*	*315,614,428*
Number of Shares to be issued assuming full exercise of the Additional Warrants C ***[C]***	*270,493,370[(1)]*	*290,508,592[(a)]*	*-*
([B] + [C]) / [A]	***47.20%***	***46.87%***	***20.00%***

Note:

(a) Refer to ***Appendix IV*** *of this Circular for the computation of the adjustments to outstanding number of Warrant C pursuant to the Minimum Scenario (RIWW) and Base Case Scenario (RIWW).*

(11) The Creditor Settlement Shares and RPS Settlement Shares will not be entitled to subscribe for the Right Shares with Warrants D under the Proposed Rights Issue with Warrants.

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11.2 EPS / LPS

11.2.1 Proposed Creditor Settlement

The Proposed Creditor Settlement is not expected to have any material effect on the consolidated earnings / losses and EPS / LPS of our Group for the 18-month FPE 30 September 2025. However, the EPS / LPS of our Group will be diluted as a result of the increase in the number of issued Shares following the issuance of the Creditor Settlement Shares.

11.2.2 Proposed RPS Settlement

The Proposed RPS Settlement is not expected to have any material effect on the consolidated earnings / losses and EPS / LPS of our Group for the 18-month FPE 30 September 2025. However, the EPS / LPS of our Group will be diluted as a result of the increase in the number of issued Shares following the issuance of the RPS Settlement Shares.

11.2.3 Proposed Rights Issue with Warrants

The Proposed Rights Issue with Warrants is not expected to have an immediate effect on the consolidated earnings / losses and EPS / LPS of our Group for the 18-month FPE 30 September 2025 as it is only expected to be completed by the 2nd half of 2025 and the proceeds from the Proposed Rights Issue with Warrants is only expected to be utilised within 36 months from the date of completion of the Proposed Rights Issue with Warrants.

Nevertheless, the Proposed Rights Issue with Warrants is expected to contribute positively to the future earnings and EPS of our Group as and when the economic and financial benefits of the utilisation of proceeds are realised. Subsequent to the completion of the Proposed Rights Issue with Warrants, the EPS / LPS of our Group will be diluted as a result of the increase in the number of issued Shares following the issuance of the Rights Shares and new Shares pursuant to the exercise of Warrants D in the future. However, the extent of dilution to EPS / LPS of our Group will depend on, amongst others, the number of Rights Shares issued, the number of Warrants D exercised, the future earnings of our Group and the returns to be generated from the utilisation of proceeds from the Proposed Rights Issue with Warrants and the exercise of Warrants D.

11.2.4 Proposed Private Placement

The Proposed Private Placement is not expected to have an immediate effect on the consolidated earnings / losses and EPS / LPS of our Group for the 18-month FPE 30 September 2025.

However, the issuance and allotment of the Placement Shares pursuant to the Proposed Private Placement would result in dilution to the EPS / LPS of our Group. Nonetheless, barring any unforeseen circumstances, the Proposed Private Placement is expected to contribute positively to the future earnings and EPS of our Group as and when the economic and financial benefits of the utilisation of proceeds are realised.

11.2.5 Proposed Share Capital Reduction

The Proposed Share Capital Reduction is not expected to have any material effect on the consolidated earnings / losses and EPS / LPS of our Group for the 18-month FPE 30 September 2025.

11.3 NA, NA per Share and gearing

Based on the latest audited consolidated statements of financial position of our Group as at 31 March 2024, the pro forma effects of the Proposals on the NA, NA per Share and gearing of our Group are as follows:

Minimum Scenario

	Audited as at 31 March 2024	(I) After the Proposed Creditor Settlement[1]	(II) After (I) and the Proposed RPS Settlement[1]	(III) After (II) and the Proposed Rights Issue with Warrants	(IV) After (III) and the Proposed Share Capital Reduction	(V) After (IV) and the Proposed Private Placement	(VI) After (V) and assuming full exercise of the Warrants D
	RM	RM	RM	RM	RM	RM	RM
Share capital	279,794,933	288,294,933[2]	394,736,300[4]	408,282,733[6]	208,282,733[9]	216,392,823[10]	228,325,574[11]
Capital reserve	24,663,246	24,663,246	24,663,246	24,663,246	24,663,246	24,663,246	24,663,246
Warrant reserve	27,121,260	27,121,260	27,121,260	30,560,950[7]	30,560,950	30,560,950	27,121,260[11]
Exchange translation reserve	(1,473,513)	(1,473,513)	(1,473,513)	(1,473,513)	(1,473,513)	(1,473,513)	(1,473,513)
Accumulated losses	(264,348,333)	(266,248,333)[3]	(278,061,717)[5]	(278,061,717)	(78,061,717)[9]	(78,061,717)	(78,061,717)
Shareholders' equity / NA	**65,757,593**	**72,357,593**	**166,985,576**	**183,971,698**	**183,971,698**	**192,081,788**	**200,574,850**
Non-controlling interests	2,912,099	2,912,099	2,912,099	2,912,099	2,912,099	2,912,099	2,912,099
Total equity	**68,669,692**	**75,269,692**	**169,897,675**	**186,883,797**	**186,883,797**	**194,993,887**	**203,486,949**
No. of Shares in issue	540,673,135	625,673,135[2]	1,690,086,805[4]	1,902,413,335[6]	1,902,413,335	1,983,514,235[10]	2,068,444,847[11]
NA per Share	0.12	0.12	0.10	0.10	0.10	0.10	0.10
Total borrowings[12]	107,380,728	107,380,728	107,380,728	92,294,606[8]	92,294,606	92,294,606	92,294,606
Gearing ratio (times)[13]	1.56	1.43	0.63	0.49	0.49	0.47	0.45

Notes:

(1) The Creditor Settlement Shares and RPS Settlement Shares will not be entitled to subscribe for the Right Shares with Warrants D under the Proposed Rights Issue with Warrants.

(2) After taking into consideration the issuance of 85,000,000 Creditor Settlement Shares at an indicative issue price of RM0.10 per Creditor Settlement Share.

(3) After deducting the estimated expenses for the Proposals of approximately RM1.90 million.

(4) After taking into consideration the issuance of 1,064,413,670 RPS Settlement Shares at an indicative issue price of RM0.10 per RPS Settlement Share.

(5) After taking into consideration the issuance of RPS Settlement Shares and the reversal of RPS recognised under our Company's non-current liabilities as at 31 March 2024 of RM94.63 million.

(6) After taking into consideration the issuance of 212,326,530 Rights Shares at an indicative issue price of RM0.08 per Rights Share, and after accounting for the recognition of the warrants reserve amount of RM3.44 million arising from the exercise of the Warrants D.

(7) Computed based on the issuance of 84,930,612 Warrants D at an illustrative fair value of RM0.0405 each based on the Trinomial Option Pricing Model and an illustrative TEAP of the Share of RM0.0831 each.

(8) After taking into consideration the repayment of bank borrowings (term loans) of RM15.09 million from the utilisation of proceeds under the Minimum Scenario (RIWW).

(9) After taking into consideration the cancellation of our Company's issued share capital of RM200.0 million and the setting off of corresponding credit from such cancellation against our Company's accumulated losses.

(10) After taking into consideration the issuance of 81,100,900 Placement Shares at an indicative issue price of RM0.10 per Placement Share.

(11) Assuming all 84,930,612 Warrants D are exercised into new Shares at an indicative exercise price of RM0.10 per Warrant D, and after accounting for the reversal of the warrants reserve amount of RM4.30 million to be credited to the share capital following the exercise of Warrants D.

(12) Comprising lease liabilities of RM43.89 million, term loans of RM45.04 million, bank overdrafts of RM10.16 million and invoice financing of RM8.29 million as at 31 March 2024.

(13) Computed based on the total borrowings divided by the total equity.

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Base Case Scenario

	Audited as at 31 March 2024	(I) After the Proposed Creditor Settlement[1]	(II) After (I) and the Proposed RPS Settlement[1]	(III) After (II) and the Proposed Rights Issue with Warrants	(IV) After (III) and the Proposed Share Capital Reduction	(V) After (IV) and the Proposed Private Placement	(VI) After (V) and assuming full exercise of the Warrants D
	RM	RM	RM	RM	RM	RM	RM
Share capital	279,794,933	288,294,933[2]	394,736,300[4]	429,252,873[6]	229,252,873[9]	262,714,263[10]	293,078,466[11]
Capital reserve	24,663,246	24,663,246	24,663,246	24,663,246	24,663,246	24,663,246	24,663,246
Warrant reserve	27,121,260	27,121,260	27,121,260	35,858,538[7]	35,858,538	35,858,538	27,121,260[11]
Exchange translation reserve	(1,473,513)	(1,473,513)	(1,473,513)	(1,473,513)	(1,473,513)	(1,473,513)	(1,473,513)
Accumulated losses	(264,348,333)	(266,248,333)[3]	(278,061,717)[5]	(278,061,717)	(78,061,717)[9]	(78,061,717)	(78,061,717)
Shareholders' equity / NA	**65,757,593**	**72,357,593**	**166,985,576**	**210,239,427**	**210,239,427**	**243,700,817**	**265,327,742**
Non-controlling interests	2,912,099	2,912,099	2,912,099	2,912,099	2,912,099	2,912,099	2,912,099
Total equity	**68,669,692**	**75,269,692**	**169,897,675**	**213,151,526**	**213,151,526**	**246,612,916**	**268,239,841**
No. of Shares in issue	540,673,135	625,673,135[2]	1,690,086,805[4]	2,230,759,940[6]	2,230,759,940	2,565,373,840[10]	2,781,643,094[11]
NA per Share	0.12	0.12	0.10	0.09	0.09	0.09	0.10
Total borrowings[12]	107,380,728	107,380,728	107,380,728	91,760,843[8]	91,760,843	91,760,843	91,760,843
Gearing ratio (times)[13]	1.56	1.43	0.63	0.43	0.43	0.37	0.34

Notes:

(1) The Creditor Settlement Shares and RPS Settlement Shares will not be entitled to subscribe for the Right Shares with Warrants D under the Proposed Rights Issue with Warrants.

(2) After taking into consideration the issuance of 85,000,000 Creditor Settlement Shares at an indicative issue price of RM0.10 per Creditor Settlement Share.

(3) After deducting the estimated expenses for the Proposals of approximately RM1.90 million.

(4) After taking into consideration the issuance of 1,064,413,670 RPS Settlement Shares at an indicative issue price of RM0.10 per RPS Settlement Share.

(5) After taking into consideration the issuance of RPS Settlement Shares and the reversal of RPS recognised under our Company's non-current liabilities as at 31 March 2024 of RM94.63 million.

(6) After taking into consideration the issuance of 540,673,135 Rights Shares at an indicative issue price of RM0.08 per Rights Share, and after accounting for the recognition of the warrants reserve amount of RM8.74 million arising from the exercise of the Warrants D.

(7) Computed based on the issuance of 216,269,254 Warrants D at an illustrative fair value of RM0.0404 each based on the Trinomial Option Pricing Model and an illustrative TEAP of the Share of RM0.0831 each.

(8) After taking into consideration the repayment of bank borrowings (term loans) of RM15.62 million from the utilisation of proceeds under the Base Case Scenario (RIWW).

(9) After taking into consideration the cancellation of our Company's issued share capital of RM200.0 million and the setting off of corresponding credit from such cancellation against our Company's accumulated losses.

(10) After taking into consideration the issuance of 334,613,900 Placement Shares at an indicative issue price of RM0.10 per Placement Share.

(11) Assuming all 216,269,254 Warrants D are exercised into new Shares at an indicative exercise price of RM0.10 per Warrant D, and after accounting for the reversal of the warrants reserve amount of RM10.92 million to be credited to the share capital following the exercise of Warrants D.

(12) Comprising lease liabilities of RM43.89 million, term loans of RM45.04 million, bank overdrafts of RM10.16 million and invoice financing of RM8.29 million as at 31 March 2024.

(13) Computed based on the total borrowings divided by the total equity.

Maximum Scenario

	Audited as at 31 March 2024	**(I) After assuming full exercise of the Warrants C**	**(II) After (I) and the Proposed Creditor Settlement(1)**	**(III) After (II) and the Proposed RPS Settlement(1)**	**(IV) After (III) and the Proposed Rights Issue with Warrants**	**(V) After (IV) and the Proposed Share Capital Reduction**	**(VI) After (V) and assuming full exercise of the Warrants D**	**(VII) After (VI) and the Proposed Private Placement**
	RM	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
Share capital	279,794,933	431,097,661(2)	439,597,661(3)	546,039,028(5)	596,411,091(7)	396,411,091(10)	440,723,357(11)	486,369,857(12)
Capital reserve	24,663,246	24,663,246	24,663,246	24,663,246	24,663,246	24,663,246	24,663,246	24,663,246
Warrant reserve	27,121,260	-(2)	-	-	12,750,823(8)	12,750,823	-(11)	-
Exchange translation reserve	(1,473,513)	(1,473,513)	(1,473,513)	(1,473,513)	(1,473,513)	(1,473,513)	(1,473,513)	(1,473,513)
Accumulated losses	(264,348,333)	(264,348,333)	(266,248,333)(4)	(278,061,717)(6)	(278,061,717)	(78,061,717)(10)	(78,061,717)	(78,061,717)
Shareholders' equity / NA	**65,757,593**	**189,939,061**	**196,539,061**	**291,167,044**	**354,289,930**	**354,289,930**	**385,851,373**	**431,497,873**
Non-controlling interests	2,912,099	2,912,099	2,912,099	2,912,099	2,912,099	2,912,099	2,912,099	2,912,099
Total equity	**68,669,692**	**192,851,160**	**199,451,160**	**294,079,143**	**357,202,029**	**357,202,029**	**388,763,472**	**434,409,972**
No. of Shares in issue	540,673,135	789,036,071(2)	874,036,071(3)	1,938,449,741(5)	2,727,485,812(7)	2,727,485,812	3,043,100,240(11)	3,499,565,240(12)
NA per Share	0.12	0.24	0.22	0.15	0.13	0.13	0.13	0.12
Total borrowings(13)	107,380,728	107,380,728	107,380,728	107,380,728	91,760,843(9)	91,760,843	91,760,843	91,760,843
Gearing ratio (times)(14)	1.56	0.56	0.54	0.37	0.26	0.26	0.24	0.21

Notes:

(1) The Creditor Settlement Shares and RPS Settlement Shares will not be entitled to subscribe for the Right Shares with Warrants D under the Proposed Rights Issue with Warrants.

(2) Assuming all 248,362,936 outstanding Warrants C are exercised into new Shares at an exercise price of RM0.50 per Warrant C and after accounting for the reversal of the warrants reserve amount recognised in the share capital in respect of Warrants C.

(3) After taking into consideration the issuance of 85,000,000 Creditor Settlement Shares at an indicative issue price of RM0.10 per Creditor Settlement Share.

(4) After deducting the estimated expenses for the Proposals of approximately RM1.90 million.

(5) After taking into consideration the issuance of 1,064,413,670 RPS Settlement Shares at an indicative issue price of RM0.10 per RPS Settlement Share.

(6) After taking into consideration the issuance of RPS Settlement Shares and the reversal of RPS recognised under our Company's non-current liabilities as at 31 March 2024 of RM94.63 million.

(7) After taking into consideration the issuance of 789,036,071 Rights Shares at an indicative issue price of RM0.08 per Rights Share, and after accounting for the recognition of the warrants reserve amount of RM12.75 million arising from the exercise of the Warrants D.

(8) Computed based on the issuance of 315,614,428 Warrants D at an illustrative fair value of RM0.0404 each based on the Trinomial Option Pricing Model and an illustrative TEAP of the Share of RM0.0831 each.

(9) After taking into consideration the repayment of bank borrowings (term loans) of RM15.62 million from the utilisation of proceeds under the Maximum Scenario (RIWW).

(10) After taking into consideration the cancellation of our Company's issued share capital of RM200.0 million and the setting off of corresponding credit from such cancellation against our Company's accumulated losses.

(11) Assuming all 315,614,428 Warrants D are exercised into new Shares at an indicative exercise price of RM0.10 per Warrant D, and after accounting for the reversal of the warrants reserve amount of RM15.94 million to be credited to the share capital following the exercise of Warrants D.

(12) After taking into consideration the issuance of 45,646,500 Placement Shares at an indicative issue price of RM0.10 per Placement Share.

(13) Comprising lease liabilities of RM43.89 million, term loans of RM45.04 million, bank overdrafts of RM10.16 million and invoice financing of RM8.29 million as at 31 March 2024.

(14) Computed based on the total borrowings divided by the total equity.

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11.4 Substantial shareholders' shareholdings

The Proposed Share Capital Reduction will not have any effect on the substantial shareholders' shareholdings in our Company as no issuance of Shares involved.

The pro forma effects of the Proposals on the substantial shareholders' shareholdings in our Company are as follows:

Minimum Scenario

	As at the LPD				(I) After the Proposed Creditor Settlement				(II) After (I) and the Proposed RPS Settlement			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%[1]	No. of Shares	%[1]	No. of Shares	%[2]	No. of Shares	%[2]	No. of Shares	%[3]	No. of Shares	%[3]
Dato' Mah Siew Kwok	88,450,075	16.36	-	-	88,450,075	14.14	-	-	297,122,075	17.58	5,088,000[10]	0.30
Insas Berhad	-	-	53,859,500[7]	9.96	-	-	138,859,500[7]	22.19	-	-	251,207,500[7]	14.86
Dato' Sri Thong Kok Khee	-	-	53,859,500[8]	9.96	-	-	138,859,500[8]	22.19	-	-	251,207,500[8]	14.86
GAMSB	35,159,500	6.50	-	-	35,159,500	5.62	-	-	85,478,500	5.06	-	-
H2O Holdings Sdn Bhd	66,333,700	12.27	-	-	66,333,700	10.60	-	-	66,333,700	3.92	-	-
Gerard	10,412,555	1.93	66,333,700[9]	12.27	10,412,555	1.66	66,333,700[9]	10.60	19,960,955	1.18	66,333,700[9]	3.92
Dato' Wong Kit-Leong	-	-	66,333,700[9]	12.27	-	-	66,333,700[9]	10.60	-	-	66,333,700[9]	3.92
Datuk Raymond Tan	248,000	0.05	66,333,700[9]	12.27	248,000	0.04	66,333,700[9]	10.60	424,000	0.03	66,333,700[9]	3.92
Microlink	-	-	-	-	85,000,000	13.59	-	-	85,000,000	5.03	-	-
CIMB Commerce Trustee Berhad for Kenanga Yield Enhancement Fund	-	-	-	-	-	-	-	-	193,922,000	11.47	-	-
Underwriter(s)	-	-	-	-	-	-	-	-	-	-	-	-
Placee(s)	-	-	-	-	-	-	-	-	-	-	-	-

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	(III) After (II) and the Proposed Rights Issue with Warrants				(IV) After (III) and the Proposed Private Placement				(V) After (IV) and assuming full exercise of the Warrants D			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%[4]	No. of Shares	%[4]	No. of Shares	%[5]	No. of Shares	%[5]	No. of Shares	%[6]	No. of Shares	%[6]
Dato' Mah Siew Kwok	297,122,075	15.62	5,088,000[10]	0.27	297,122,075	14.98	5,088,000[10]	0.26	297,122,075	14.36	5,088,000[10]	0.25
Insas Berhad	-	-	305,067,000[7]	16.04	-	-	305,067,000[7]	15.38	-	-	326,610,800[7]	15.79
Dato' Sri Thong Kok Khee	-	-	305,067,000[8]	16.04	-	-	305,067,000[8]	15.38	-	-	326,610,800[8]	15.79
GAMSB	120,638,000	6.34	-	-	120,638,000	6.08	-	-	134,701,800	6.51	-	-
H2O Holdings Sdn Bhd	66,333,700	3.49	-	-	66,333,700	3.34	-	-	66,333,700	3.21	-	-
Gerard	89,977,910	4.73	66,333,700[9]	3.49	89,977,910	4.54	66,333,700[9]	3.34	117,984,692	5.70	66,333,700[9]	3.21
Dato' Wong Kit-Leong	-	-	66,333,700[9]	3.49	-	-	66,333,700[9]	3.34	-	-	66,333,700[9]	3.21
Datuk Raymond Tan	424,000	0.02	66,333,700[9]	3.49	424,000	0.02	66,333,700[9]	3.34	424,000	0.02	66,333,700[9]	3.21
Microlink	85,000,000	4.47	-	-	85,000,000	4.29	-	-	85,000,000	4.11	-	-
CIMB Commerce Trustee Berhad for Kenanga Yield Enhancement Fund	193,922,000	10.19	-	-	193,922,000	9.78	-	-	193,922,000	9.38	-	-
Underwriter(s)	88,450,075	4.65	-	-	88,450,075	4.46	-	-	123,830,105	5.99	-	-
Placee(s)	-	-	-	-	81,100,900	4.09	-	-	81,100,900	3.92		

Notes:

(1) Based on 540,673,135 Shares as at the LPD.

(2) Based on 625,673,135 Shares after the Proposed Creditor Settlement.

(3) Based on 1,690,086,805 Shares after the Proposed RPS Settlement.

(4) Based on 1,902,413,335 Shares after the Proposed Rights Issue with Warrants.

(5) Based on 1,983,514,235 Shares after the Proposed Private Placement.

(6) Based on 2,068,444,847 Shares after assuming full exercise of the Warrants D.

(7) Deemed interested by virtue of its interests in Microlink, IPSB, GAMSB, MAL and WDPL pursuant to Section 8 of the Act.

(8) Deemed interested by virtue of his interest in Insas Berhad (deemed interested by virtue of its interests in Microlink, IPSB, GAMSB, MAL and WDPL pursuant to Section 8 of the Act) pursuant to Section 8 of the Act.

(9) Deemed interested by virtue of their interest in H2O Holdings Sdn Bhd pursuant to Section 8 of the Act.

(10) Deemed interested by virtue of his spouse's interest pursuant to Section 8 of the Act.

Base Case Scenario

	As at the LPD				(I) After the Proposed Creditor Settlement				(II) After (I) and the Proposed RPS Settlement			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	%(2)	No. of Shares	%(2)	No. of Shares	%(3)	No. of Shares	%(3)
Dato' Mah Siew Kwok	88,450,075	16.36	-	-	88,450,075	14.14	-	-	297,122,075	17.58	5,088,000(10)	0.30
Insas Berhad	-	-	53,859,500(7)	9.96	-	-	138,859,500(7)	22.19	-	-	251,207,500(7)	14.86
Dato' Sri Thong Kok Khee	-	-	53,859,500(8)	9.96	-	-	138,859,500(8)	22.19	-	-	251,207,500(8)	14.86
GAMSB	35,159,500	6.50	-	-	35,159,500	5.62	-	-	85,478,500	5.06	-	-
H2O Holdings Sdn Bhd	66,333,700	12.27	-	-	66,333,700	10.60	-	-	66,333,700	3.92	-	-
Gerard	10,412,555	1.93	66,333,700(9)	12.27	10,412,555	1.66	66,333,700(9)	10.60	19,960,955	1.18	66,333,700(9)	3.92
Dato' Wong Kit-Leong	-	-	66,333,700(9)	12.27	-	-	66,333,700(9)	10.60	-	-	66,333,700(9)	3.92
Datuk Raymond Tan	248,000	0.05	66,333,700(9)	12.27	248,000	0.04	66,333,700(9)	10.60	424,000	0.03	66,333,700(9)	3.92
Microlink	-	-	-	-	85,000,000	13.59	-	-	85,000,000	5.03	-	-
CIMB Commerce Trustee Berhad for Kenanga Yield Enhancement Fund	-	-	-	-	-	-	-	-	193,922,000	11.47	-	-
Placee(s)	-	-	-	-	-	-	-	-	-	-	-	-

	(III) After (II) and the Proposed Rights Issue with Warrants				(IV) After (III) and the Proposed Private Placement				(V) After (IV) and assuming full exercise of the Warrants D			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%(4)	No. of Shares	%(4)	No. of Shares	%(5)	No. of Shares	%(5)	No. of Shares	%(6)	No. of Shares	%(6)
Dato' Mah Siew Kwok	385,572,150	17.28	5,088,000(10)	0.23	385,572,150	15.03	5,088,000(10)	0.20	420,952,180	15.13	5,088,000(10)	0.18
Insas Berhad	-	-	305,067,000(7)	13.68	-	-	305,067,000(7)	11.89	-	-	326,610,800(7)	11.74
Dato' Sri Thong Kok Khee	-	-	305,067,000(8)	13.68	-	-	305,067,000(8)	11.89	-	-	326,610,800(8)	11.74
GAMSB	120,638,000	5.41	-	-	120,638,000	4.70	-	-	134,701,800	4.84	-	-
H2O Holdings Sdn Bhd	132,667,400	5.95	-	-	132,667,400	5.17	-	-	159,200,880	5.72	-	-
Gerard	30,373,510	1.36	132,667,400(9)	5.95	30,373,510	1.18	132,667,400(9)	5.17	34,538,532	1.24	159,200,880(9)	5.72
Dato' Wong Kit-Leong	-	-	132,667,400(9)	5.95	-	-	132,667,400(9)	5.17	-	-	159,200,880(9)	5.72
Datuk Raymond Tan	672,000	0.03	132,667,400(9)	5.95	672,000	0.03	132,667,400(9)	5.17	771,200	0.03	159,200,880(9)	5.72
Microlink	85,000,000	3.81	-	-	85,000,000	3.31	-	-	85,000,000	3.06	-	-
CIMB Commerce Trustee Berhad for Kenanga Yield Enhancement Fund	193,922,000	8.69	-	-	193,922,000	7.56	-	-	193,922,000	6.97	-	-
Placee(s)	-	-	-	-	334,613,900	13.04	-	-	334,613,900	12.03	-	-

Notes:

(1) Based on 540,673,135 Shares as at the LPD.

(2) Based on 625,673,135 Shares after the Proposed Creditor Settlement.

(3) Based on 1,690,086,805 Shares after the Proposed RPS Settlement.

(4) Based on 2,230,759,940 Shares after the Proposed Rights Issue with Warrants.

(5) Based on 2,565,373,840 Shares after the Proposed Private Placement.

(6) Based on 2,781,643,094 Shares after assuming full exercise of the Warrants D.

(7) Deemed interested by virtue of its interests in Microlink, IPSB, GAMSB, MAL and WDPL pursuant to Section 8 of the Act.

(8) Deemed interested by virtue of his interest in Insas Berhad (deemed interested by virtue of its interests in Microlink, IPSB, GAMSB, MAL and WDPL pursuant to Section 8 of the Act) pursuant to Section 8 of the Act.

(9) Deemed interested by virtue of their interest in H2O Holdings Sdn Bhd pursuant to Section 8 of the Act.

(10) Deemed interested by virtue of his spouse's interest pursuant to Section 8 of the Act.

Maximum Scenario

	As at the LPD				(I) After assuming full exercise of the Warrants C				(II) After (I) and the Proposed Creditor Settlement			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%[1]	No. of Shares	%[1]	No. of Shares	%[2]	No. of Shares	%[2]	No. of Shares	%[3]	No. of Shares	%[3]
Dato' Mah Siew Kwok	88,450,075	16.36	-	-	88,450,075	11.21	66[11]	0.00	88,450,075	10.12	66[11]	0.00
Insas Berhad	-	-	53,859,500[8]	9.96	-	-	80,074,032[8]	10.15	-	-	165,074,032[8]	18.89
Dato' Sri Thong Kok Khee	-	-	53,859,500[9]	9.96	-	-	80,074,032[9]	10.15	-	-	165,074,032[9]	18.89
GAMSB	35,159,500	6.50	-	-	46,900,600	5.94	-	-	46,900,600	5.37	-	-
H2O Holdings Sdn Bhd	66,333,700	12.27	-	-	98,953,700	12.54	-	-	98,953,700	11.32	-	-
Gerard	10,412,555	1.93	66,333,700[10]	12.27	24,358,514	3.09	98,953,700[10]	12.54	24,358,514	2.79	98,953,700[10]	11.32
Dato' Wong Kit-Leong	-	-	66,333,700[10]	12.27	-	-	98,953,700[10]	12.54	-	-	98,953,700[10]	11.32
Datuk Raymond Tan	248,000	0.05	66,333,700[10]	12.27	289,066	0.04	98,953,700[10]	12.54	289,066	0.03	98,953,700[10]	11.32
Microlink	-	-	-	-	-	-	-	-	85,000,000	9.72	-	-
CIMB Commerce Trustee Berhad for Kenanga Yield Enhancement Fund	-	-	-	-	-	-	-	-	-	-	-	-
Placee(s)	-	-	-	-	-	-	-	-	-	-	-	-

	(III) After (II) and the Proposed RPS Settlement				(IV) After (III) and the Proposed Rights Issue with Warrants				(V) After (IV) and assuming full exercise of the Warrants D			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%[4]	No. of Shares	%[4]	No. of Shares	%[5]	No. of Shares	%[5]	No. of Shares	%[6]	No. of Shares	%[6]
Dato' Mah Siew Kwok	297,122,075	15.33	5,088,066[11]	0.26	385,572,150	14.14	5,088,132[11]	0.19	420,952,180	13.83	5,088,158[11]	0.17
Insas Berhad	-	-	277,422,032[8]	14.31	-	-	357,496,064[8]	13.11	-	-	389,525,676[8]	12.80
Dato' Sri Thong Kok Khee	-	-	277,422,032[9]	14.31	-	-	357,496,064[9]	13.11	-	-	389,525,676[9]	12.80
GAMSB	97,219,600	5.02	-	-	144,120,200	5.28	-	-	162,880,440	5.35	-	-
H2O Holdings Sdn Bhd	98,953,700	5.10	-	-	197,907,400	7.26	-	-	237,488,880	7.80	-	-
Gerard	33,906,914	1.75	98,953,700[10]	5.10	58,265,428	2.14	197,907,400[10]	7.26	68,008,833	2.23	237,488,880[10]	7.80
Dato' Wong Kit-Leong	-	-	98,953,700[10]	5.10	-	-	197,907,400[10]	7.26	-	-	237,488,880[10]	7.80
Datuk Raymond Tan	465,066	0.02	98,953,700[10]	5.10	754,132	0.03	197,907,400[10]	7.26	869,758	0.03	237,488,880[10]	7.80
Microlink	85,000,000	4.38	-	-	85,000,000	3.12	-	-	85,000,000	2.79	-	-
CIMB Commerce Trustee Berhad for Kenanga Yield Enhancement Fund	193,922,000	10.00	-	-	193,922,000	7.11	-	-	193,922,000	6.37	-	-
Placee(s)	-	-	-	-	-	-	-	-	-	-	-	-

	(VI) After (V) and the Proposed Private Placement			
	Direct		Indirect	
	No. of Shares	%[7]	No. of Shares	%[7]
Dato' Mah Siew Kwok	420,952,180	12.03	5,088,158[11]	0.15
Insas Berhad	-	-	389,525,676[8]	11.13
Dato' Sri Thong Kok Khee	-	-	389,525,676[9]	11.13
GAMSB	162,880,440	4.65	-	-
H2O Holdings Sdn Bhd	237,488,880	6.79	-	-
Gerard	68,008,833	1.94	237,488,880[10]	6.79
Dato' Wong Kit-Leong	-	-	237,488,880[10]	6.79
Datuk Raymond Tan	869,758	0.02	237,488,880[10]	6.79
Microlink	85,000,000	2.43	-	-
CIMB Commerce Trustee Berhad for Kenanga Yield Enhancement Fund	193,922,000	5.54	-	-
Placee(s)	456,465,000	13.04	-	-

Notes:

(1) Based on 540,673,135 Shares as at the LPD.

(2) Based on 789,036,071 Shares after assuming full exercise of the outstanding Warrants C.

(3) Based on 874,036,071 Shares after the Proposed Creditor Settlement.

(4) Based on 1,938,449,741 Shares after the Proposed RPS Settlement.

(5) Based on 2,727,485,812 Shares after the Proposed Rights Issue with Warrants.

(6) Based on 3,043,100,240 Shares after assuming full exercise of the Warrants D.

(7) Based on 3,499,565,240 Shares after the Proposed Private Placement.

(8) Deemed interested by virtue of its interests in Microlink, IPSB, GAMSB, MAL and WDPL pursuant to Section 8 of the Act.

(9) Deemed interested by virtue of his interest in Insas Berhad (deemed interested by virtue of its interests in Microlink, IPSB, GAMSB, MAL and WDPL pursuant to Section 8 of the Act) pursuant to Section 8 of the Act.

(10) Deemed interested by virtue of their interest in H2O Holdings Sdn Bhd pursuant to Section 8 of the Act.

(11) Deemed interested by virtue of his spouse's interest pursuant to Section 8 of the Act

11.5 Convertible securities

As at the LPD, save for the outstanding 248,362,936 Warrants C, our Company does not have any other outstanding convertible securities. Save for the Proposed Rights Issue with Warrants, the Proposals will not result in any adjustment to the exercise price and number of outstanding Warrants C.

The Proposed Rights Issue with Warrants, if implemented prior to the expiry of the Warrants C on 31 March 2026, will give rise to adjustments to the number and exercise price of outstanding Warrants C in accordance to the provisions of the Deed Poll C to ensure that the status of the holders of Warrants C are not prejudiced as a result of the Proposed Rights Issue with Warrants, as illustrated in **Appendix IV** of this Circular. The Adjustments will only be finalised on the Entitlement Date, as the case may be, and will be effective on the next market day following the Entitlement Date. A notice which sets out, among others, the Adjustments will be issued by our Company at a later date.

12. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of our Shares as traded on Bursa Securities for the past 12 months up to the LPD are as follows:

	High (RM)	**Low (RM)**
2024		
September	0.160	0.130
October	0.150	0.080
November	0.090	0.065
December	0.175	0.075
2025		
January	0.140	0.095
February	0.165	0.100
March	0.150	0.125
April	0.155	0.110
May	0.155	0.105
June	0.115	0.070
July	0.095	0.075
August	0.115	0.080

The last transacted market price of our Shares on the LTD was RM0.110 each.

The last transacted market price of our Shares on the LPD was RM0.090 each.

(Source: Bloomberg)

13. HIGHEST PERCENTAGE RATIO

13.1 Proposed Creditor Settlement

Pursuant to Paragraph 10.02(g) of the Listing Requirements, the highest percentage ratio applicable for the Proposed Creditor Settlement is approximately 18.26%, computed based on the Settlement Sum of RM8.50 million over the market capitalisation of our Company as at the LPD of RM46.55 million (derived from the total number of issued Shares as at the LPD of 540,673,135 Shares and the 5-day VWAP of our Shares up to and including the LPD of RM0.0861).

13.2 Proposed RPS Settlement

Pursuant to Paragraph 10.02(g) of the Listing Requirements, the highest percentage ratio applicable for the Proposed RPS Settlement is approximately 64.98%, computed based on 351,355,400 RPS Settlement Shares to be issued to the Interested Parties (RPS Settlement) and persons connected with them (as defined in the Listing Requirements) over the total number of issued Shares as at the LTD of 540,673,135 Shares.

14. APPROVALS REQUIRED

The Proposals are subject to approvals, consents or waivers, as the case may be, being obtained from the following:

(i) Bursa Securities, for the:

(a) admission of Warrants D to the Official List of the Main Market of Bursa Securities;

(b) listing of and quotation for the following on the Main Market of Bursa Securities:

- Rights Shares;
- Warrants D;
- new Shares to be issued arising from the exercise of Warrants D;
- Additional Warrants C;
- new Shares to be issued arising from the exercise of Additional Warrants C;
- Creditor Settlement Shares;
- RPS Settlement Shares; and
- Placement Shares;

The approval from Bursa Securities was obtained via its letter dated 12 August 2025, subject to the following conditions:

No.	Conditions	Status of compliance
(a)	Our Company and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals.	To be complied.
(b)	Our Company and TA Securities to inform Bursa Securities upon completion of the Proposals.	To be complied.
(c)	Our Company and TA Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed.	To be complied.

No.	Conditions	Status of compliance
(d)	Our Company and TA Securities are required to provide written confirmation that the terms of the Warrants D are in compliance with Paragraph 6.54(3) of the Listing Requirements.	To be complied.
(e)	Our Company to furnish Bursa Securities with a certified true copy of the resolution passed by our shareholders in general meeting approving the Proposals, and RPS holders of the Company in RPS holders' meeting approving the Proposed RPS Settlement and Proposed Share Capital Reduction.	To be complied.
(f)	Our Company must ensure compliance with public shareholding spread requirements pursuant to Paragraph 8.02(1) of the Listing Requirements upon completion of the Proposed Creditor Settlement, Proposed RPS Settlement, Proposed Rights Issue with Warrants and Proposed Private Placement.	To be complied.
(g)	Our Company must observe and ensure full compliance with Paragraph 6.50 of the Listing Requirements at all times.	To be complied.
(h)	Our Company to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the exercise of the Warrants D as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied.
(i)	Additional listing fee payable based on the final issue price together with a copy of the details of the computation of the amount of listing fees payable (where applicable).	To be complied.

(ii) our shareholders at an EGM to be convened in relation to the Proposals;

(iii) our RPS holders at the RPS holders' meeting to be convened in relation to the Proposed Share Capital Reduction and Proposed RPS Settlement;

(iv) the existing financiers and/or creditors of our Group, where required;

(v) the Order from the Court confirming the Proposed Share Capital Reduction pursuant to Section 116 of the Act;

(vi) SC for the registration of the abridged prospectus in relation to the Proposed Rights Issue with Warrants; and

(vii) any other relevant authorities and/or parties, where required.

15. CONDITIONALITY

The Proposals are not inter-conditional upon each other. However, our Company intends to allot and issue the Creditor Settlement Shares, RPS Settlement Shares and Placement Shares after the Ex-Date of the Proposed Rights Issue with Warrants, being the day prior to the Entitlement Date. As such, the Shares issued under the Proposed Creditor Settlement, Proposed RPS Settlement and Proposed Private Placement will not be entitled to subscribe for the Right Shares with Warrants D under the Proposed Rights Issue with Warrants.

Further, the Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by our Company.

16. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals, our Board is not aware of any corporate proposals that have been announced but not yet completed prior to the printing of this Circular.

17. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

17.1 Proposed Creditor Settlement

Save as disclosed below, none of our Directors, major shareholders and/or chief executive and/or any persons connected with them (as defined in the Listing Requirements) have any interests, direct or indirect, in the Proposed Creditor Settlement:

(i) Dato' Sri Thong Kok Khee is the Deputy Chairman / Non-Independent Non-Executive Director and substantial shareholder of our Company. He is also the major shareholder of Microlink with 32.90% indirect interest, by virtue of his interest in Insas Berhad and his son, Thong Weng Sheng pursuant to Section 8 of the Act. Hence, he is deemed interested in the Proposed Creditor Settlement;

(ii) Insas Berhad, being a person connected to Dato' Sri Thong Kok Khee, who is a major shareholder of Insas Berhad with 0.78% direct interest and 24.26% indirect interest as at the LPD;

(iii) GAMSB, IPSB, and MAL (wholly-owned subsidiaries of Insas Berhad) as well as WDPL (a 40%-owned associated company of Insas Berhad), are persons connected to Dato' Sri Thong Kok Khee by virtue of his interest in Insas Berhad; and

(iv) Thong Weng Sheng and Thong Mei Chuen, being the son and daughter of Dato' Sri Thong Kok Khee, respectively, are persons connected to him.

The direct and indirect shareholdings of the Interested Director (Creditor Settlement) and persons connected with him in our Company as at the LPD are as follows:

	Direct		Indirect	
	No. of Shares	**%[(1)]**	**No. of Shares**	**%[(1)]**
Interested Director (Creditor Settlement)				
Dato' Sri Thong Kok Khee	-	-	53,859,500[(2)]	9.96
Persons connected with the Interested Director (Creditor Settlement)				
Insas Berhad	-	-	53,859,500[(3)]	9.96
GAMSB	35,159,500	6.50	-	-
IPSB	7,500,000	1.39	-	-
MAL	7,700,000	1.42	-	-
WDPL	3,500,000	0.65	-	-
Thong Weng Sheng	-	-	-	-
Thong Mei Chuen	7,200	0.00	-	-

Notes:

(1) Based on 540,673,135 Shares as at the LPD.

(2) Deemed interested by virtue of his interest in Insas Berhad (deemed interested by virtue of its interests in IPSB, GAMSB, MAL and WDPL pursuant to Section 8 of the Act) pursuant to Section 8 of the Act.

(3) Deemed interested by virtue of its interests held by IPSB, GAMSB, and MAL, which are subsidiaries of Insas Berhad and WDPL, an associated company of Insas Berhad pursuant to Section 8 of the Act.

Accordingly, the Interested Director (Creditor Settlement) has abstained and will continue to abstain from deliberating and voting on the Proposed Creditor Settlement at the relevant Board meetings. The Interested Director (Creditor Settlement) will abstain and has undertaken to ensure that persons connected with his will abstain from voting in respect of their respective direct and/or indirect shareholdings in our Company, if any, on the resolution pertaining to the Proposed Creditor Settlement at an EGM to be convened.

For information purposes, as at the LPD, Tan Wee Hoong is the Non-Independent Non-Executive Director of Microlink and Independent Non-Executive Director of our Company. Despite his common directorship in Microlink and our Company, his interest is not regarded as a related party transaction under Paragraph 10.08(11)(c) of the Listing Requirements due to the following:

(i) as at the LPD, he does not hold any equity interest, direct or indirect, in both Microlink and our Company; and

(ii) he does not have any interest such as commission or other kinds of benefits received from Microlink and our Company in relation to the Proposed Creditor Settlement.

As at the LPD, Gerard, the Executive Director and major shareholder of Omesti (holding a 1.93% direct and 12.27% indirect equity interest), holds a 1.46% direct and 0.00% indirect equity interest in Microlink. Despite his shareholding in Microlink, his interest is not regarded as a related party transaction under Paragraph 10.08(11)(l) of the Listing Requirements, as his shareholding in Microlink is less than 10%.

Notwithstanding the above, in view of their respective directorships and shareholding in our Company as the LPD and to adhere to good corporate governance, Tan Wee Hoong and Gerard have abstained and will continue to abstain from deliberating and voting on the Proposed Creditor Settlement at the relevant Board meetings. They will also abstain and have undertaken to ensure that persons connected with them will abstain from voting in respect of their respective direct and/or indirect shareholdings in our Company, if any, on the resolution pertaining to the Proposed Creditor Settlement at an EGM to be convened.

17.2 Proposed RPS Settlement

Save as disclosed below, none of our Directors, major shareholders and/or chief executive and/or persons connected with them (as defined in the Listing Requirements) have any interests, direct or indirect, in the Proposed RPS Settlement:

(i) Dato' Mah Siew Kwok is the major shareholder of our Company, and he will be issued with the RPS Settlement Shares pursuant to the Proposed RPS Settlement;

(ii) Gerard is the Executive Director and major shareholder of our Company, and he will be issued with the RPS Settlement Shares pursuant to the Proposed RPS Settlement;

(iii) Mah Xian-Zhen is the Non-Independent Non-Executive Director and shareholder of our Company, and she will be issued with the RPS Settlement Shares pursuant to the Proposed RPS Settlement;

(iv) Dato' Sri Thong Kok Khee is the Deputy Chairman / Non-Independent Non-Executive Director and substantial shareholder of our Company. He is the major shareholder of Insas Berhad, while IPSB, GAMSB and MAL, wholly-owned subsidiaries of Insas Berhad, as well as WDPL, a 40%-owned associated company of Insas Berhad, will be issued with the RPS Settlement Shares pursuant to the Proposed RPS Settlement;

(v) Datin Yap Siew Bee, being the spouse of Dato' Mah Siew Kwok, is a person connected to him, and she will be issued with the RPS Settlement Shares pursuant to the Proposed RPS Settlement;

(vi) Low Choon Chong, being the spouse of Mah Xian-Zhen, is a person connected to her, and he will be issued with the RPS Settlement Shares pursuant to the Proposed RPS Settlement;

(vii) Insas Berhad, being a person connected to Dato' Sri Thong Kok Khee, who is a major shareholder of Insas Berhad with 0.78% direct interest and 24.26% indirect interest as at the LPD. Its subsidiaries, being GAMSB, IPSB, and MAL, as well as its associated company, being WDPL, will be issued with the RPS Settlement Shares pursuant to the Proposed RPS Settlement;

(viii) GAMSB, IPSB, and MAL (wholly-owned subsidiaries of Insas Berhad) as well as WDPL (a 40%-owned associated company of Insas Berhad), are persons connected to Dato' Sri Thong Kok Khee by virtue of his interest in Insas Berhad, will be issued with the RPS Settlement Shares pursuant to the Proposed RPS Settlement;

(ix) H2O Holdings Sdn Bhd, being a person connected to Gerard, who holds substantial interest in H2O Holdings Sdn Bhd; and

(x) Thong Weng Sheng and Thong Mei Chuen, being the son and daughter of Dato' Sri Thong Kok Khee, respectively, are persons connected to him.

The direct and indirect holdings of RPS by the Interested Directors (RPS Settlement), Interested Major Shareholders (RPS Settlement) and persons connected with them in our Company as at the LPD are as follows:

	Direct		Indirect	
	No. of RPS	%[(1)]	No. of RPS	%[(1)]
Interested Major Shareholders (RPS Settlement)				
Dato' Mah Siew Kwok	20,867,200	19.60	508,800[(2)]	0.48
Gerard	954,840	0.90	-	-
Interested Directors (RPS Settlement)				
Gerard	954,840	0.90	-	-
Mah Xian-Zhen	55,000	0.05	1,929,000[(3)]	1.81
Dato' Sri Thong Kok Khee	-	-	11,234,800[(4)]	10.55
Persons connected with the Interested Major Shareholders (RPS Settlement)				
Datin Yap Siew Bee	508,800	0.48	-	-
H2O Holdings Sdn Bhd	-	-	-	-
Persons connected with the Interested Directors (RPS Settlement)				
Low Choon Chong	1,929,000	1.81	-	-
Insas Berhad	-	-	11,234,800[(5)]	10.55
GAMSB	5,031,900	4.73	-	-
IPSB	3,962,900	3.72	-	-
MAL	1,540,000	1.45	-	-
WDPL	700,000	0.66	-	-
Thong Weng Sheng	-	-	-	-
Thong Mei Chuen	-	-	-	-
H2O Holdings Sdn Bhd	-	-	-	-

Notes:

(1) Based on 106,441,367 RPS as at the LPD.

(2) Deemed interested by virtue of his spouse's interest pursuant to Section 8 of the Act.

(3) Deemed interested by virtue of her spouse's interest pursuant to Section 59 of the Act.

(4) Deemed interested by virtue of his interest in Insas Berhad (deemed interested by virtue of its interests in IPSB, GAMSB, MAL and WDPL pursuant to Section 8 of the Act) pursuant to Section 8 of the Act.

(5) Deemed interested by virtue of its interests held by IPSB, GAMSB, and MAL, which are subsidiaries of Insas Berhad and WDPL, an associated company of Insas Berhad pursuant to Section 8 of the Act.

Accordingly, the Interested Directors (RPS Settlement) have abstained and will continue to abstain from deliberating and voting on the Proposed RPS Settlement at the relevant Board meetings. The Interested Parties (RPS Settlement) will abstain and have undertaken to ensure that persons connected with them will abstain from voting in respect of their respective direct and/or indirect shareholdings and/or RPS holdings in our Company, if any, on the resolution pertaining to the Proposed RPS Settlement at an EGM and the RPS holders' meeting to be convened.

The direct and indirect shareholdings of the Interested Directors (RPS Settlement), Interested Major Shareholders (RPS Settlement) and persons connected with them in our Company as at the LPD are as follows:

	Direct		Indirect	
	No. of Shares	**%(1)**	**No. of Shares**	**%(1)**
Interested Major Shareholders (RPS Settlement)				
Dato' Mah Siew Kwok	88,450,075	16.36	-	-
Gerard	10,412,555	1.93	66,333,700(2)	12.27
Interested Directors (RPS Settlement)				
Gerard	10,412,555	1.93	66,333,700(2)	12.27
Mah Xian-Zhen	1,501,555	0.28	9,645,000(3)	1.78
Dato' Sri Thong Kok Khee	-	-	53,859,500(4)	9.96
Persons connected with the Interested Major Shareholders (RPS Settlement)				
Datin Yap Siew Bee	-	-	-	-
H2O Holdings Sdn Bhd	66,333,700	12.27	-	-
Persons connected with the Interested Directors (RPS Settlement)				
Low Choon Chong	9,645,000	1.78	-	-
Insas Berhad	-	-	53,859,500(5)	9.96
GAMSB	35,159,500	6.50	-	-
IPSB	7,500,000	1.39	-	-
MAL	7,700,000	1.42	-	-
WDPL	3,500,000	0.65	-	-
Thong Weng Sheng	-	-	-	-
Thong Mei Chuen	7,200	0.00	-	-
H2O Holdings Sdn Bhd	66,333,700	12.27	-	-

Notes:

(1) Based on 540,673,135 Shares as at the LPD.

(2) Deemed interested by virtue of his interest in H2O Holdings Sdn Bhd pursuant to Section 8 of the Act.

(3) Deemed interested by virtue of her spouse's interest pursuant to Section 59 of the Act.

(4) Deemed interested by virtue of his interest in Insas Berhad (deemed interested by virtue of its interests in IPSB, GAMSB, MAL and WDPL pursuant to Section 8 of the Act) pursuant to Section 8 of the Act.

(5) Deemed interested by virtue of its interests held by IPSB, GAMSB, and MAL, which are subsidiaries of Insas Berhad and WDPL, an associated company of Insas Berhad pursuant to Section 8 of the Act.

17.3 Proposed Rights Issue with Warrants

None of our Directors, major shareholders and/or chief executive and/or persons connected with them (as defined in the Listing Requirements) have any interest, direct or indirect, in the Proposed Rights Issue with Warrants, save for their respective entitlements as shareholders of our Company under the Proposed Rights Issue with Warrants, for which all the existing shareholders of our Company are entitled to, including the rights to apply for additional Rights Shares with Warrants D under the Excess Rights Shares application for the Proposed Rights Issue with Warrants.

17.4 Proposed Private Placement

None of our directors, major shareholders and/or chief executive and/or persons connected with them (as defined in the Listing Requirements) have any interest, direct and/or indirect, in the Proposed Private Placement.

17.5 Proposed Share Capital Reduction

None of our Directors, major shareholders and/or chief executive and/or persons connected with them (as defined in the Listing Requirements) have any interest, direct or indirect, in the Proposed Share Capital Reduction.

18. TRANSACTIONS WITH THE SAME RELATED PARTIES IN THE PRECEDING 12 MONTHS

Save for the Proposed Creditor Settlement and Proposed RPS Settlement and the recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of our Group as set out in the circular to our shareholders dated 30 July 2024, which have been tabled and approved at the 24th annual general meeting of our Company on 12 September 2024, our Group has not entered into any transactions with the related parties, being the Interested Director (Creditor Settlement), Interested Parties (RPS Settlement) and persons connected with them for the 12 months preceding the date of this Circular.

19. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board (save for the Interested Director (Creditor Settlement), Tan Wee Hoong and Gerard, who have abstained from deliberating and voting in respect of the Proposed Creditor Settlement as well as the Interested Directors (RPS Settlement), who have abstained from deliberating and voting in respect of the Proposed RPS Settlement), after having considered all aspects of the Proposals, including but not limited to the rationale and effects of the Proposals, the salient terms of the Settlement Agreement, and the proposed utilisation of proceeds to be raised from the Proposed Rights Issue with Warrants and Proposed Private Placement, is of the opinion that the Proposals is in the best interests of our Company.

Accordingly, our Board (save for the Interested Director (Creditor Settlement), Tan Wee Hoong and Gerard, who have abstained from deliberating and voting in respect of the Proposed Creditor Settlement as well as the Interested Directors (RPS Settlement), who have abstained from deliberating and voting in respect of the Proposed RPS Settlement) recommends that you vote **in favour** of the resolution pertaining to the Proposals, as well as the Proposed RPS Settlement and Proposed Share Capital Reduction to be tabled at our forthcoming EGM and RPS holders' meeting, respectively.

20. AUDIT & RISK MANAGEMENT COMMITTEE'S STATEMENT

The Audit & Risk Management Committee of our Company is of the opinion that the Proposed Creditor Settlement and Proposed RPS Settlement are:

(i) in the best interests of our Company;

(ii) fair, reasonable and on normal commercial terms; and

(iii) not detrimental to the interest of our non-interested shareholders and non-interested RPS holders.

In forming its opinion, the Audit & Risk Management Committee of our Company has considered, amongst others, the following:

(i) evaluation of the Independent Adviser;

(ii) rationale and effects of the Proposed Creditor Settlement and Proposed RPS Settlement; and

(iii) basis of determining and justification for the issue prices of the Creditor Settlement Shares and RPS Settlement Shares.

21. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the receipt of all required approvals as set out in **Part A, Section 14** of this Circular, and the fulfilment of all conditions precedent as stipulated in the Settlement Agreements, our Board expects the Proposals to be implemented and completed by the 2nd half of 2025. The tentative timeline for the implementation and completion of the Proposals are as follows:

Tentative date	Events
24 September 2025	• EGM for the Proposals / RPS holders' meeting for the Proposed RPS Settlement and Proposed Share Capital Reduction • Announcement of the results of our EGM / Announcement of the results of our RPS holders' meeting
End September 2025	• Announcement of the price-fixing for the issue price of the Rights Shares and exercise price of Warrants D, Entitlement Date and other important dates for the Proposed Rights Issue with Warrants • Announcement of price-fixing for the issue price of the Creditor Settlement Shares and RPS Settlement Shares • Announcement of book closure date ("**BCD**") and other important dates / Despatch of notice to RPS holders for the redemption of RPS in relation to the Proposed RPS Settlement
Mid October 2025	• Entitlement Date • Suspension of trading of RPS • Issuance of abridged prospectus, notices of provisional allotment and rights subscription form for the Proposed Rights Issue with Warrants • Listing of and quotation for the Creditor Settlement Shares on the Main Market of Bursa Securities / Completion of the Proposed Creditor Settlement • Application to the Court for the Proposed Share Capital Reduction
End October 2025	• Actual BCD for the redemption of RPS in relation to the Proposed RPS Settlement • Redemption date for the RPS • Listing of and quotation for the RPS Settlement Shares on the Main Market of Bursa Securities / De-listing of RPS on the Main Market of Bursa Securities / Completion of the Proposed RPS Settlement
Mid November 2025	• Despatch of notice to Warrants C holders in relation to the Adjustments • Listing of and quotation for the Rights Shares and Warrants D on the Main Market of Bursa Securities / Completion of the Proposed Rights Issue with Warrants
End November 2025	• Announcement of price-fixing for the issue price of the Placement Shares • Listing of and quotation for the Placement Shares on the Main Market of Bursa Securities
End December 2025	• Receipt of the Order from the Court for the Proposed Share Capital Reduction • Lodgement of the Order with the Registrar of Companies for the Proposed Share Capital Reduction • Completion of the Proposed Share Capital Reduction and the Proposed Private Placement

22. ADVISERS

TA Securities has been appointed by our Company as the Adviser for the Proposals.

In view of the interest of the Interested Director (Creditor Settlement) and Interested Parties (RPS Settlement) as set out in **Part A, Sections 17.1 and 17.2** of this Circular, respectively, the Proposed Creditor Settlement and Proposed RPS Settlement are deemed as related party transactions pursuant to Paragraph 10.08 of the Listing Requirements. Accordingly, SCA has been appointed by our Company as the Independent Adviser to undertake the following in relation to the Proposed Creditor Settlement and Proposed RPS Settlement:

(i) comment as to whether the Proposed Creditor Settlement and Proposed RPS Settlement are:

  (a) fair and reasonable in so far as our non-interested shareholders and non-interested RPS holders (in relation to the Proposed RPS Settlement) are concerned; and

  (b) to the detriment of our non-interested shareholders and non-interested RPS holders (in relation to the Proposed RPS Settlement),

  and such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion;

(ii) advise our non-interested shareholders and non-interested RPS holders (in relation to the Proposed RPS Settlement) on whether they should vote in favour of the Proposed Creditor Settlement and Proposed RPS Settlement; and

(iii) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice for subparagraphs (i) and (ii) above.

The IAL from SCA to our non-interested shareholders in relation to the Proposed Creditor Settlement is set out in **Part B** of this Circular.

The IAL from SCA to our non-interested shareholders and non-interested RPS holders in relation to the Proposed RPS Settlement is set out in **Part C** of this Circular.

23. EGM AND RPS HOLDERS' MEETING

The Notices of EGM and RPS holders' meeting are available on our Company's website at www.omesti.com. Our EGM and RPS holders' meeting will be held at Banquet Hall, Royal Lake Club Kuala Lumpur, Taman Tasek Perdana, Jalan Cenderamulia, Off Jalan Parlimen, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia on Wednesday, 24 September 2025 at 10:30 a.m. and 11:00 a.m. or immediately after the conclusion or adjournment (as the case may be) of our EGM which will be held on the same date at the same venue, whichever shall be the later, respectively, or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without any modifications, the ordinary and special resolutions pertaining to the Proposals at our EGM, and the special resolutions pertaining to the Proposed RPS Settlement and Proposed Share Capital Reduction at our RPS holders' meeting, as described herein.

If you are unable to participate at our EGM and/or RPS holders' meeting and wish to appoint proxy(ies) instead, the appointment of proxy(ies) may be made in a hard copy form and deposited with the Share Registrar of our Company, Bina Management (M) Sdn Bhd, at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia. Alternatively, you may email your Form(s) of Proxy by electronic means directly to binawin@binamg168.com.

The Form(s) of Proxy must be received by our Company not less than 24 hours before the time appointed for holding our EGM and RPS holders' meeting or any adjournment thereof at which the person named in the appointment proposes to vote. The lodging of Form(s) of Proxy does not preclude you from attending and voting in person should you subsequently decide to do so.

24. FURTHER INFORMATION

You are advised to refer to the appendices of this Circular for further information.

Your faithfully,
For and on behalf of our Board of
OMESTI BERHAD

YAM TUNKU ZAIN AL-'ABIDIN IBNI TUANKU MUHRIZ
Chairman / Independent Non-Executive Director

PART B

INDEPENDENT ADVICE LETTER FROM SIERAC CORPORATE ADVISERS SDN BHD TO OUR NON-INTERESTED SHAREHOLDERS IN RELATION TO THE PROPOSED CREDITOR SETTLEMENT

All definitions used in the Executive Summary shall have the same meaning as the words and expressions defined in the "Definitions" section as well as the relevant sections in Part A of the Circular, except where the context otherwise requires or where otherwise defined in this IAL. All references to "you" and "your" are references to the non-interested shareholders of Omesti, whilst references to "we", "us" or "our" are references to SCA, being the Independent Adviser for the Proposed Creditor Settlement.

This Executive Summary summarises this IAL. You are advised to read and understand this IAL in its entirety, together with the letter from the Board (save for the Interested Director (Creditor Settlement)) as set out in Part A of the Circular together with the accompanying appendices for other relevant information and not to rely solely on the Executive Summary before forming an opinion on the Proposed Creditor Settlement.

You are also advised to carefully consider the recommendations contained in both the letters before voting on the resolution to give effect to the Proposed Creditor Settlement to be tabled at the Company's forthcoming EGM.

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

1. INTRODUCTION

On 6 June 2025, TA Securities had, on behalf of the Board, announced that the Company proposes to undertake the Proposals.

As at the date of the Announcement, the Proposed Creditor Settlement was not deemed as a related party transaction. On 29 August 2025, TA Securities had, on behalf of the Board, announced that, following the subsequent emergence of the Interested Director (Creditor Settlement) as a major shareholder of Microlink upon the completion of Microlink's rights issue with warrants on 29 July 2025, as set out in **Part A, Section 17.1** of this Circular, the Proposed Creditor Settlement is deemed as a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements.

For information purposes, as at the LPD, Tan Wee Hoong is the Non-Independent Non-Executive Director of Microlink and Independent Non-Executive Director of the Company. Despite his common directorship in Microlink and the Company, his interest is not regarded as a related party transaction under Paragraph 10.08(11)(c) of the Listing Requirements due to the following:

(i) as at the LPD, he does not hold any equity interest, direct or indirect, in both Microlink and the Company; and

(ii) he does not have any interest such as commission or other kinds of benefits received from Microlink and the Company in relation to the Proposed Creditor Settlement.

As at the LPD, Gerard, the Executive Director and major shareholder of Omesti (holding a 1.93% direct and 12.27% indirect equity interest), holds a 1.46% direct and 0.00% indirect equity interest in Microlink. Despite his shareholding in Microlink, his interest is not regarded as a related party transaction under Paragraph 10.08(11)(l) of the Listing Requirements, as his shareholding in Microlink is less than 10%.

Notwithstanding the above, in view of their respective directorships and shareholding in the Company as the LPD and to adhere to good corporate governance, Tan Wee Hoong and Gerard have abstained and will continue to abstain from deliberating and voting on the Proposed Creditor Settlement at the relevant Board meetings. They will also abstain and have undertaken to ensure that persons connected with them will abstain from voting in respect of their respective direct and/or indirect shareholdings in the Company, if any, on the resolution pertaining to the Proposed Creditor Settlement at an EGM to be convened.

Accordingly, we, SCA, had been appointed by the Company on 20 August 2025 as the Independent Adviser to advise the non-interested shareholders in relation to the Proposed Creditor Settlement on whether the Proposed Creditor Settlement is fair and reasonable and whether the transaction is to the detriment of the non-interested shareholders.

For information purposes, the Proposed Creditor Settlement is not conditional upon the Proposed RPS Settlement, Proposed Rights Issue with Warrants, Proposed Private Placement or the Proposed Share Capital Reduction. Therefore, our evaluation encompasses on the assessment of the Proposed Creditor Settlement only.

We take note that the Proposals shall be undertaken at the sequences set out in **Section 15, Part A** of the Circular.

The purpose of this IAL is to provide the non-interested shareholders of Omesti with an independent evaluation of Proposed Creditor Settlement, to form an opinion as to whether the Proposed Creditor Settlement is fair and reasonable in so far as the non-interested shareholders of Omesti are concerned and whether the Proposed Creditor Settlement is to the detriment of the non-interested shareholders as well as to provide a recommendation thereon on the voting of the resolution pertaining to the Proposed Creditor Settlement to be tabled at the forthcoming EGM, subject to the limitation of our role and evaluation as explained herein. Other than for this intended purpose, this IAL should not be used for any other purpose and/or by any other persons and/or reproduced, wholly or partially, without our expressed written consent.

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2. EVALUATION ON THE PROPOSED CREDITOR SETTLEMENT

In our evaluation of the Proposed Creditor Settlement, we have taken into consideration the following:

Section in this IAL	Area of evaluation	SCA's comments
Section 6.1	**Rationale for the Proposed Creditor Settlement**	We take cognisance of the rationale for the Proposed Creditor Settlement as set out in **Section 8.1, Part A** of the Circular and have considered the following: (i) the Proposed Creditor Settlement will enable Omesti to partially address its debt obligations by offsetting RM8.50 million from the total debt of RM30.03 million owed to Microlink as at the LPD, without incurring any immediate cash outflows and will allow Omesti to preserve its cash for its immediate operational needs; (ii) the Proposed Creditor Settlement allows the Group to ensure and expedite the partial settlement of the Outstanding Sum as at LPD, as well as potentially reducing the burden on the Group to use its internally generated funds and/or bank borrowings to repay the remainder of the Outstanding Sum as at LPD; (iii) the Proposed Creditor Settlement will enable Omesti to partially settle the Outstanding Sum as at LPD via the issuance of the Creditor Settlement Shares, thus not incurring any immediate cash outflow which will allow Omesti to preserve its cash for its immediate operational needs. This will also reduce the financial strain of cash repayments of the Outstanding Sum as at LPD on the Group's cashflow. In turn, this should give rise to an expected improvement on the Group's financial performance as it is able to utilise its cash for working capital and to improve its business performance, which in turn in is expected to create value for its shareholders; and (iv) in view of the financial performance of Omesti Group as set out above, the additional financial toll of incurring further financing costs will not be favourable to the Company. As such, the Proposed Creditor Settlement eases the additional burden of financing and its interest costs. Hence, we are of the view that the rationale for the Proposed Creditor Settlement is **reasonable** and **not detrimental** to the non-interested shareholders of Omesti.
Section 6.2	**Basis of determining and justification for the issue price of the Creditor Settlement Shares**	In evaluating the issue price of the Creditor Settlement Shares, we have taken into consideration the following: (i) the indicative issue price of RM0.10 per Creditor Settlement Share represents a discount of RM0.02 or approximately 16.67% to the audited consolidated NA per Omesti Share of RM0.12 as at 31 March 2024;

Section in this IAL	Area of evaluation	SCA's comments
		(ii) the indicative issue price of RM0.10 per Creditor Settlement Share represents a premium of RM0.02 or 25.00% to the latest unaudited consolidated NA per Omesti Share of RM0.08 as at 30 June 2025; (iii) the indicative issue price of RM0.10 per Creditor Settlement Share is within the traded market prices of Omesti Shares for the past one (1) year up to and including the LPD ranging from RM0.0650 on 19 November 2024 to RM0.1600 on 6 September 2024; (iv) the indicative issue price of RM0.10 per Creditor Settlement Share represents a premium of RM0.0169 or 20.34% to the TEAP up to and including the LPD; and (v) the indicative issue price of RM0.10 per Creditor Settlement Share represents a premium of between 5.04% to 16.14% to the closing price as at the LPD and the 5-day, 1-month, and 3-month VWAPs and a discount of 10.47% and 29.58% to the respective 6-month and 12-month VWAPs of Omesti Shares up to and including the LPD. The indicative issue price of RM0.10 per Creditor Settlement Share compared to the TEAP up to and including the LPD, is at a **premium** which is **fair** to the non-interested shareholders of Omesti. We also take note that the TEAP is a theoretical price and the Creditor Settlement Shares, which is issued at a premium of 11.11% to the closing price as at the LPD, is **not detrimental** to the non-interested shareholders and serves as an avenue for Microlink to receive partial settlement of the Outstanding Sum as at LPD in a timely manner. By offering the Creditor Settlement Shares, Omesti seeks to foster a cooperative environment and encourage Microlink to support Omesti's efforts in improving its financial position. The decision to issue settlement shares reflects Omesti's commitment in addressing financial challenges. We are of the view that the indicative issue price of RM0.10 per Creditor Settlement Share is **fair** and **not detrimental** based on the comparison with both the TEAP and historical market prices on an overall basis of Omesti Shares.
Section 6.3	**Salient terms of the Settlement Agreement**	We are of the view that the salient terms of the Settlement Agreement are **reasonable** and **not detrimental** to the interests of the non-interested shareholders of Omesti.
Section 6.4	**Industry overview and outlook and future prospects**	Moving forward, the prospects of the Group are expected to be positive, driven by amongst others, the following: (i) the Malaysian economy is expected to maintain its growth trajectory for the near future, driven by its fundamentals and policies. This, in turn will help offset the downside risks stemming from external geopolitical challenges and geoeconomic fragmentation;

Section in this IAL	Area of evaluation	SCA's comments
		(ii) the Government of Malaysia has committed to the further development of digital infrastructure and ensuring widespread digital adoption across all industrial sectors, thus facilitating increasing demand for digital infrastructure services; (iii) the Government of Malaysia's increased investment in the healthcare sector also presents an opportunity for the Group as the increased investment will lead to opportunities for providing new products and services as public hospitals and clinics seek to upgrade their facilities and services; (iv) the Group's restructuring of its underperforming businesses will help to ensure a stronger financial position for the Group and reflects a strategic shift towards the Group's strengths in its performing business segments; and (v) the Group's upcoming long-term contracts such as the e-Courts Phase 3 Project augurs well for the Group's long-term financial stability. In addition, the long-term projects are part of the Group's business performance segment, which is a segment the Group is experienced with. After taking into consideration the above, we are of the view that the Proposed Creditor Settlement is **reasonable** and **not detrimental** to the interests of the non-interested shareholders of Omesti as it is expected to further improve the Group's financial performance and enhance shareholders' value in the long term.
Section 6.5	**Risk factors in relation to the Proposed Creditor Settlement**	We take note and concur with the risk factor in relation to the Proposed Creditor Settlement, as set out in **Section 10.1, Part A** of the Circular. We would like to highlight the following risk factor in relation to the Proposed Creditor Settlement as follows: (i) Risk of default on the Settlement Agreement In the event the Settlement Agreement is terminated due to, amongst others, the inability to fulfil the conditions precedent within the Conditions Precedent Period, the debts shall remain due and payable by the Company to Microlink. Consequently, the Company will be exposed to an additional quantum of RM8.5 million outstanding amount owing to Microlink following the Proposed Private Placement which aims to settle its remaining debts to Microlink. In such an event, the Company may face more pressure on its cash flow position from having to raise the funds internally or via external borrowings to repay the remaining debts, considering the Company's cash flow position as set out in **Section 2.3, Part A** of the Circular. If such an event occurs, it will affect the Company's financial health, reputation and creditworthiness, it may face legal fees from potential legal proceedings, damages, or other penalties and could potentially trigger the prescribed criteria under Practice Note 17 of the Listing Requirements in the event of default in repayment to Microlink.

Section in this IAL	Area of evaluation	SCA's comments
		Notwithstanding the above, the Company will endeavour to ensure the timely fulfilment of the terms as stipulated the Settlement Agreement to avert the risk of non-completion and default of the Settlement Agreement. We wish to highlight that although efforts and measures would be taken by the Omesti Group to mitigate the aforementioned risks in relation to the Proposed Creditor Settlement, no assurance can be given that the risk factors as stated above will not occur and give rise to material adverse impact on the business operations of the Omesti Group, its financial performance, financial position or prospects thereon. In evaluating the Proposed Creditor Settlement, the non-interested shareholders of Omesti should carefully consider the said risk factors prior to voting on the resolution pertaining to the Proposed Creditor Settlement at the forthcoming EGM.
Section 6.6	**Effects of the Proposed Creditor Settlement**	In view that the Proposals are not inter-conditional upon each other, we have evaluated the effects of the Proposed Creditor Settlement (excluding the effects of the Proposed RPS Settlement, Proposed Rights Issue with Warrants, Proposed Private Placement and Proposed Share Capital Reduction). We noted that the effects of the Proposed Creditor Settlement are similar under the Minimum Scenario (Settlement) and Base Case Scenario (Placement). The effects of the Proposed Creditor Settlement are summarised as follows: (i) the Proposed Creditor Settlement will result in an increase in the total issued share capital of Omesti by approximately RM8.50 million arising from the issuance of 85,000,000 Creditor Settlement Shares based on an indicative issue price of RM0.10 per Creditor Settlement Share under the Minimum Scenario (Settlement), Base Case Scenario (Placement) and Maximum Scenario (Settlement). The higher resultant issued share capital of Omesti under the Maximum Scenario (Settlement) as compared to the Minimum Scenario (Settlement) and Base Case Scenario (Placement) is solely due to the assumption that all of the 248,362,936 outstanding Warrants C are exercised into 248,362,936 new Shares prior to the issuance of Creditor Settlement Shares; (ii) the Proposed Creditor Settlement is not expected to have an immediate material effect on the consolidated earnings / losses and EPS / LPS of the Group for the 18-month FPE 30 September 2025. However, we wish to highlight that the EPS / LPS of the Group will be diluted following the increase in the number of issued Shares as a result of the issuance of the Creditor Settlement Shares pursuant to the Proposed Creditor Settlement;

Section in this IAL	Area of evaluation	SCA's comments
		(iii) under the Minimum Scenario (Settlement) and Base Case Scenario (Placement), the pro forma NA per Share will remain at RM0.12 while the pro forma gearing of the Group as at 31 March 2024 will decrease from 1.56 times to 1.43 times. Under the Maximum Scenario (Settlement), the pro forma NA per share will increase from RM0.12 to RM0.22 while the pro forma gearing of the Group as at 31 March 2024 will decrease from 1.56 times to 0.54 times; and (iv) under the Minimum Scenario (Settlement) and Base Case Scenario (Placement), the effect of the Proposed Creditor Settlement is dilutive to the existing substantial shareholders as the collective direct shareholding of the existing substantial shareholders of Omesti (excluding Microlink) are expected to decrease from 37.10% to 32.06%. Under the Maximum Scenario (Settlement), the effect of the Proposed Creditor Settlement is dilutive to the existing substantial shareholders as the collective direct shareholdings of the existing substantial shareholders of Omesti (excluding Microlink) are expected to decrease from 37.10% to 29.63%, assuming all 248,362,936 outstanding Warrants C are exercised into new Shares. While the Proposed Creditor Settlement has a dilutive effect on the existing shareholders of Omesti, it allows for the partial settlement of Omesti's debt to Microlink without any cash outlay or borrowings. We are of the view that the effects of the Proposed Creditor Settlement is **fair** and **not detrimental** to the interests of the non-interested shareholders of Omesti.

3. CONCLUSION AND RECOMMENDATION

The non-interested shareholders of Omesti should carefully consider the justifications for the Proposed Creditor Settlement based on all relevant and pertinent factors including those set out in this IAL as well as those set out in **Part A of the Circular** together with the accompanying appendices before voting on the ordinary resolution pertaining to Proposed Creditor Settlement at the forthcoming EGM.

Premised on our evaluation of the Proposed Creditor Settlement in Section 6 of this IAL, we are of the opinion that the Proposed Creditor Settlement is fair and reasonable and not detrimental to the interest of the non-interested shareholders of Omesti.

Accordingly, we recommend the non-interested shareholders to vote in favour of the resolution pertaining to the Proposed Creditor Settlement to be tabled at the forthcoming EGM of the Company.

sierac
corporate advisers

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2 September 2025

To: The non-interested shareholders of Omesti Berhad

Dear Sir/Madam,

INDEPENDENT ADVICE LETTER IN RELATION TO THE PROPOSED CREDITOR SETTLEMENT

This IAL is prepared for inclusion in the Circular. All definitions used in this IAL shall have the same meaning as the words and expressions defined in the "Definitions" section as well as the relevant sections in Part A of the Circular, except where the context otherwise requires or where otherwise defined in this IAL. All references to "you" and "your" are to the non-interested shareholders of Omesti, whilst references to "we", "us" or "our" are references to SCA, being the Independent Adviser for the Proposed Creditor Settlement.

1. INTRODUCTION

On 6 June 2025, TA Securities had, on behalf of the Board, announced that the Company proposes to undertake the Proposals, amongst others, the Proposed Creditor Settlement.

On 6 June 2025, the Company entered into a Settlement Agreement with Microlink to settle the Settlement Sum payable by the Company through the issuance of up to 85,000,000 Creditor Settlement Shares to Microlink at an issue price to be determined and announced later by the Board, with a minimum issue price of RM0.10 each, subject to the terms and conditions contained in the Settlement Agreement. The salient terms of the Settlement Agreement are set out in **Appendix I** of the Circular.

As at the LPD, the Company has an outstanding balance of RM30.03 million owing to Microlink. The outstanding amount owing is primarily arising from the provision of system integration and related services by Microlink as a turnkey contractor for the TM Project awarded by the Company through a series of PO issued since 2020, details of which are set out in **Part A, Section 2.3** of the Circular.

The Proposed Creditor Settlement is regarded as a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements as a director and substantial shareholder of the Company has interests in the Proposed Creditor Settlement, as detailed in **Part A, Section 17.1** of the Circular.

Accordingly, the Board had on 20 August 2025 appointed us, SCA, as the Independent Adviser to advise the non-interested shareholders of Omesti in respect of the Proposed Creditor Settlement.

The purpose of this IAL is to:

(i) provide the non-interested shareholders with an independent evaluation of the Proposed Creditor Settlement and to comment as to whether the Proposed Creditor Settlement is fair and reasonable insofar as the non-interested shareholders are concerned;

(ii) comment as to whether the Proposed Creditor Settlement is to the detriment of the non-interested shareholders; and

(iii) provide our recommendation as to whether the non-interested shareholders should vote in favour of the resolution pertaining to the Proposed Creditor Settlement to be tabled at the Company's forthcoming EGM.

Nonetheless, you should rely on your own evaluation of the merits of the Proposed Creditor Settlement before making a decision on the course of action to be taken at the Company's forthcoming EGM.

Further details of the Proposed Creditor Settlement are set out in **Section 2, Part A** of the Circular and should be read in its entirety.

THIS IAL IS PREPARED SOLELY FOR THE USE OF THE NON-INTERESTED SHAREHOLDERS OF OMESTI TO CONSIDER THE PROPOSED CREDITOR SETTLEMENT AND SHOULD NOT BE USED OR RELIED UPON BY ANY OTHER PARTY FOR ANY OTHER PURPOSE WHATSOEVER.

YOU ARE ADVISED TO READ AND UNDERSTAND BOTH THIS IAL AND THE LETTER FROM THE BOARD (SAVE FOR THE INTERESTED DIRECTOR (CREDITOR SETTLEMENT)) AS SET OUT IN PART A OF THE CIRCULAR TOGETHER WITH THE ACCOMPANYING APPENDICES, AND TO CAREFULLY CONSIDER THE RECOMMENDATIONS CONTAINED IN BOTH THE LETTERS BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED CREDITOR SETTLEMENT TO BE TABLED AT THE COMPANY'S FORTHCOMING EGM.

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 ADVISERS IMMEDIATELY.

2. LIMITATIONS TO THE EVALUATION OF THE PROPOSED CREDITOR SETTLEMENT

SCA had not been involved in the formulation, deliberations and negotiations on the terms and conditions pertaining to the Proposed Creditor Settlement. The terms of reference of our appointment as the Independent Adviser are in accordance with the requirements relating to Independent Adviser as set out in the Best Practice Guide in relation to IALs ("**IAL Guide**") issued by Bursa Securities.

Our terms of reference as the Independent Adviser are limited to expressing an independent opinion on the fairness and reasonableness of the Proposed Creditor Settlement insofar as the non-interested shareholders of the Company are concerned based on information and documents made available to us as set out below:

(i) information contained in Part A of the Circular together with the accompanying appendices;

(ii) Settlement Agreement;

(iii) other relevant information, documents, confirmations and representations furnished to us by the Board, management and/or representatives of Omesti Group; and

(iv) other relevant publicly available information.

We have relied on the Board, management and/or representatives of Omesti Group to take due care in ensuring that all information, documents and/or representations provided to us to facilitate our evaluation and which have been used, referred to and/or relied upon in this IAL have been fully disclosed to us, and are accurate, valid and complete in all material aspects and free from material omission.

The Board has confirmed in writing to us that:

(i) after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein inaccurate, incomplete or misleading in any respect;

(ii) all material facts and information required for the purpose of our evaluation of the Proposed Creditor Settlement have indeed been disclosed to SCA, and there are no facts or information, the omission of which would make any information, confirmation and documents supplied to us misleading, or would materially affect the evaluation, views and recommendation of SCA in this IAL; and

(iii) they have seen, reviewed and accepted this IAL and they individually and collectively accept full responsibility for the accuracy and correctness of the information contained herein.

After having made all reasonable enquiries to the Board, management and/or representatives of the Company, and to the best of our knowledge and belief, the information used is reasonable, accurate, complete and free from material omission. We are satisfied that sufficient information has been disclosed to us in enabling us to formulate our recommendation. SCA shall not undertake any responsibility or liability for any misstatement of fact or any omissions herein.

The scope of our responsibilities regarding the evaluation and recommendation contained herein is confined to the assessment of the fairness and reasonableness of the Proposed Creditor Settlement and whether the Proposed Creditor Settlement is detrimental to the non-interested shareholders of the Company.

In rendering our advice, we have taken note of the pertinent matters, which we believe are necessary and of importance to our assessment of the implication of the Proposed Creditor Settlement and therefore are of general concern to you to consider and form your views thereon.

Notwithstanding the foregoing, we:

(i) do not express any opinion on the commercial risks or commercial merits of the Proposed Creditor Settlement which remains the sole responsibility of the Board, and where comments or points of consideration are included in certain pertinent matters which may be commercially oriented, these are incidental to our overall evaluation and matters of concern which may be deemed material for disclosure;

(ii) do not express an opinion on legal, accounting and taxation issues relating to the Proposed Creditor Settlement; and

(iii) have not given consideration to the specific investment objective, risk profile, financial situation or particular needs of any individual shareholder or any specific group of shareholders. We recommend that any individual shareholder or group of shareholders who is/are in doubt as to the action to be taken or require advice in relation to the Proposed Creditor Settlement in the context of their individual investment objectives, risk profiles, financial situations and particular needs to consult their respective stockbrokers, bank managers, solicitors, accountants or other professional advisers immediately. We will not be able to take responsibility for any damages or losses of any kind sustained or suffered by any individual shareholder or group of shareholders in reliance on the opinion stated herein for any purpose whatsoever.

Our views expressed in this IAL are, amongst others, based on economic, market and other conditions prevailing and the information and/or documents made available to us as at the LPD or such other period as specified herein. Such conditions may change significantly over a short period of time. In addition, it should be noted that our evaluation and opinion expressed in this IAL do not take into account the information, events or conditions arising after the LPD or such other period as specified herein, as the case may be.

3. DECLARATION OF CONFLICT OF INTEREST AND OUR CREDENTIALS, EXPERIENCE AND EXPERTISE

Save for our appointment as the Independent Adviser for the Proposed Creditor Settlement and Proposed RPS Settlement, we do not have any other professional relationship with Omesti for the past 2 years prior to the LPD. We confirm that we are not aware of any conflict of interest that exists or likely to exist in relation to our role as the Independent Adviser for the Proposed Creditor Settlement.

We are a holder of a Capital Markets Services License issued by the Securities Commission ("**SC**") as a corporate finance adviser who is permitted to carry on the regulated activity of advising on corporate finance under the Capital Market Services Act 2007. We provide a wide range of corporate finance services which include, amongst others, initial public offerings, fairness opinions, fund raising, mergers and acquisitions as well as valuation exercises.

Pursuant to Paragraph 6.2 of the IAL Guide, there may be occasions where after the despatch of the Circular and IAL, we will notify you if we become aware of the following:

(i) significant change affecting the information containing in the IAL;

(ii) there is a false, misleading / deceptive statement provided in the IAL; and

(iii) there is a material omission in the IAL.

Our credentials and experiences as an Independent Adviser for the past two (2) years are as follows:

(i) IAL dated 12 April 2023 included in the circular of Reneuco Berhad ("Reneuco")

Independent advice to non-interested shareholders of Reneuco in relation to the proposed acquisition by Reneuco RE Sdn Bhd of the entire equity interest in Adat Sanjung Sdn Bhd from OHP Ventures Sdn Bhd for a purchase consideration of RM90.0 million to be satisfied via a combination of cash payment of RM20.0 million and the allotment and issuance of 318,181,819 new ordinary shares in Reneuco at an issue price of RM0.22 per consideration share.

(ii) IAL dated 27 April 2023 included in the circular of Asia Poly Holdings Berhad ("Asia Poly")

Independent advice to non-interested shareholders of Asia Poly in relation to the proposed disposal by Asia Poly of its entire 15% equity interest in Cyprium Wire Technology Sdn Bhd to Cyprium Capital Sdn Bhd for a total disposal consideration of RM12.0 million to be satisfied entirely in cash.

(iii) IAL dated 11 October 2023 included in the circular of Stella Holdings Berhad ("Stella")

Independent advice to non-interested shareholders of Stella in relation to the proposed acquisition by Stella of the entire equity interest in Pembinaan Teguh Maju Sdn Bhd for a total purchase consideration of RM380.0 million to be satisfied via cash consideration of RM100.0 million and the balance of RM280.0 million by way of issuance of 350,000,000 new ordinary shares in Stella at an issue price of RM0.80 per share.

(iv) IAL dated 5 March 2024 included in the circular of Pan Malaysia Corporation Berhad ("PMC")

Independent advice to non-interested shareholders of PMC in relation to the proposed acquisition by PMC of the remaining 49% equity interest in A&W (Malaysia) Sdn Bhd for a purchase consideration of RM69.4 million, which is to be satisfied via a combination of cash payment of RM41.7 million and the issuance of 111,127,352 new ordinary shares in PMC at an issue price of RM0.25 per consideration share.

Premised on the foregoing, we have the capability and competency to carry out our role as the Independent Adviser for the Proposed Creditor Settlement.

4. DETAILS OF THE PROPOSED CREDITOR SETTLEMENT

The details of the Proposed Creditor Settlement are set out in **Section 2, Part A** of the Circular and should be read in its entirety by the non-interested shareholders of Omesti.

5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

The interests of the Interested Director (Creditor Settlement) and/or chief executive and/or persons connected with them are set out in **Section 17.1, Part A** of the Circular.

The Interested Director (Creditor Settlement) has abstained and will continue to abstain from deliberating and voting on the Proposed Creditor Settlement at the relevant Board meetings. The Interested Director (Creditor Settlement) will abstain and have undertaken to ensure that persons connected with them will abstain from voting in respect of their respective direct and/ or indirect shareholding in the Company, if any, on the resolution pertaining to the Proposed Creditor Settlement at the Company's forthcoming EGM.

6. EVALUATION OF THE PROPOSED CREDITOR SETTLEMENT

In arriving at our conclusion and recommendation, we have evaluated the Proposed Creditor Settlement based on the following pertinent factors:

		Section
(a)	Rationale for the Proposed Creditor Settlement	6.1
(b)	Basis of determining and justification for the issue price of the Creditor Settlement Shares	6.2
(c)	Salient terms of the Settlement Agreement	6.3
(d)	Industry outlook and future prospects	6.4
(e)	Risk factors of the Proposed Creditor Settlement	6.5
(f)	Effects of the Proposed Creditor Settlement	6.6

6.1 Rationale for the Proposed Creditor Settlement

We take cognisance of the rationale for the Proposed Creditor Settlement as set out in **Section 8.1, Part A** of the Circular.

In evaluating the rationale for the Proposed Creditor Settlement, we have considered the following:

(i) Historical financial performance of Omesti Group

We take note of the summary of key financial information of the Group for the FYE 31 March 2022, FYE 31 March 2023, FYE 31 March 2024, and unaudited 15-month FPE 30 June 2025 together with its accompanied commentaries as set out in **Section 1, Appendix VI** of the Circular.

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Additionally, we wish to highlight the key financial metrics as follows:

	Audited			Unaudited
	FYE 31 March 2022	FYE 31 March 2023	FYE 31 March 2024	15-month FPE 30 June 2025[4]
	RM'000	RM'000	RM'000	RM'000
Revenue	132,846	116,226	116,149	88,066
GP	51,919	42,455	55,275	50,706
LBT	(32,983)	(61,554)	(256,265)	(21,297)
LAT from continuing operations	(34,412)	(62,423)	(257,762)	(21,407)
Shareholders' funds / NA	194,682	330,781	65,758	43,551
Total equity	287,281	326,666	68,670	47,452
No. of Shares in issue ('000)	534,190	540,673	540,673	540,673
NA per Share (RM)[1]	0.36	0.61	0.12	0.08
Cash and bank balances	97,510	49,296	31,785	8,832
Total borrowings[2]	205,066	122,684	107,381	40,468
Gearing ratio (times)[3]	0.71	0.38	1.56	0.85

(Source: Annual reports and quarterly results of Omesti Group for the financial years/period under review)

Notes:

(1) Computed based on the NA divided by the number of Shares in issue for the respective financial years/period under review.

(2) Comprising lease liabilities, term loans, bank overdrafts and invoice financing.

(3) Computed based on the total borrowings divided by total equity for the respective financial years/period under review.

(4) The Company changed its FYE from 31 March 2025 to 30 September 2025.

Financial commentaries:

a) FYE 31 March 2023 vs FYE 31 March 2022

The Group recorded a lower revenue of RM116.23 million for the FYE 31 March 2023 (FYE 31 March 2022: RM132.85 million), representing a decrease of RM16.62 million or 12.51%. The decrease in revenue was mainly due to lower revenue contribution from business performance division of RM92.35 million (FYE 31 March 2022: RM116.78 million), mainly due to lower order fulfilments, arising from lower total project value secured.

The Group recorded a LAT from continuing operations of RM62.42 million for the FYE 31 March 2023 as compared to a LAT from continuing operations of RM34.41 million for the FYE 31 March 2022. The LAT from continuing operations was mainly contributed by the decrease in GP which is in line with lower revenue as mentioned above as well as increase in administrative and other operating expenses.

b) FYE 31 March 2024 vs FYE 31 March 2023

The Group recorded a lower revenue of RM116.15 million for the FYE 31 March 2024 (FYE 31 March 2023: RM116.23 million), representing a decrease of RM0.08 million or 0.07%. The decrease in revenue was mainly due to lower revenue contribution from business performance division of RM91.41 million (FYE 31 March 2023: RM92.35 million), mainly due to lower order fulfilments, arising from lower total project value secured.

The Group recorded a higher LAT from continuing operations of RM257.76 million for the FYE 31 March 2024 as compared to a LAT from continuing operations of RM62.42 million for the FYE 31 March 2023. The LAT from continuing operations was mainly contributed by the increase in other operating expenses of RM284.84 million (FYE 31 March 2023:RM45.00 million), though it was partially offset by an increase in GP and other operating income and decreases in administrative expenses and finance costs.

c) 15-month FPE 30 June 2025 vs FYE 31 March 2024

The Group recorded a lower revenue of RM88.07 million for the 15-month FPE 30 June 2025 (FYE 31 March 2024: RM116.15 million), representing a decrease of RM28.08 million or 24.18% (the annualised revenue for the 15-month FPE 30 June 2025 was RM70.45 million, representing a decrease of RM45.70 million or 39.34% on an annualised basis). The decrease in revenue was mainly due to lower revenue contribution from business performance division of RM54.70 million (annualised revenue for the 15-month FPE 30 June 2025 of RM43.76 million) (FYE 31 March 2024: RM91.41 million), mainly due to lower order fulfilments, arising from lower total project value secured.

The Group recorded a lower LAT from continuing operations of RM21.41 million for the 15-month FPE 30 June 2025 (annualised LAT for the 15-month FPE 30 June 2025 of RM17.13 million) as compared to a LAT from continuing operations of RM257.76 million for the FYE 31 March 2024. The decrease in LAT from continuing operations was mainly contributed by the decreases in administrative expenses, other operating expenses, finance costs, and shares of loss of associates, though it was partially offset by a decrease in GP and other operating income.

SCA's comments:

For the financial years/period under review, the Group has been incurring losses from its continuing operations mainly due to, amongst others, declining revenue contribution from its business performance decision and impairment losses. We also noted the Group's cash and bank balances have been declining from RM97.51 million as at FYE 31 March 2022 to RM8.83 million as at the 15-month FPE 30 June 2025.

We take note that the outstanding amount owing of RM30.03 million to Microlink is primarily arising from the provision of system integration and related services by Microlink as a turnkey contractor for the TM Project awarded by Omesti through a series of PO issued since 2020, details of which are set out in **Part A, Section 2.3** of the Circular.

After considering the various options available, the Board is of the opinion that the Proposed Creditor Settlement is an appropriate method to settle part of the Outstanding Sum. We note that for the financial years/period under review, from FYE 31 March 2022 to the 15-month FPE 30 June 2025, the Group had been reporting a LAT from continuing operations in each of the financial years of RM34.41 million, RM62.42 million, RM257.76 million and RM21.41 million respectively. Due to the losses made, the additional financial toll of incurring further financing costs will not be favourable to the Company, further taxing its financial resources.

The Proposed Creditor Settlement will enable Omesti to partially address its debt obligations by offsetting RM8.50 million from the total debt of RM30.03 million owed to Microlink as at the LPD, without incurring any immediate cash outflows and will allow Omesti to preserve its cash for its immediate operational needs.

(ii) Allowing for partial settlement of the amount owing to Microlink

We take note that the outstanding amount owing to Microlink is primarily arising from the provision of system integration and related services by Microlink as a turnkey contractor for the TM Project awarded by the Company through a series of PO issued since 2020, details of which are set out in **Part A, Section 2.3** of the Circular. In addition, Microlink has made multiple verbal attempts to engage with the Company to request settlement of the outstanding balances since June 2024, following the full provision of its services.

We also take cognisance that Omesti continues to face challenges in meeting Microlink's demands due to cash flow constraints as set out in **Section 2.3, Part A of the Circular** and **Section 6.1(iii) of this IAL**. The Proposed Creditor Settlement enables the partial settlement of the Outstanding Sum as at LPD, with the Settlement Sum to be settled via the issuance of Creditor Settlement Shares at an issue price to be determined and announced later. We take note that the settlement amount of RM8.50 million was mutually agreed upon by Omesti and Microlink through the execution of the Settlement Agreement, as Microlink is only willing to accept partial settlement in Shares in order to mitigate its exposure to market risk arising from the Creditor Settlement Shares and remaining balances to be fully settled in cash. We take cognisance that the partial settlement in Shares via the issuance of Creditor Settlement Shares to Microlink limits the dilutive effect on the existing shareholders compared to a full settlement in Shares. Also, the partial settlement of the amount owing in Shares reduces the potential cash outlay required for the settlement of the amount owing to Microlink compared to a full payment in cash, which allows Omesti to preserve its cash for immediate operational needs.

We note that the Group remains committed to repay the outstanding obligations through a combination of the Proposed Creditor Settlement, proceeds to be raised from the Proposed Private Placement (refer to **Part A, Section 5.5** of the Circular for further details), internally generated funds of the Group and/or bank borrowings, of which the breakdown has yet to be determined at this juncture. The Proposed Private Placement intends to partially repay up to RM21.53 million of the outstanding amount owing to Microlink, with any shortfall intended to be funded via a combination of internally generated funds and/or bank borrowings of the Group.

We also take cognisance of the utilisation of proceeds from the Proposed Rights Issue with Warrants, as set out in **Section 4.7, Part A** of the Circular. We also take note that up to RM40.60 million of the proceeds from the Proposed Rights Issue with Warrants is intended to finance the existing and future projects under the Group's business performance division, while up to RM15.62 million of the proceeds will be used for the repayment of bank borrowings, both of which serve to address the urgent funding needs of the Company.

Additionally, we take note that pursuant to Paragraph 6.18(4) of the Listing Requirements, if the Company is unable to achieve the Minimum Subscription Level due to occurrence of termination events to be included in the Underwriting agreement or for any reason whatsoever, the Proposed Rights Issue with Warrants shall be aborted. The Proposed Private Placement provides another avenue for the Company to raise funds from new third-party investors.

As such, the Proposed Creditor Settlement allows the Group to ensure and expedite the partial settlement of the Outstanding Sum as at LPD, as well as potentially reducing the burden on the Group to use its internally generated funds and/or bank borrowings to repay the remainder of the Outstanding Sum as at LPD.

(iii) Allow for greater control over cash flow

We take note of the cash flow position of the Group from the FYE 31 March 2022 to the 15-month FPE 30 June 2025 as set out in **Section 2.3, Part A** of the Circular.

For the financial years/period under review, the Group's net cashflow position has been declining from RM61.40 million as at 31 March 2022 to RM2.90 million as at 30 June 2025. This is mainly due to, amongst others, significant repayment obligations to financial institutions since FYE 31 March 2023 which have been primarily used to finance the Group's capital expenditure and working capital requirements (including TM Project), as well as equity investments in quoted shares of Microlink (Microlink was Omesti's subsidiary during or prior to the FYE 31 March 2022 but ceased to be its subsidiary since the FYE 31 March 2023 following the subsequent disposal of some of Omesti's equity interest in Microlink, the proceeds of which were mainly utilised to repay borrowings).

We also take note that while the Group has been in a positive cash flow position from its operating and investing activities since FYE 31 March 2023 mainly due to proceeds from its dilution of equity interest in Microlink from 32.95% to 25.77% (and was further diluted to 17.18% as at the LPD following the completion of Microlink's rights issue with warrants and the listing of and quotation

for 536,198,072 rights shares on 29 July 2025), the positive cash flows are insufficient to offset the cash outflow from its financing activities.

The Proposed Creditor Settlement will enable Omesti to partially settle the Outstanding Sum as at LPD via the issuance of the Creditor Settlement Shares, thus not incurring any immediate cash outflow which will allow Omesti to preserve its cash for its immediate operational needs. This will also reduce the financial strain of cash repayments of the Outstanding Sum as at LPD on the Group's cashflow. In turn, this should give rise to an expected improvement on the Group's financial performance as it is able to utilise its cash for working capital and to improve its business performance, which in turn in is expected to create value for its shareholders.

In addition, the Proposed Creditor Settlement will enable Omesti to partially repay its outstanding amount owing to Microlink without having to divert its limited cash resources from its monthly repayment obligations to financial institutions, thus preserving the Group's credit standing.

(iv) Avoid the need to incur additional borrowings and thereon avoiding any additional interest costs

We take cognisance that the Company has opted not to take on bank borrowings to partially settle the Outstanding Sum as at LPD, as set out **Section 8.1, Part A** of the Circular. Given the Omesti Group's recent financial performance, its existing repayment obligations and the cash and bank balances of approximately RM1.27 million (net of fixed deposits pledged with banks) as at the LPD, we note that it is unlikely for banks to provide borrowings for the partial settlement of the Outstanding Sum as at LPD. For illustration purposes, if the partial settlement of the Outstanding Sum as at LPD were to be satisfied in cash and funded via bank borrowings, the Omesti Group's total borrowings as at 30 June 2025 will increase from RM40.47 million to RM48.97 million after the Proposed Creditor Settlement, which translates to a higher gearing ratio of 0.85 times from 1.03 times. Further, the Omesti Group would also incur an additional annual finance cost of approximately RM0.86 million based on its average cost of borrowing as at the LPD of 10.13% per annum.

Note:
**For the purpose of our evaluation, we do not include the effects of the Proposed RPS Settlement, Proposed Rights Issue with Warrants, Proposed Private Placement and Proposed Share Capital Reduction for the computation of these gearing ratios.*

In addition, any funding of the Proposed Creditor settlement via bank borrowings would entail the Group having to comply with bank borrowing requirements such as pledging its existing assets as collateral, the imposition of potentially significant covenants by the banks and/or fixed payment schedules which would impact the Group's flexibility and control over its cash flows and assets.

The Group would also have to incur miscellaneous fees from bank borrowings such as legal fees and stamp duty for loan documentation, as well as other administrative fees which would have a negative impact on the Group's financial performance.

In view of the financial performance of Omesti Group as set out above, the additional financial toll of incurring further financing costs will not be favourable to the Company. As such, the Proposed Creditor Settlement eases the additional burden of financing and its interest costs.

Despite the dilutive effect on shareholders' equity interest arising from the issuance of Creditor Settlement Shares, the avoidance of using internal cash resources or incurring additional borrowings makes the Proposed Creditor Settlement **reasonable** and not **detrimental** to non-interested shareholders as it is expected to contribute to the improvement of the Company's financial position in the long run. Please refer to **Section 11.4, Part A** of the Circular for the effects of the Proposed Creditor Settlement on the substantial shareholders' shareholdings.

It is important to note that a remaining balance of RM21.53 million due to Microlink will remain as an outstanding debt after the Proposed Creditor Settlement. As mentioned in Section 2.1, Part A of this Circular, and the Company intends to repay the balance of amount owing to Microlink via a combination

of proceeds to be raised from the Proposed Private Placement, internally generated funds of the Group, and/or bank borrowings.

The Proposed Creditor Settlement will enable Microlink to receive Omesti Shares in place of cash for the partial settlement of the Outstanding Sum as at LPD. We note that the Outstanding Sum as at LPD has been accrued through Microlink's willingness to provide funding to Omesti during its time of need. By undergoing the Proposed Creditor Settlement, Microlink is foregoing a portion of repayment of debt in cash and instead accepting Omesti Shares in lieu. This in turn reflects Microlink's trust in the management and future plans of Omesti sufficiently to invest in the future of Omesti.

For Omesti's longer term financial concerns, the Group is focusing on growing its existing business segments via long-term projects, investing in and streamlining its core business operations, and pursuing strategic partnerships and/or collaborations in order to improve its financial performance and sustainability of its business. The various steps being taken to improve the Group's financial conditions are set out in **Section 4, Appendix VI** of the Circular.

Premised on the above, on an overall basis, we are of the view that the rationale for the Proposed Creditor Settlement is reasonable and not detrimental to the interests of the non-interested shareholders of Omesti.

6.2 Basis of determining and justification for the issue price of the Creditor Settlement Shares

We take cognisance of the basis of determining and justification for the issue price of the Creditor Settlement Shares as set out in **Section 2.5, Part A** of the Circular.

We noted that the Board intends to fix the issue price of the Creditor Settlement Shares such that the issue price is at a discount of up to 10% to the TEAP of the Shares, up to and including the last market day immediately preceding the Price-fixing Date, with a minimum issue price of RM0.10 for each Creditor Settlement Share.

In the event that the Proposed Rights Issue with Warrants is not approved by Omesti's shareholders during the forthcoming EGM, the issue price of Creditor Settlement Shares will be fixed at a discount of up to 10% to the 5-day VWAP of the Shares, up to and including the last market day immediately preceding the Price-fixing Date of the Proposed Creditor Settlement.

Further, we also noted that the issue price of the Creditor Settlement Shares shall be fixed and announced later by the Board after taking into consideration, amongst others, the following:

(i) the rationale for the Proposed Creditor Settlement as set out in **Section 8.1, Part A** of the Circular; and

(ii) a discount of up to 10% to the TEAP of the Shares, up to and including the last market day immediately preceding the Price-fixing Date, with a minimum issue price of RM0.10 each was determined, after taking into consideration, amongst others, the following:

  (a) the opportunity costs incurred by Microlink arising from the long outstanding amount due from Omesti for approximately 3 years, which is interest-free;

  (b) the potential risk faced by Microlink in receiving Creditor Settlement Shares instead of cash such as economic uncertainties influenced by factors including inflation, interest rates, changes in government policies, market sentiments, liquidity of our Shares and volatility in the general equity markets;

  (c) the unaudited NA per Share as at 30 June 2025 of RM0.08; and

  (d) the prevailing market price of Omesti Shares.

SCA's comments:

In evaluating the issue price of the Creditor Settlement Shares, we have taken into consideration the following:

(i) Comparison between indicative issue price of RM0.10 per Creditor Settlement Share and the NA per Share

The NA per Share based on its latest audited consolidated financial statements as at 31 March 2024 and latest unaudited consolidated financial statements as at 30 June 2025 are as follows:

	NA per Share	Premium/ (Discount) of the indicative issue price of the Creditor Settlement Shares of RM0.10	
	RM	RM	%
Based on the latest audited consolidated financial statements as at 31 March 2024	0.12	(0.02)	(16.67)
Based on the latest unaudited consolidated financial statements as at 30 June 2025	0.08	0.02	25.00

Based on the above, we noted that the indicative issue price of RM0.10 per Creditor Settlement Share represents:

(i) a discount of RM0.02 (or approximately 16.67%) to the audited consolidated NA per Omesti Share of RM0.12 as at 31 March 2024; and

(ii) a premium of RM0.02 (or approximately 25.00%) to the latest unaudited consolidated NA per Omesti Share of RM0.08 as at 30 June 2025.

Notwithstanding that the indicative issue price of RM0.10 per Creditor Settlement Share represents a discount to the audited consolidated NA per Omesti Share as at 31 March 2024, we are of the view that the latest unaudited consolidated NA per Omesti Share of RM0.08 as at 30 June 2025 serves as a more meaningful reference point in our evaluation.

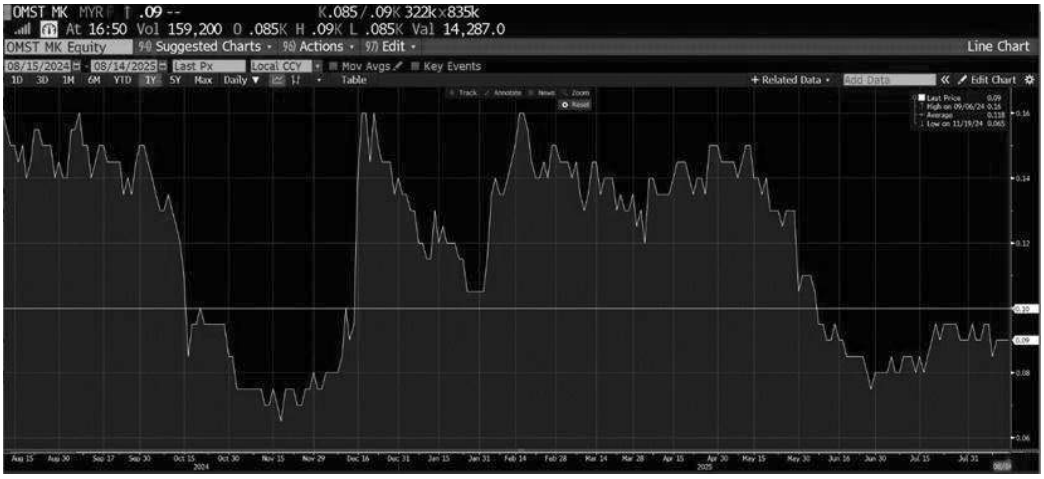
As such, we are of the view that the indicative issue price of RM0.10 per Creditor Settlement Share is <u>fair</u> based on the comparison with the NA per Share.

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(ii) Comparison between the indicative issue price of RM0.10 per Creditor Settlement Share, the TEAP and historical market prices of Omesti Shares

The historical trading prices of Omesti Shares for the past one (1) year up to and including the LPD, as compared to the indicative issue price of RM0.10 per Creditor Settlement Share are as follows:

Historical trading price of Omesti Shares



(Source: Bloomberg Finance L.P.)

As shown in the chart above, Omesti Shares were traded within the range of the lowest price of RM0.0650 on 19 November 2024 and the highest price of RM0.1600 on 6 September 2024. The indicative issue price of the Creditor Settlement Shares of RM0.10 is within the range of the lowest and the highest traded market prices of Omesti for the past one (1) year up to and including the LPD.

Further, we also noted that the indicative issue price of RM0.10 per Creditor Settlement Share represents the following premium / discount to the TEAP, relevant last transacted price and VWAPs up to and including the LPD:

	TEAP/ VWAP/ Closing price	**Premium/ (Discount) of the indicative issue price of the Creditor Settlement Shares of RM0.10**	
	RM	**RM**	**%**
TEAP up to and including the LPD	0.0831	0.0169	20.34
Relevant market prices of Omesti up to and including the LPD			
Closing price as at the LPD	0.9000	0.0100	11.11
5-day VWAP	0.0861	0.0139	16.14
1-month VWAP	0.0898	0.0102	11.36
3-month VWAP	0.0952	0.0048	5.04
6-month VWAP	0.1117	(0.0117)	(10.47)
12-month VWAP	0.1204	(0.0204)	(16.94)

(Source: Bloomberg Finance L.P.)

Based on the above, we noted that the indicative issue price of RM0.10 per Creditor Settlement Share represents:

(i) a premium of 20.34% to the TEAP up to and including the LPD; and

(ii) a premium of between 5.04% to 16.14% to the closing price as at the LPD and the 5-day, 1-month and 3-month VWAPs and a discount of 10.47% and 16.94% to the respective 6-month and 12-month VWAPs of Omesti Shares up to and including the LPD.

Premised on the above, we are of the view that it is reasonable to fix the settlement price at RM0.10 with reference to the above TEAP and historical VWAPs to determine the issue price of the Creditor Settlement Shares as it takes into account the significant fluctuations in the price of Omesti Shares between a high of RM0.1600 and a low of RM0.0650 over the past one (1) year up to and including the LPD. Additionally, the indicative issue price of RM0.10 per Creditor Settlement Share compared to the TEAP up to and including the LPD, is at a premium which is **fair** to the non-interested shareholders of Omesti.

We also take note that the TEAP is a theoretical price and the Creditor Settlement Shares, which is issued at a premium of 11.11% to the closing price as at the LPD, is **not detrimental** to the non-interested shareholders and serves as an avenue for Microlink to receive partial settlement of the Outstanding Sum as at LPD in a timely manner. By offering the Creditor Settlement Shares, Omesti seeks to foster a cooperative environment and encourage Microlink to support Omesti's efforts in improving its financial position. The decision to issue settlement shares reflects Omesti's commitment in addressing its debt to Microlink and addressing financial challenges.

Premised on our analysis above, we are of the view that the indicative issue price of RM0.10 per Creditor Settlement Share is fair and not detrimental based on the comparison with both the TEAP and historical market prices on an overall basis of Omesti Shares.

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6.3 Salient terms of the Settlement Agreement

The salient terms of the Settlement Agreement entered with Microlink for the partial settlement of the total outstanding sum amounting to RM30,028,379.32 owing to Microlink are disclosed in Appendix I of the Circular. Our comments on the salient terms of the Settlement Agreement are as follows:

Reference in the Circular	Salient terms of the Settlement Agreement	SCA's comments
Appendix I, Section 1	**Agreement to Partial Settlement** The parties to the Settlement Agreement (collectively, the "**Parties**" and individually, the "**Party**") agree that Omesti shall partially settle the total outstanding sum remains due and owing by Omesti to Microlink by way of the issuance of the Creditor Settlement Shares free from all encumbrances to Microlink in full satisfaction of the Settlement Sum. As at 5 June 2025, the total outstanding sum is approximately RM30,028,379.32 ("**Total Outstanding Sum**").	The issuance of Creditor Settlement Shares allows the Company to conserve its cash resources and not incur additional borrowings to enable requisite funding being available to the Omesti Group and enhance the Omesti Group's financial position via a larger equity base. The rationale for the Proposed Creditor Settlement has been discussed in Section 6.1 of this IAL. This term is fair and a common commercial term for transactions of this nature.
Appendix I, Section 2	**Issue Price of Creditor Settlement** The issue price of the Creditor Settlement Shares shall be fixed at a discount of up to 10% to the TEAP of the Shares (if the event that the Proposed Rights Issue with Warrants is approved by shareholders of Omesti) or 5-day VWAP of the Omesti Shares, up to and including the last market day immediately preceding the Price-fixing Date, with a minimum issue price of RM0.10 each. For the purpose of this paragraph, "Price-fixing Date" means the date on which the Board will determine and announce the issue price of each Creditor Settlement Share, with a minimum issue price of RM0.10 each.	The term is reasonable as it stipulates how the issue price of the Creditor Settlement Shares shall be fixed and when. For more details on our evaluation of the basis and justification of arriving at the issue price of the Creditor Settlement Shares, please refer to Section 6.2 of this IAL. Additionally, the rationale of the settlement via the issuance of Creditor Settlement Shares is set out in Section 6.1 of this IAL.

Reference in the Circular	Salient terms of the Settlement Agreement	SCA's comments
Appendix I, Section 3	**Conditions Precedent** 3.1 The Settlement Agreement is conditional upon the following conditions precedent being satisfied within the conditions precedent period of 90 calendar days from the date of the Settlement Agreement: a. Omesti receiving the approval from Bursa Securities for the listing of and quotation for the Creditor Settlement Shares on the Main Market of Bursa Securities; b. Omesti receiving the approval from its shareholders of Omesti for the Proposed Creditor Settlement including the issuance of the Creditor Settlement Shares; c. Omesti receiving all other necessary consents, approvals or waivers from any relevant regulatory authorities or third parties (if applicable) for the issuance and allotment of the Creditor Settlement Shares; and d. Microlink shall deliver to Omesti a written confirmation duly executed by its authorised representative, together with a certified extract of the resolution of its board of directors, confirming that: (i) Microlink acknowledges the Total Outstanding Sum as due and payable by Omesti; (ii) Microlink agrees and accepts the Proposed Creditor Settlement, including the receipt and subscription of the Creditor Settlement Shares, as partial satisfaction of the Total Outstanding Sum; and (iii) the board of directors and/or the shareholders (if required) of Microlink has authorised the entry into and execution of the Settlement Agreement and acceptance of the Creditor Settlement Shares in accordance with the terms herein. As at the LPD, save for the condition stated in **Section 3.1(d) of this Appendix I**, which has been fulfilled, the remaining conditions precedent are in the process of being satisfied and are expected to be fulfilled upon the issuance and allotment of the Creditor Settlement Shares to Microlink.	The conditions are reasonable as the approval from relevant parties is necessary for Omesti to be in compliance with the rules and regulations set out by the relevant authorities. We note that the condition precedent requires the approval from the shareholders of Omesti as the Proposed Creditor Settlement with Microlink involves the interests of the Interested Director (Creditor Settlement) of Omesti which is in compliance with the Listing Requirements. We noted that in the event the Conditions Precedent are not satisfied or waived within the Conditions Precedent Period, both parties may opt to extend the Conditions Precedent Period by mutual agreement. We are also of the view that the Conditions Precedent Period to satisfy all the conditions stipulated is reasonable as it provides a reasonable timeframe with an automatic extension period or such mutually agreed date, for both parties to procure the relevant requisite approvals and to be in compliance with the applicable laws and regulatory requirements. We take note that the settlement amount of RM8.50 million was mutually agreed upon by Omesti and Microlink through the execution of the Settlement Agreement, as Microlink is only willing to accept partial settlement in Shares in order to mitigate its exposure to market risk arising from the Creditor Settlement Shares and remaining balances to be fully settled in cash. As such, the remaining balance of the Outstanding Sum as at LPD of approximately RM21.53 million is proposed to be settled in cash by Omesti upon completion of the Proposed

Reference in the Circular	Salient terms of the Settlement Agreement	SCA's comments
	3.2 The Settlement Agreement shall become unconditional upon the satisfaction or fulfilment of all the conditions precedent above. Each of the Parties shall notify the other promptly and in any event no later than three (3) business days upon it becoming aware that any condition above has been fulfilled and such notice shall be accompanied by documents evidencing the fulfilment of such conditions. 3.3 If any of the conditions precedent (save for **Section 3.1(d) of this Appendix I**) is not fulfilled or waived in writing by the relevant Party within the Conditions Precedent Period, and the Parties do not mutually agree to extend the same, either Party shall be entitled, at its sole discretion, to terminate this Settlement Agreement by giving written notice to the other Party, whereupon the Settlement Agreement shall be of no further effect and neither Party shall have any further claims against the other, save for any antecedent breach.	Creditor Settlement, via a combination of proceeds to be raised from the Proposed Private Placement, internally generated funds of the Group, and/or bank borrowings, subject to further mutual agreement between both parties.
Appendix I, Section 4	**Completion** The completion of the Proposed Creditor Settlement ("**Completion**") shall take place within 1 calendar month (or such other period as may be mutually agreed in writing between the Parties) from the date the Settlement Agreement becomes unconditional and mutually confirmed in writing ("**Date of Completion**"). On the Completion Date, Omesti shall: a. issue and allot the Creditor Settlement Shares to Microlink, credited as fully paid-up, in settlement of the Settlement Sum; b. procure the crediting of the Creditor Settlement Shares into the central depository system ("**CDS**") account designated by Microlink; c. deliver to Microlink a copy of the notice of allotment and any other relevant documents evidencing the issuance and allotment of the Creditor Settlement Shares; and d. make the necessary announcements to Bursa Securities in respect of the Completion and the Proposed Creditor Settlement.	We are of the opinion that these Completion terms are reasonable as these are typical completion terms applicable to transactions of this nature.

Reference in the Circular	Salient terms of the Settlement Agreement	SCA's comments
	On the Completion Date, Microlink shall deliver to Omesti any remaining confirmations, declarations or undertakings required for the Completion, including such documents as may be reasonably required by Omesti, SC, Bursa Securities, and/or other regulatory authorities. Microlink agrees that no physical share certificate will be issued in respect of the Creditor Settlement Shares which shall be credited into its CDS Accounts.	
Appendix I, Section 5	**Default** In the event of any breach by a Party of any term or provisions of the Settlement Agreement, the non-defaulting Party shall be entitled to exercise and/or enforce any and all of its rights and remedies available to it (at law and in equity) including but not limited to the liberty to file appropriate action (including for specific performance) and/or to recover for losses suffered or incurred by it as a result of the said breach by the defaulting Party. For the avoidance of doubt, in the event of default by Omesti, Microlink shall be entitled to terminate the Settlement Agreement by providing a written notice to Omesti and to exercise any and all rights and remedies available to it at law or in equity, including (but not limited to) its right to demand, recover, and enforce payment of the Total Outstanding Sum (which Omesti remains unconditionally and irrevocably liable to pay in full by way of cash payment within the period specified by Microlink in writing) and any other sums due and owing by Omesti to Microlink, whether arising under the Settlement Agreement or otherwise and whether such rights accrued prior to or after the termination or expiry of the Settlement Agreement.	This term is fair and a common commercial term for transactions of this nature. We are of the view that these terms are reasonable as they are the normal commercial terms to safeguard the interest of Microlink in the event Omesti is in breach of their obligations and/or the Proposed Creditor Settlement was not approved. In the event the Settlement Agreement is terminated, Omesti remains liable to pay the Total Outstanding Sum in full by way of cash payment.
Appendix I, Section 6	**Governing Law and Jurisdiction** Any dispute, controversy or claim arising out of or in connection with the Settlement Agreement shall be governed by and construed in all respects in accordance with the laws of Malaysia. The Parties hereto irrevocably submit to the non-exclusive jurisdiction of the courts of Malaysia.	This term is fair and a common commercial term for transactions of this nature.

Based on the above, we are of the opinion that the salient terms of the Settlement Agreement are **reasonable**, and **not detrimental** to the non-interested shareholders of Omesti.

6.4 Industry outlook and future prospects

We refer to the industry outlook and future prospects as set out in **Section 9, Part A** of the Circular. We also wish to draw the attention of the non-interested shareholders to the following additional industry overview and outlook associated with the Proposed Creditor Settlement, which were not mentioned in **Section 9, Part A** of the Circular.

6.4.1 Overview and outlook of the Malaysian economy

Malaysia's economic performance has improved significantly in 2024. The economy grew by 5.2 percent in the first three quarters of 2024, supported by strong private consumption, buoyant investment, improvements in external demand for electrical and electronic products, and a recovery in tourism. Labor market conditions have been strong, with the unemployment rate low at 3.2 percent in 2024Q3. Meanwhile, inflation has been stable around 2 percent, and the ringgit appreciated against the U.S. dollar by 2.6 percent in 2024.

Malaysia's favorable economic conditions provide a window of opportunity to build macroeconomic policy buffers and accelerate structural reforms. Malaysia's strong growth momentum is expected to be sustained in the near term, with growth projected at 4.7 percent in 2025. Inflation, which eased to 1.8 percent in 2024, is projected to increase to 2.6 percent in 2025 on account of the anticipated implementation of gasoline subsidy reforms, before moderating to 2.3 percent in 2026. Malaysia's external position in 2024 is preliminarily assessed to be stronger than the level implied by medium-term fundamentals and desirable policies.

Risks to growth, mostly external, are tilted to the downside, while inflation risks are tilted to the upside. Downside external risks include deepening geoeconomic fragmentation, a growth slowdown in major trading partners, and intensification of geopolitical conflicts, while upside growth risks include faster implementation of investment projects. The upside risks to the inflation outlook stem from global commodity price shocks and potential wage pressures from increases in minimum wage and civil servants' pay.

(Source: Malaysia: 2025 Article IV Consultation Press Release & Staff Report, March 2025, International Monetary Fund)

6.4.2 Overview and outlook of the IT and ICT industry in Malaysia

The Malaysia ICT Market size is estimated at USD 27.20 billion (RM120.67 billion) in 2024, and is expected to reach USD 39.18 billion (RM173.82 billion) by 2029, growing at a CAGR of 7.57% during the forecast period (2024-2029). The increased digitalization of processes across all significant industrial sectors is mainly responsible for this growth. Also, compared to other Asian neighbouring nations, Malaysia is expected to witness a comparatively high broadband penetration.

The demand for ICT goods and services would continue to be high, mainly attributable to the rollout of 5G, hybrid business models, digital banking, and consumers who keep up with the newest trends. According to the Department of Statistics Malaysia ("**DOSM**"), ICT contributed 23.2% of Malaysia's gross domestic product ("**GDP**") in the last year, with an increase of 12.1% from the past year. As per the report, e-commerce in the ICT sector contributed 3.8% to GDP, while e-commerce in other sectors contributed 9.2%.

The Economic Stimulus Package of the Malaysian government offers significant financial incentives for digital transformation, connectivity, security, satellite broadband, digital infrastructure for buildings, 5G ecosystems, and process automation. After the pandemic, the government's focus started focusing more on modernizing and standardizing Malaysia's industrial sector and worldwide supply chain network, which is likely to result in a further increase in demand for automation and digitalization exports.

However, it is crucial to overcome some significant obstacles to secure the long-term survival of Malaysia's businesses in the post-pandemic world and beyond. The expense of funding or digitizing is one of the biggest obstacles. These costs include software subscriptions, digital devices, and internet connectivity.

The robust core government policies, high-tech-focused national development, and accessibility of trained labor in the Malaysian ICT market have helped the sector thrive in the nation. Notably, the government has given the Internet of Things ("**IoT**") sub-sector significant attention, which has led to several market alliances.

Work-from-home arrangements used under Covid-19 have increased ICT goods and services sales in Malaysia. Today, technology is employed everywhere in our daily lives, from communications to decision making. Not only is digitalization the foundation of the economy, but it is also quickly evolving into the foundation of society. The government is battling to keep up with the rapid speed of digitalization while sustaining, directing, and offering support for the economy and society to grow with the technologies.

(Source: Malaysia ICT Market Size & Share Analysis – Growth Trends & Forecasts (2024 – 2029), Mordor Intelligence)

6.4.3 Overview and outlook of the healthcare industry in Malaysia

Malaysia's medium-term health expenditure growth will be among the fastest in ASEAN. We continue to have a positive outlook for Malaysia's health expenditure growth, with our view supported by double-digit increases in the government's healthcare budget chain 2023 and 2024 alongside continued advancements in the private sector. We forecast that Malaysia's health expenditure will grow by a 2023-2028 compound annual growth rate ("**CAGR**") of 8.3%, with public expenditure growing by 8.5% and private expenditure by 8.1%. The ageing population, growing burden of chronic diseases and efforts to enhance public health infrastructure and improve access for underserved communities will drive public sector growth. Private healthcare providers will continue to attract patients with higher incomes including medical tourists and domestic patients looking to avoid long waiting times amid Malaysia's shortage of physicians and nurses. Malaysia's high single-digit expenditure growth will see it outpace regional peers such as Singapore, Thailand, the Philippines and Indonesia over the medium term. Additionally, annual per capita health expenditure remains above global and emerging market averages, indicating strong capacity for spending on advanced medical products.

Malaysia will continue developing its healthcare offering to attract medical tourists but will face strong regional competition from Thailand and Singapore. Malaysia remains an attractive destination for foreign healthcare patients with its availability of high-quality healthcare facilities equipped with modern medical products alongside cost-effective healthcare. In February 2024, KPJ Healthcare, which operates 29 hospitals in Malaysia, announced that two of its hospitals had joined the Mayo Clinic care network. The collaboration will enhance the healthcare services provided by the hospitals by leveraging Mayo Clinic's knowledge and expertise and will help to attract patients seeking advanced medical care, supporting demand for healthcare services and medical products. The hospitals will use digital health tools and promote individualised care through Mayo Clinic's point-of-care database that includes clinical information on medical conditions, while physicians will be able to use live video conferences to discuss cases with other doctors in the Mayo Clinic network. This latest partnership follows one signed between private companies Sunway Healthcare Group, which is based in Malaysia, and PT JCB International Indonesia, a subsidiary of JCB International, in January 2024 to attract medical tourists from Indonesia.

We expect partnerships will remain a feature of Malaysia's efforts to enhance its medical tourism industry as it seeks to remain competitive amid strong regional competition. Competition is coming from markets such as Thailand and Singapore. Medical tourists from both developed and emerging markets visit Singapore for a range of health services including health screenings, cardiology and oncology services and orthopaedic procedures; however, Singapore may increasingly struggle to compete with Malaysia and Thailand in terms of offering affordable costs for certain procedures and could increasingly target patients seeking more complicated procedures or those from developed markets with higher incomes as a result. Thailand recently signed a memorandum of understanding (MoU) with Saudi Arabia to attract medical tourists, while the Thai government also relaxed medical visas in 2023 to make healthcare more accessible for international patients, reducing the cost of visas and increasing the amount of time patients can remain in the country for.

(Source: Malaysia's Healthcare Market Will Be One Of The Fastest Growing In ASEAN, 14 June 2024, BMI Research)

6.4.4 Prospects and future plans of the Group

We take note of the business segments of the Omesti Group, namely, the business performance segment, healthcare segment, and digital and infrastructure segment, and the prospects and future plans of the Group as set out in **Section 9.4, Part A** of the Circular.

The Group is actively focused on expanding its business performance division, leveraging its expertise in multi-stakeholder integration projects to capitalise on the growing demand for digital transformation services in both public and private sectors. During the FYE 31 March 2024 up to the LPD, the Group has successfully secured several long-term and sustainable projects from the public sector, such as system maintenance contracts from government agencies, sub-contractor works for UPM campus network implementation, and contract from TNB for the provision of cybersecurity services, amongst others.

In addition, the Group secured an e-Courts Phase 3 Project on 19 February 2025 through its digital court infrastructure, for a period of 3 years, commencing from 1 March 2025 to 29 February 2028, with a total project value of approximately RM70.54 million. The Group has been involved in project of e-Courts system since 2012, providing end-to-end court management solutions that improve efficiency in court delivery systems.

Moving forward, the Group seeks to deepen its involvement in providing tailored solutions to address specific operational challenges faced by businesses, as well as technology-driven solutions to optimise business processes. As part of these initiatives, the Group's internal technical team is currently testing and developing hybrid cloud solutions and AI LLM systems designed for universities and colleges to assist in citation writing. Additionally, the Group intends to foster strategic partnerships with technology providers to further strengthen its technical capabilities and expand its client base, thereby offer more innovative solutions and maintain a competitive edge in the rapidly evolving technology landscape.

The Group's healthcare division is involved in the operation of pharmacies, distribution of pharmaceutical products, vaccines, medical devices, and test laboratory services. The healthcare division has demonstrated consistent year-on-year growth, with revenue increasing from RM15.37 million in the FYE 31 March 2022 to RM34.42 million in the 15-month FPE 30 June 2025 (annualised revenue for the 15-month FPE 30 June 2025 of RM25.94 million), as well as consistent GP margins ranging from approximately 16% to 29% since the FYE 31 March 2022, reflecting healthy gross profitability in the pharmacy retail segment.

The Group's digital and infrastructure division experienced a significant drop in revenue since the FYE 31 March 2021, following the transfer of the retail operations which provides broadband services, of Ohana Communications Sdn Bhd, a wholly-owned subsidiary of the Company to Viewqwest Holdings Sdn Bhd, an indirect 20%-owned associated company of the Company during the FYE 31 March 2021. As part of the Group's cost rationalisation efforts and to strengthen cash flow, the Group decided to exit its loss-making retail business. Since the transfer, the digital and infrastructure division has mainly focused on the leasing of telecommunication infrastructure.

During the FYE 31 March 2023, the Group has discontinued its trading and distribution division, which was involved in the trading and system integration of hardware and software solutions, as part of its strategic divestment to unlock the value/gain of its investments in Microlink through the disposal of shares in Microlink on the open market, reducing its equity interest in Microlink from an indirect subsidiary to an indirect associate in which Omesti holds 17.18% equity interest as at the LPD. This restructuring aimed to further strengthen the Group's financial position and aligned with its strategic shift, focusing its resources on expanding the business performance and healthcare divisions.

(Source: Management of Omesti)

SCA's comments

We take cognisance that the Malaysian economy is expected to maintain its growth trajectory for the near future, driven by its fundamentals and policies. This, in turn will help offset the downside risks stemming from external geopolitical challenges and fragmentation.

In addition, the Government of Malaysia has committed to the further development of digital infrastructure and ensuring widespread digital adoption across all industrial sectors, thus facilitating increasing demand for digital infrastructure services. This commitment will ensure increasing demand for digitisation in both the private and public sectors, backed by an expanding digital infrastructure to support and encourage the growth of the digital economy. As such, this provides an opportunity for the Group to meet the demand for digitisation services and digital infrastructure.

The Government of Malaysia's increased investment in the healthcare sector also presents an opportunity for the Group as the increased investment will lead to opportunities for providing new products and services as public hospitals and clinics seek to upgrade their facilities and services. The higher demand for private healthcare domestically and from medical tourism is also encouraging for the Group's prospects as it seeks to offer new products and services to the Malaysian market.

We also take note of the Group's restructuring efforts in relation to its divestment in Microlink from an indirect subsidiary to the Group holding 17.18% equity interest as at the LPD as a result of the Group discontinuing its trading and distribution division, as well as the downsizing of its digital and infrastructure division to focus on the leasing of telecommunication infrastructure. The restructuring of its underperforming businesses will help to ensure a stronger financial position for the Group and reflects a strategic shift towards building upon the Group's strengths in its main business segments.

Despite the positive outlook for the IT and ICT industry in Malaysia, we take note of the declining revenue contribution from the Group's business performance division for the financial years and period under review as set out in **Section 1 of Appendix VI, Part A** of the Circular, which was a result of lower total project value secured. However, we also note of the steps taken or to be undertaken by the Group to improve its financial condition as set out in **Section 4 of Appendix VI, Part A** of the Circular, which include the e-Courts Phase 3 Project which will be partially funded by the proceeds from the Proposed Rights Issue with Warrants as at out in **Section 4.7, Part A** of the Circular, in line with the Group's strategy in securing public sector projects. We also take note of the Group's commitment to repaying the balance of the Outstanding Sum as at LPD via the Proposed Private Placement as set out in **Section 5, Part A** of the Circular.

In addition, the Group's upcoming long-term contracts such as the e-Courts Phase 3 Project augurs well for the Group's long-term financial stability. The long-term projects are part of the Group's core business segments, thus the Group has the expertise and manpower to execute its long-term projects.

Taking into consideration the above and barring any unforeseen circumstances, we are of the opinion that the prospects of the Omesti Group are expected to be encouraging in the long term given the Group's focus towards ensuring its stability and focusing on growing its existing business segments.

In view on the above, Microlink, who will receive the Creditor Settlement Shares may be able to benefit from the potential growth of the Group through their equity participation.

Accordingly, we are of the view that the Proposed Creditor Settlement is **reasonable** and **not detrimental** to the interests of the non-interested shareholders of Omesti as the Proposed Creditor Settlement is expected to further improve the Group's financial performance and enhance shareholders' value in the long term.

6.5 Risk Factor of the Proposed Creditor Settlement

In evaluating the Proposed Creditor Settlement, the non-interested shareholders of the Company should carefully consider the potential risk of the Proposed Creditor Settlement as set out in **Section 10.1, Part A** of the Circular.

SCA's comments

We take note and concur with the risk factor in relation to the Proposed Creditor Settlement as set out in **Section 10.1, Part A** of the Circular. We wish to highlight to the non-interested shareholders of the additional risk factor in relation to the Proposed Creditor Settlement as follows:

6.5.1 Risk of default on the Settlement Agreement

In the event the Settlement Agreement is terminated due to, amongst others, the inability to fulfil the conditions precedent within the Conditions Precedent Period, the debts shall remain due and payable by the Company to Microlink.

Consequently, the Company will be exposed to an additional quantum of RM8.5 million outstanding amount owing to Microlink following the Proposed Private Placement which aims to settle its remaining debts to Microlink. In such an event, the Company may face more pressure on its cash flow position from having to raise the funds internally or via external borrowings to repay the remaining debts, considering the Company's cash flow position as set out in **Section 2.3, Part A** of the Circular.

If such an event occurs, it will affect the Company's financial health, reputation and creditworthiness, it may face legal fees from potential legal proceedings, damages, or other penalties. In the event of default in repayment of RM8.5 million to Microlink, which is more than 5% of the NA of Omesti as at 30 June 2025 of RM2.18 million, this could potentially trigger the prescribed criteria under Paragraph 2.1(f), Practice Note 17 of the Listing Requirements.

Notwithstanding the above, the Company will endeavour to ensure the timely fulfilment of the terms as stipulated the Settlement Agreement to avert the risk of non-completion and default of the Settlement Agreement.

We wish to highlight that although efforts and measures will be taken by the Company to mitigate such risks associated with the Proposed Creditor Settlement, no assurance can be given that the risk factors as stated above will not occur and give rise to material adverse impact on the business operations of the Omesti Group, its financial performance, financial position or prospects thereon.

In evaluating the Proposed Creditor Settlement, the non-interested shareholders of Omesti should carefully consider the said risk factors and their respective mitigating factors prior to voting on the resolution pertaining to the Proposed Creditor Settlement at the forthcoming EGM. The non-interested shareholders of the Company should note that the risk factors mentioned therein are not meant to be exhaustive.

6.6 Effects of the Proposed Creditor Settlement

In view that the Proposals are not inter-conditional upon each other, we have evaluated the effects of the Proposed Creditor Settlement (excluding the effects of the Proposed RPS Settlement, Proposed Rights Issue with Warrants, Proposed Private Placement and Proposed Share Capital Reduction).

We have taken note of the effects of the Proposed Creditor Settlement and the Proposals (illustrated based on the Minimum Scenario (Settlement), Base Case Scenario (Placement) and Maximum Scenario (Settlement)) as set out in **Section 11, Part A** of the Circular.

We noted that the effects of the Proposed Creditor Settlement are similar under the Minimum Scenario (Settlement) and Base Case Scenario (Placement).

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SCA's comments

6.6.1 Issued share capital

The effects of the Proposed Creditor Settlement on the issued share capital under the Minimum Scenario (Settlement), Base Case Scenario (Placement) and Maximum Scenario (Settlement) are as follows:

	Minimum Scenario (Settlement) [(1)] and Base Case Scenario (Placement)[(1)]		**Maximum Scenario (Settlement) [(2)]**	
	No. of Shares	**RM**	**No. of Shares**	**RM**
As at the LPD	540,673,135	279,794,933	540,673,135	279,794,933
To be issued assuming full exercise of the outstanding Warrants C	-	-	248,362,936	151,302,728[(3)]
	540,673,135	**279,794,933**	**789,036,071**	**431,097,661**
To be issued pursuant to the Proposed Creditor Settlement	85,000,000	8,500,000[(4)]	85,000,000	8,500,000[(4)]
	625,673,135	**288,294,933**	**874,036,071**	**439,597,661**

Notes:

(1) Assuming none of the 248,362,936 outstanding Warrants C are exercised into new Shares prior to the issuance of Creditor Settlement Shares.

(2) Assuming all of the 248,362,936 outstanding Warrants C are exercised into up to 248,362,936 new Shares prior to the issuance of Creditor Settlement Shares.

(3) Based on an exercise price of RM0.50 per Warrant C and after accounting for the reversal of the warrants reserve amount of RM27.12 million pursuant to the exercise of Warrants C.

(4) Based on an indicative issue price of RM0.10 per Creditor Settlement Share.

Based on the above, we noted that:

(i) the Proposed Creditor Settlement will result in an increase in the total issued share capital of Omesti by approximately RM8.50 million arising from the issuance of 85,000,000 Creditor Settlement Shares based on an indicative issue price of RM0.10 per Creditor Settlement Share under the Minimum Scenario (Settlement), Base Case Scenario (Placement) and Maximum Scenario (Settlement); and

(ii) the higher resultant issued share capital of Omesti under the Maximum Scenario (Settlement) as compared to the Minimum Scenario (Settlement) and Base Case Scenario (Placement) is solely due to the assumption that all of the 248,362,936 outstanding Warrants C are exercised into 248,362,936 new Shares prior to the issuance of Creditor Settlement Shares.

Nonetheless, we wish to highlight that the actual effects of the Proposed Creditor Settlement on the issued share capital of Omesti may vary depending on the actual issue price.

6.6.2 Earnings / Loss and EPS / LPS

We noted that the Proposed Creditor Settlement is not expected to have any material effect on the consolidated earnings / losses and EPS / LPS of the Group for the 18-month FPE 30 September 2025. However, we wish to highlight that the EPS / LPS of the Group will be diluted following the increase in the number of issued Shares as a result of the issuance of the Creditor Settlement Shares pursuant to the Proposed Creditor Settlement.

6.6.3 NA, NA per Share and gearing

The effects of the Proposed Creditor Settlement on the NA, NA per Share and gearing under the Minimum Scenario (Settlement), Base Case Scenario (Placement) and Maximum Scenario (Settlement) are as follows:

Minimum Scenario (Settlement) and Base Case Scenario (Placement)

	Audited as at 31 March 2024	(I) After the Proposed Creditor Settlement
	RM	RM
Share capital	279,794,933	288,294,933[2]
Capital reserve	24,663,246	24,663,246
Warrant reserve	27,121,260	27,121,260
Exchange translation reserve	(1,473,513)	(1,473,513)
Accumulated losses	(264,348,333)	(266,248,333)[3]
Shareholders' equity / NA	**65,757,593**	**72,357,593**
Non-controlling interest	2,912,099	2,912,099
Total equity	**68,669,692**	**75,269,692**
No. of Shares in issue	540,673,135	625,673,135[2]
NA per Share	0.12	0.12
Total borrowings[1]	107,380,728	107,380,728
Gearing ratio (times)	1.56	1.43

Notes:

(1) Comprising lease liabilities of RM43.89 million, term loans of RM45.04 million, bank overdrafts of RM10.16 million and invoice financing of RM8.29 million as at 31 March 2024.

(2) After taking into consideration the issuance of 85,000,000 Creditor Settlement Shares at an indicative issue price of RM0.10 per Creditor Settlement Share.

(3) After deducting the estimated expenses for the Proposals of approximately RM1.90 million.

Maximum Scenario (Settlement)

	Audited as at 31 March 2024	(I) After assuming full exercise of the Warrants C	(II) After the Proposed Creditor Settlement
	RM	RM	RM
Share capital	279,794,933	431,097,661[2]	439,597,661[3]
Capital reserve	24,663,246	24,663,246	24,663,246
Warrant reserve	27,121,260	-[2]	-
Exchange translation reserve	(1,473,513)	(1,473,513)	(1,473,513)
Accumulated losses	(264,348,333)	(264,348,333)	(266,248,333)[4]
Shareholders' equity / NA	**65,757,593**	**189,939,061**	**196,539,061**
Non-controlling interest	2,912,099	2,912,099	2,912,099
Total equity	**68,669,692**	**192,851,160**	**199,451,160**
No. of Shares in issue	540,673,135	789,036,071[2]	874,036,071[3]
NA per Share	0.12	0.24	0.22
Total borrowings[1]	107,380,728	107,380,728	107,380,728
Gearing ratio (times)	1.56	0.56	0.54

Notes:

(1) Comprising lease liabilities of RM43.89 million, term loans of RM45.04 million, bank overdrafts of RM10.16 million and invoice financing of RM8.29 million as at 31 March 2024.

(2) Assuming all 248,362,936 outstanding Warrants C are exercised into new Shares at an exercise price of RM0.50 per Warrant C and after accounting for the reversal of the warrants reserve amount recognised in the share capital in respect of Warrants C.

(3) After taking into consideration the issuance of 85,000,000 Creditor Settlement Shares at an indicative issue price of RM0.10 per Creditor Settlement Share.

(4) After deducting the estimated expenses for the Proposals of approximately RM1.90 million.

Based on the above, we noted that:

(i) Under the Minimum Scenario (Settlement) and Base Case Scenario (Placement),

(a) the pro forma NA per Share as at 31 March 2024 after the Proposed Creditor Settlement will remain at RM0.12 as a result of the increase in the Group's number of shares in issue along with the NA pursuant to the Proposed Creditor Settlement; and

(b) the pro forma gearing of the Group as at 31 March 2024 after the Proposed Creditor Settlement will decrease from 1.56 times to 1.43 times due to the larger equity base as a result of the issuance of the Creditor Settlement Shares.

(ii) Under the Maximum Scenario (Settlement),

(a) the pro forma NA per Share as at 31 March 2024 after the full exercise of the Warrants C and Proposed Creditor Settlement will increase from RM0.12 to RM0.22 mainly due to the exercise of Warrants C at an exercise price of RM0.50 which is higher than the Group's NA per Share of RM0.12 as at 31 March 2024 while being slightly offset by the dilutive effect of the Proposed Creditor Settlement; and

(b) the pro forma gearing of the Group as at 31 March 2024 after the full exercise of Warrants C and the Proposed Creditor Settlement will decrease from 1.56 times to 0.54 times due to the larger equity base as a result of the issuance of the Creditor Settlement Shares and exercise of Warrants C.

Premised on the above, we are of the view that the Proposed Creditor Settlement will have a positive effect on the Group given the resultant equity base and gearing.

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6.6.4 Substantial shareholders' shareholdings

The effects of the Proposed Creditor Settlement on the substantial shareholders' shareholdings under the Minimum Scenario (Settlement), Base Case Scenario (Placement) and Maximum Scenario (Settlement) are as follows:

Minimum Scenario (Settlement) and Base Case Scenario (Placement)

	As at the LPD				After the Proposed Creditor Settlement			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%[1]	No. of Shares	%[1]	No. of Shares	%[2]	No. of Shares	%[2]
Dato' Mah Siew Kwok	88,450,075	16.36	-	-	88,450,075	14.14	-	-
Insas Berhad[3]	-	-	53,859,500	9.96	-	-	138,859,500	22.19
Dato' Sri Thong Kok Khee[4]	-	-	53,859,500	9.96	-	-	138,859,500	22.19
GAMSB	35,159,500	6.50	-	-	35,159,500	5.62	-	-
H2O Holdings Sdn Bhd	66,333,700	12.27	-	-	66,333,700	10.60	-	-
Gerard	10,412,555	1.93	66,333,700[5]	12.27	10,412,555	1.66	66,333,700[5]	10.60
Dato' Wong Kit-Leong	-	-	66,333,700[5]	12.27	-	-	66,333,700[5]	10.60
Datuk Raymond Tan	248,000	0.05	66,333,700[5]	12.27	248,000	0.04	66,333,700[5]	10.60
Microlink	-	-	-	-	85,000,000	13.59	-	-
Total[6]	**200,603,830**	**37.10**			**200,603,830**	**32.06**		

Notes:

(1) Based on 540,673,135 Shares as at the LPD.

(2) Based on 625,673,135 Shares after the Proposed Creditor Settlement.

(3) Deemed interested by virtue of its interests in Microlink, IPSB, GAMSB, MAL and WDPL pursuant to Section 8 of the Act.

(4) Deemed interested by virtue of his interest in Insas Berhad (deemed interested by virtue of its interests in Microlink, IPSB, GAMSB, MAL and WDPL pursuant to Section 8 of the Act) pursuant to Section 8 of the Act.

(5) Deemed interested by virtue of their interest in H20 Holdings Sdn Bhd pursuant to Section 8 of the Act.

(6) Excluding Microlink's shareholdings.

Maximum Scenario (Settlement)

	As at the LPD				(I) After assuming full exercise of the Warrants C				(II) After (I) and the Proposed Creditor Settlement			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%[1]	No. of Shares	%[1]	No. of Shares	%[2]	No. of Shares	%[2]	No. of Shares	%[3]	No. of Shares	%[3]
Dato' Mah Siew Kwok	88,450,075	16.36	-	-	88,450,075	11.21	66[4]	0.01	88,450,075	10.12	66[4]	0.01
Insas Berhad[5]	-	-	53,859,500	9.96	-	-	80,074,032	10.15	-	-	165,074,032	18.89
Dato' Sri Thong Kok Khee[6]	-	-	53,859,500	9.96	-	-	80,074,032	10.15	-	-	165,074,032	18.89
GAMSB	35,159,500	6.50	-	-	46,900,600	5.94	-	-	46,900,600	5.37	-	-
H2O Holdings Sdn Bhd	66,333,700	12.27	-	-	98,953,700	12.54	-	-	98,953,700	11.32	-	-
Gerard	10,412,555	1.93	66,333,700[7]	12.27	24,358,514	3.09	98,953,700[7]	12.54	24,358,514	2.79	98,953,700[7]	11.32
Dato' Wong Kit-Leong	-	-	66,333,700[7]	12.27	-	-	98,953,700[7]	12.54	-	-	98,953,700[7]	11.32
Datuk Raymond Tan	248,000	0.05	66,333,700[7]	12.27	289,066	0.04	98,953,700[7]	12.54	289,066	0.03	98,953,700[7]	11.32
Microlink	-	-	-	-	-	-	-	-	85,000,000	9.72	-	-
Total[8]	**200,603,830**	**37.10**			**258,951,955**	**32.82**			**258,951,955**	**29.63**		

Notes:

(1) Based on 540,673,135 Shares as at the LPD.

(2) Based on 789,036,071 Shares after assuming full exercise of the outstanding Warrants C.

(3) Based on 874,036,071 Shares after assuming full exercise of the outstanding Warrants C and the Proposed Creditor Settlement.

(4) Deemed interested by virtue of his spouse's interest pursuant to Section 8 of the Act.

(5) Deemed interested by virtue of its interests in Microlink, IPSB, GAMSB, MAL and WDPL pursuant to Section 8 of the Act.

(6) Deemed interested by virtue of his interest in Insas Berhad (deemed interested by virtue of its interests in Microlink, IPSB, GAMSB, MAL and WDPL pursuant to Section 8 of the Act) pursuant to Section 8 of the Act.

(7) Deemed interested by virtue of their interest in H20 Holdings Sdn Bhd pursuant to Section 8 of the Act.

(8) Excluding Microlink's shareholdings.

Based on the above, we noted that:

(i) under the Minimum Scenario (Settlement) and Base Case Scenario (Placement), the collective direct shareholdings of the existing substantial shareholders of Omesti (excluding Microlink) are expected to decrease from 37.10% to 32.06%, assuming none of the outstanding Warrants C are exercised into new Shares. The effect of the Proposed Creditor Settlement is dilutive to the existing substantial shareholders. However, Microlink will emerge as a substantial shareholder holding 13.59% equity interest in Omesti pursuant to the Proposed Creditor Settlement.

(ii) under the Maximum Scenario (Settlement), the collective direct shareholdings of the existing substantial shareholders of Omesti (excluding Microlink) are expected to decrease from 37.10% to 29.63%, assuming all 248,362,936 outstanding Warrants C are exercised into new Shares. The effect of the Proposed Creditor Settlement is dilutive to the existing substantial shareholders. However, Microlink will emerge as a substantial shareholder holding 9.72% equity interest in Omesti pursuant to the Proposed Creditor Settlement.

While the Proposed Creditor Settlement has a dilutive effect on the existing shareholders of Omesti, it allows for the partial settlement of Omesti's debt to Microlink without any cash outlay or borrowings.

We take cognisance that the Proposed Creditor Settlement will not give rise to any mandatory take-over offer obligation nor is it expected to result in breach of the public spread requirement as stated in **Section 2.7, Part A** of the Circular. In addition, we note that Omesti has indirect substantial shareholdings in Microlink of 17.18% as at the LPD by virtue of its interest in OHB pursuant to Section 8 of the Act, as set out in **Section 2.2, Part A** of the Circular. While the Proposed Creditor Settlement will result in cross-shareholdings between Omesti and Microlink, we take note of Omesti's gradual disposal of its shares in Microlink as part of its strategic divestment of its trading and distribution division to focus on Omesti's core business, as set out in **Section 4 (iii) of Appendix VI** of the Circular. In addition, Microlink's shareholdings in Omesti following the Proposed Creditor Settlement reflects Microlink's trust in the management and future plans of Omesti. As such, the cross-shareholdings of Omesti and Microlink reflect a shared belief in the future plans of Omesti. We are of the view that the effects of the Proposed Creditor Settlement which result in cross-shareholdings between Omesti and Microlink are not detrimental to the interest of the non-interested shareholders of Omesti.

Premised on the above, we are of the view that the effects of the Proposed Creditor Settlement is <u>fair</u> and <u>not detrimental</u> to the interest of the non-interested shareholders of Omesti.

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7. CONCLUSION AND RECOMMENDATION

The non-interested shareholders of Omesti should carefully consider the justifications for the Proposed Creditor Settlement based on all relevant and pertinent factors including those set out in this IAL as well as those set out in **Part A of the Circular** together with the accompanying appendices before voting on the ordinary resolution pertaining to the Proposed Creditor Settlement at the forthcoming EGM.

Premised on our evaluation of the Proposed Creditor Settlement in Section 6 of this IAL, we are of the opinion that the Proposed Creditor Settlement is fair and reasonable and not detrimental to the interest of the non-interested shareholders of Omesti.

Accordingly, we recommend the non-interested shareholders to vote in favour of the resolution pertaining to the Proposed Creditor Settlement to be tabled at the forthcoming EGM.

Yours faithfully,
for and on behalf of
SIERAC CORPORATE ADVISERS SDN BHD

TEH SEW HONG
Executive Director

TAN HOOI WEN, MELANIE
Associate Director, Corporate Finance

PART C

INDEPENDENT ADVICE LETTER FROM SIERAC CORPORATE ADVISERS SDN BHD TO OUR NON-INTERESTED SHAREHOLDERS AND NON-INTERESTED RPS HOLDERS IN RELATION TO THE PROPOSED RPS SETTLEMENT

All definitions used in the Executive Summary shall have the same meaning as the words and expressions defined in the "Definitions" section as well as the relevant sections in Part A of the Circular, except where the context otherwise requires or where otherwise defined in this IAL. All references to "you" and "your" are references to the non-interested shareholders and non-interested RPS holders of Omesti, whilst references to "we", "us" or "our" are references to SCA, being the Independent Adviser for the Proposed RPS Settlement.

This Executive Summary summarises this IAL. You are advised to read and understand this IAL in its entirety, together with the letter from the Board (save for the Interested Directors (RPS Settlement)) as set out in Part A of the Circular together with the accompanying appendices for other relevant information and not to rely solely on the Executive Summary before forming an opinion on the Proposed RPS Settlement.

You are also advised to carefully consider the recommendations contained in both the letters before voting on the resolution to give effect to the Proposed RPS Settlement to be tabled at the Company's forthcoming EGM and RPS holders' meeting, respectively.

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

1. INTRODUCTION

On 6 June 2025, TA Securities had, on behalf of the Board, announced that the Company proposes to undertake the Proposals.

In view of the interest of the Interested Major Shareholders (RPS Settlement) and Interested Directors (RPS Settlement) as set out in **Section 17.2, Part A** of the Circular, the Proposed RPS Settlement is deemed as a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements. Accordingly, we, SCA, had been appointed by the Company on 14 May 2025 as the Independent Adviser to advise the non-interested shareholders and non-interested RPS holders in relation to the Proposed RPS Settlement on whether the Proposed RPS Settlement is fair and reasonable and whether the transaction is to the detriment of the non-interested shareholders and non-interested RPS holders.

For information purposes, the Proposed RPS Settlement is not conditional upon the Proposed Creditor Settlement, Proposed Rights Issue with Warrants, Proposed Private Placement or the Proposed Share Capital Reduction. Therefore, our evaluation encompasses on the assessment of the Proposed RPS Settlement only.

We take note that the Proposals shall be undertaken at the sequences set out in **Section 15, Part A** of the Circular.

The purpose of this IAL is to provide the non-interested shareholders and non-interested RPS holders of Omesti with an independent evaluation of the Proposed RPS Settlement, to form an opinion as to whether the Proposed RPS Settlement is fair and reasonable in so far as the non-interested shareholders and non-interested RPS holders of Omesti are concerned and whether the Proposed RPS Settlement is to the detriment of the non-interested shareholders and non-interested RPS holders as well as to provide a recommendation thereon on the voting of the resolutions pertaining to the Proposed RPS Settlement to be tabled at the forthcoming EGM and RPS holders' meeting, subject to the limitation of our role and evaluation as explained herein. Other than for this intended purpose, this IAL should not be used for any other purpose and/or by any other persons and/or reproduced, wholly or partially, without our expressed written consent.

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2. EVALUATION ON THE PROPOSED RPS SETTLEMENT

In our evaluation of the Proposed RPS Settlement, we have taken into consideration the following:

Section in this IAL	Area of evaluation	SCA's comments
Section 6.1	**Rationale for the Proposed RPS Settlement**	We take cognisance of the rationale for the Proposed RPS Settlement as set out in **Section 8.2, Part A** of the Circular and have considered the following: (i) in view of the Group's current financial position and to avoid the risk of late redemption or default in the event the Company is unable to redeem the RPS upon the RPS Maturity Date, the Proposed RPS Settlement will enable Omesti to repay its RPS holders in a timely manner as it would not need to face the challenge of raising the requisite quantum of cash before the RPS Maturity Date; (ii) with the issuance of the RPS Settlement Shares, Omesti would not be required to seek funding for the repayment of RPS which amounts to RM106.44 million. In view of the Group's financial performance, the additional financial toll of incurring further financing costs will not be favourable to the Company. As such, the Proposed RPS Settlement eases the additional burden of financing and its interest costs; (iii) the Proposed RPS Settlement will enable Omesti to repay its RPS holders with 100% of the issue price of each RPS without incurring any immediate cash outflow and will allow Omesti to preserve its cash for its immediate operational needs. In turn, this should give rise to an expected improvement on the Group's financial performance as Omesti is able to utilise its cash for working capital and to improve its business performance; and (iv) the Company's enlarged capital base as a result of the Proposed RPS Settlement is expected to improve its financial position in the long run, thus allowing the Company to have a higher capacity to borrow in the future for future funding requirements. Hence, we are of the view that the rationale for the Proposed RPS Settlement is **reasonable** and **not detrimental** to the non-interested shareholders and non-interested RPS holders of Omesti.
Section 6.2	**Basis of determining and justification for the issue price of the RPS Settlement Shares**	In evaluating the issue price of the RPS Settlement Shares, we have taken into consideration the following: (i) the indicative issue price of RM0.10 per RPS Settlement Share represents a discount of RM0.02 or approximately 16.67% to the audited consolidated NA per Omesti Share of RM0.12 as at 31 March 2024; (ii) the indicative issue price of RM0.10 per RPS Settlement Share represents a premium of RM0.02 or 25.00% to the latest unaudited consolidated NA per Omesti Share of RM0.08 as at 30 June 2025;

Section in this IAL	Area of evaluation	SCA's comments
		(iii) the indicative issue price of RM0.10 per RPS Settlement Share is within the traded market prices of Omesti Shares for the past one (1) year up to and including the LPD ranging from RM0.0650 on 19 November 2024 to RM0.1600 on 6 September 2024; (iv) the indicative issue price of RM0.10 per RPS Settlement Share represents a premium of RM0.0169 or 20.34% to the TEAP up to and including the LPD; and (v) the indicative issue price of RM0.10 per RPS Settlement Share represents a premium of between 5.04% to 16.14% to the closing price as at the LPD and the 5-day, 1-month, and 3-month VWAPs and a discount of 10.47% and 29.58% to the respective 6-month and 12-month VWAPs of Omesti Shares up to and including the LPD. The indicative issue price of RM0.10 per RPS Settlement Share compared to the TEAP up to and including the LPD, is at a **premium** which is **fair** to the non-interested shareholders of Omesti. We also take note that the TEAP is a theoretical price and the RPS Settlement Shares, which is issued at a premium of 11.11% to the closing price as at the LPD, is **not detrimental** to the non-interested shareholders and serves as an avenue for the RPS holders to participate in the RPS settlement. By offering the RPS Settlement Shares, Omesti seeks to foster a cooperative environment and encourage its RPS holders to support Omesti's efforts in improving its financial position. The decision to issue settlement shares reflects Omesti's commitment in addressing financial challenges and mitigating distress. We are of the view that the issue price of RM0.10 per RPS Settlement Share is **fair** and **not detrimental** based on the comparison with both the TEAP and historical market prices on an overall basis of Omesti Shares
Section 6.3	**Industry overview and outlook and future prospects**	Moving forward, the prospects of the Group are expected to be positive, driven by amongst others, the following: (i) the Malaysian economy is expected to maintain its growth trajectory for the near future, driven by its fundamentals and policies. This, in turn will help offset the downside risks stemming from external geopolitical challenges and geoeconomic fragmentation; (ii) the Government of Malaysia has committed to the further development of digital infrastructure and ensuring widespread digital adoption across all industrial sectors, thus facilitating increasing demand for digital infrastructure services; (iii) the Government of Malaysia's increased investment in the healthcare sector also presents an opportunity for the Group as the increased investment will lead to opportunities for

Section in this IAL	Area of evaluation	SCA's comments
		providing new products and services as public hospitals and clinics seek to upgrade their facilities and services; (iv) the Group's restructuring of its underperforming businesses will help to ensure a stronger financial position for the Group and reflects a strategic shift towards the Group's strengths in its performing business segments; and (v) the Group's upcoming long-term contracts such as the e-Courts Phase 3 Project augurs well for the Group's long-term financial stability. In addition, the long-term projects are part of the Group's business performance segment, which is a segment the Group is experienced with. After taking into consideration the above, we are of the view that the Proposed RPS Settlement is **reasonable** to the Group and **not detrimental** to the interests of the non-interested shareholders and non-interested RPS holders of Omesti.
Section 6.4	**Risk factors in relation to the Proposed RPS Settlement**	We take note and concur with the risk factor in relation to the Proposed RPS Settlement, as set out in **Section 10.2, Part A** of the Circular. We would like to highlight the following risk factor in relation to the Proposed RPS Settlement as follows: (i) Risk of late redemption and non-redemption of RPS From the non-interested RPS holders' perspective, in the event the shareholders' approvals for the Proposed RPS Settlement is not obtained at the forthcoming EGM or the RPS holders' approval for the Proposed RPS Settlement is not obtained at the forthcoming RPS holders' meeting, the RPS holders may face the risk of late redemption in the event the Company is unable to redeem the RPS upon the RPS Maturity Date. In the event the Company fails to redeem the RPS on maturity date the RPS will be reclassified from non-current liabilities to current liabilities as the said liabilities become immediately due and payable. If such an event occurs, it will affect the Company's financial health, reputation and creditworthiness, it may face legal fees, damages, or other penalties for failing to redeem the RPS on maturity date. Consequently, it will be difficult for the Company to raise future capital, thus adversely impacting the Company's future business activities and plans, and could potentially trigger the prescribed criteria under Practice Note 17 of the Listing Requirements. On the other hand, the RPS holders may experience financial losses and reduced returns and it will be challenging for the RPS holders to dispose/ liquidate the investments due to illiquidity. However, the RPS holder may have limited legal options as the Company is in financial distress. Notwithstanding the above, the Company will endeavour to obtain both shareholders' approvals and RPS holders' approval

Section in this IAL	Area of evaluation	SCA's comments
		at the forthcoming EGM and RPS holders' meeting, respectively, on best effort basis to avert the risk of late redemption and non-redemption of RPS. (ii) Market risk in holding Omesti Shares From the non-interested RPS holders' perspective, the issuance of RPS Settlement Shares to the RPS holders pursuant to the Proposed RPS Settlement will result in RPS holders holding Omesti Shares. Therefore, the RPS holders will be exposed to the market risk of Omesti Shares amongst others, the market sentiments, the liquidity of Omesti Shares, interest rate movements, volatility of the equity markets as well as the financial performance of Omesti. We wish to highlight that although efforts and measures would be taken by the Omesti Group to mitigate the aforementioned risks in relation to the Proposed RPS Settlement, no assurance can be given that the risk factors as stated above will not occur and give rise to material adverse impact on the business operations of the Omesti Group, its financial performance, financial position or prospects thereon. In evaluating the Proposed RPS Settlement, the non-interested shareholders and non-interested RPS holders of Omesti should carefully consider the said risk factors prior to voting on the resolution pertaining to the Proposed RPS Settlement at the forthcoming EGM and RPS holders' meeting of the Company.
Section 6.5	**Effects of the Proposed RPS Settlement**	In view that the Proposals are not inter-conditional upon each other, we have evaluated the effects of the Proposed RPS Settlement on a standalone basis (excluding the effects of the Proposed Creditor Settlement, Proposed Rights Issue with Warrants, Proposed Private Placement and Proposed Share Capital Reduction). We noted that the effects of the Proposed RPS Settlement are similar under the Minimum Scenario (Settlement) and Base Case Scenario (Placement). The effects of the Proposed RPS Settlement are summarised as follows: (i) the Proposed RPS Settlement will result in an increase in the total issued share capital of Omesti by approximately RM106.44 million arising from the issuance of 1,064,413,670 RPS Settlement Shares based on an indicative issue price of RM0.10 per RPS Settlement Share under the Minimum Scenario (Settlement), Base Case Scenario (Placement) and Maximum Scenario (Settlement). The higher resultant issued share capital of Omesti under the Maximum Scenario (Settlement) as compared to the Minimum Scenario (Settlement) and Base Case Scenario (Placement) is solely due to the assumption that all of the 248,362,936 outstanding Warrants C are exercised into 248,362,936 new Shares prior to the issuance of RPS Settlement Shares.

Section in this IAL	Area of evaluation	SCA's comments
		(ii) the Proposed RPS Settlement is not expected to have an immediate material effect on the consolidated earnings / losses and EPS / LPS of the Group for the 18-month FPE 30 September 2025. However, we wish to highlight that the EPS / LPS of the Group will be diluted following the increase in the number of issued Shares as a result of the issuance of the RPS Settlement Shares pursuant to the Proposed RPS Settlement. (iii) Under the Minimum Scenario (Settlement) and Base Case Scenario (Placement), the pro forma NA per Share will decrease from RM0.12 to RM0.10 while the pro forma gearing of the Group as at 31 March 2024 will decrease from 1.56 times to 0.67 times. Under the Maximum Scenario (Settlement), the pro forma NA per share will increase from RM0.12 to RM0.15 while the pro forma gearing of the Group as at 31 March 2024 will decrease from 1.56 times to 0.38 times. (iv) Under the Minimum Scenario (Settlement) and Base Case Scenario (Placement), the collective direct shareholding of the existing substantial shareholders of Omesti are expected to decrease from 37.10% to 29.24%. The effect of the Proposed RPS Settlement is dilutive to the existing substantial shareholders except Dato' Mah Siew Kwok who holds sufficient number of RPS to reduce the impact of the dilutive effect. Under the Maximum Scenario (Settlement), the collective direct shareholdings of the existing substantial shareholders of Omesti are expected to decrease from 37.10% to 28.47%, assuming all 248,362,936 outstanding Warrants C are exercised into new Shares. The effect of the Proposed RPS Settlement is dilutive to the existing substantial shareholders. We are of the view that the effects of the Proposed RPS Settlement is **not detrimental** to the interests of the non-interested shareholders and non-interested RPS holders of Omesti.

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3. CONCLUSION AND RECOMMENDATION

The non-interested shareholders and non-interested RPS holders of Omesti should carefully consider the justifications for the Proposed RPS Settlement based on all relevant and pertinent factors including those set out in this IAL as well as those set out in **Part A of the Circular** together with the accompanying appendices before voting on the ordinary resolution pertaining to the Proposed RPS Settlement at the forthcoming EGM and RPS holders' meeting.

Premised on our evaluation of the Proposed RPS Settlement in Section 6 of this IAL, we are of the opinion that the Proposed RPS Settlement is fair and reasonable and not detrimental to the interest of the non-interested shareholders and non-interested RPS holders of Omesti.

Accordingly, we recommend the non-interested shareholders and non-interested RPS holders to vote in favour of the resolution pertaining to the Proposed RPS Settlement to be tabled at the forthcoming EGM and RPS holders' meeting of the Company.

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2 September 2025

To: The non-interested shareholders and non-interested RPS holders of Omesti Berhad

Dear Sir/Madam,

INDEPENDENT ADVICE LETTER IN RELATION TO THE PROPOSED RPS SETTLEMENT

This IAL is prepared for inclusion in the Circular. All definitions used in this IAL shall have the same meaning as the words and expressions defined in the "Definitions" section as well as the relevant sections in Part A of the Circular, except where the context otherwise requires or where otherwise defined in this IAL. All references to "you" and "your" are to the non-interested shareholders and non-interested RPS holders of Omesti, whilst references to "we", "us" or "our" are references to SCA, being the Independent Adviser for the Proposed RPS Settlement.

1. INTRODUCTION

On 28 December 2020, the Company had obtained its shareholders' approval for the proposed renounceable rights issue of up to 119,775,814 new RPS in the Company at an issue price of RM1.00 per RPS, together with up to 279,476,894 free detachable warrants. The salient terms of the RPS are set out in **Appendix II** of the Circular, as extracted from the circular to the shareholders dated 4 December 2020 and the abridged prospectus dated 8 March 2021.

On 7 April 2021, the Company had announced the completion of the Rights Issue of RPS with Warrants, following the admission to the Official List and listing of and quotation for 106,441,367 RPS and 248,362,936 Warrants C on the Main Market of Bursa Securities on 7 April 2021. In accordance with the amended constitution of the Company, which took effect on 28 December 2020, the tenure of the RPS is 5 years commencing from and inclusive the date of issuance of the RPS of 1 April 2021. As such, the RPS Maturity Date is on 31 March 2026.

On 6 June 2025, TA Securities had, on behalf of the Board, announced that the Company proposes to undertake the Proposals, amongst others, the Proposed RPS Settlement.

The Proposed RPS Settlement entails the repayment of RM106,441,367 owing to the RPS holders through the issuance of RPS Settlement Shares at an issue price to be determined and announced later, with a minimum issue price of RM0.10 each.

The Proposed RPS Settlement is deemed as a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements in view of the interest of the Interested Major Shareholders (RPS Settlement) and Interested Directors (RPS Settlement) as set out in **Section 17.2, Part A** of the Circular.

Accordingly, the Board had on 14 May 2025 appointed us, SCA, as the Independent Adviser to advise the non-interested shareholders and non-interested RPS holders of Omesti in respect of the Proposed RPS Settlement.

The purpose of this IAL is to:

(i) provide the non-interested shareholders and non-interested RPS holders with an independent evaluation of the Proposed RPS Settlement and to comment as to whether the Proposed RPS Settlement is fair and reasonable insofar as the non-interested shareholders and non-interested RPS holders are concerned;

(ii) comment as to whether the Proposed RPS Settlement is to the detriment of the non-interested shareholders and non-interested RPS holders; and

(iii) provide our recommendation as to whether the non-interested shareholders and non-interested RPS holders should vote in favour of the resolution pertaining to the Proposed RPS Settlement to be tabled at the Company's forthcoming EGM and RPS holders' meeting, respectively.

Nonetheless, you should rely on your own evaluation of the merits of the Proposed RPS Settlement before making a decision on the course of action to be taken at the Company's forthcoming EGM and RPS holders' meeting, respectively.

Further details of the Proposed RPS Settlement are set out in **Section 3, Part A** of the Circular and should be read in its entirety.

THIS IAL IS PREPARED SOLELY FOR THE USE OF THE NON-INTERESTED SHAREHOLDERS AND NON-INTERESTED RPS HOLDERS OF OMESTI TO CONSIDER THE PROPOSED RPS SETTLEMENT AND SHOULD NOT BE USED OR RELIED UPON BY ANY OTHER PARTY FOR ANY OTHER PURPOSE WHATSOEVER.

YOU ARE ADVISED TO READ AND UNDERSTAND BOTH THIS IAL AND THE LETTER FROM THE BOARD (SAVE FOR THE INTERESTED DIRECTORS (RPS SETTLEMENT)) AS SET OUT IN PART A OF THE CIRCULAR TOGETHER WITH THE ACCOMPANYING APPENDICES, AND TO CAREFULLY CONSIDER THE RECOMMENDATIONS CONTAINED IN BOTH THE LETTERS BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED RPS SETTLEMENT TO BE TABLED AT THE COMPANY'S FORTHCOMING EGM AND RPS HOLDERS' MEETING, RESPECTIVELY.

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 ADVISERS IMMEDIATELY.

2. LIMITATIONS TO THE EVALUATION OF THE PROPOSED RPS SETTLEMENT

SCA had not been involved in the formulation, deliberations and negotiations on the terms and conditions pertaining to the Proposed RPS Settlement. The terms of reference of our appointment as the Independent Adviser are in accordance with the requirements relating to Independent Adviser as set out in the Best Practice Guide in relation to IALs ("**IAL Guide**") issued by Bursa Securities.

Our terms of reference as the Independent Adviser are limited to expressing an independent opinion on the fairness and reasonableness of the Proposed RPS Settlement insofar as the non-interested shareholders and non-interested RPS holders of the Company are concerned based on information and documents made available to us as set out below:

(i) information contained in Part A of the Circular together with the accompanying appendices;

(ii) other relevant information, documents, confirmations and representations furnished to us by the Board, management and/or representatives of Omesti Group; and

(iii) other relevant publicly available information.

We have relied on the Board, management and/or representatives of Omesti Group to take due care in ensuring that all information, documents and/or representations provided to us to facilitate our evaluation and which have been used, referred to and/or relied upon in this IAL have been fully disclosed to us, and are accurate, valid and complete in all material aspects and free from material omission.

The Board has confirmed in writing to us that:

(i) after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein inaccurate, incomplete or misleading in any respect;

(ii) all material facts and information required for the purpose of our evaluation of the Proposed RPS Settlement have indeed been disclosed to SCA, and there are no facts or information, the omission of which would make any information, confirmation and documents supplied to us misleading, or would materially affect the evaluation, views and recommendation of SCA in this IAL; and

(iii) they have seen, reviewed and accepted this IAL and they individually and collectively accept full responsibility for the accuracy and correctness of the information contained herein.

After having made all reasonable enquiries to the Board, management and/or representatives of the Company, and to the best of our knowledge and belief, the information used is reasonable, accurate, complete and free from material omission. We are satisfied that sufficient information has been disclosed to us in enabling us to formulate our recommendation. SCA shall not undertake any responsibility or liability for any misstatement of fact or any omissions herein.

The scope of our responsibilities regarding the evaluation and recommendation contained herein is confined to the assessment of the fairness and reasonableness of the Proposed RPS Settlement and whether the Proposed RPS Settlement is detrimental to the non-interested shareholders and non-interested RPS holders of the Company.

In rendering our advice, we have taken note of the pertinent matters, which we believe are necessary and of importance to our assessment of the implication of the Proposed RPS Settlement and therefore are of general concern to you to consider and form your views thereon.

Notwithstanding the foregoing, we:

(i) do not express any opinion on the commercial risks or commercial merits of the Proposed RPS Settlement which remains the sole responsibility of the Board, and where comments or points of consideration are included in certain pertinent matters which may be commercially oriented, these are incidental to our overall evaluation and matters of concern which may be deemed material for disclosure;

(ii) do not express an opinion on legal, accounting and taxation issues relating to the Proposed RPS Settlement; and

(iii) have not given consideration to the specific investment objective, risk profile, financial situation or particular needs of any individual shareholder or any specific group of shareholders. We recommend that any individual shareholder or group of shareholders who is/are in doubt as to the action to be taken or require advice in relation to the Proposed RPS Settlement in the context of their individual investment objectives, risk profiles, financial situations and particular needs to consult their respective stockbrokers, bank managers, solicitors, accountants or other professional advisers immediately. We will not be able to take responsibility for any damages or losses of any kind sustained or suffered by any individual shareholder or group of shareholders in reliance on the opinion stated herein for any purpose whatsoever.

Our views expressed in this IAL are, amongst others, based on economic, market and other conditions prevailing and the information and/or documents made available to us as at the LPD or such other period as specified herein. Such conditions may change significantly over a short period of time. In addition, it should be noted that our evaluation and opinion expressed in this IAL do not take into account the information, events or conditions arising after the LPD or such other period as specified herein, as the case may be.

3. DECLARATION OF CONFLICT OF INTEREST AND OUR CREDENTIALS, EXPERIENCE AND EXPERTISE

Save for our appointment as the Independent Adviser for the Proposed RPS Settlement and Proposed Creditor Settlement, we do not have any other professional relationship with Omesti for the past 2 years

prior to the LPD. We confirm that we are not aware of any conflict of interest that exists or likely to exist in relation to our role as the Independent Adviser for the Proposed RPS Settlement.

We are a holder of a Capital Markets Services License issued by the Securities Commission ("**SC**") as a corporate finance adviser who is permitted to carry on the regulated activity of advising on corporate finance under the Capital Market Services Act 2007. We provide a wide range of corporate finance services which include, amongst others, initial public offerings, fairness opinions, fund raising, mergers and acquisitions as well as valuation exercises.

Pursuant to Paragraph 6.2 of the IAL Guide, there may be occasions where after the despatch of the Circular and IAL, we will notify you if we become aware of the following:

(i) significant change affecting the information containing in the IAL;

(ii) there is a false, misleading / deceptive statement provided in the IAL; and

(iii) there is a material omission in the IAL.

Our credentials and experiences as an Independent Adviser for the past two (2) years are as follows:

(i) IAL dated 12 April 2023 included in the circular of Reneuco Berhad ("Reneuco")

Independent advice to non-interested shareholders of Reneuco in relation to the proposed acquisition by Reneuco RE Sdn Bhd of the entire equity interest in Adat Sanjung Sdn Bhd from OHP Ventures Sdn Bhd for a purchase consideration of RM90.0 million to be satisfied via a combination of cash payment of RM20.0 million and the allotment and issuance of 318,181,819 new ordinary shares in Reneuco at an issue price of RM0.22 per consideration share.

(ii) IAL dated 27 April 2023 included in the circular of Asia Poly Holdings Berhad ("Asia Poly")

Independent advice to non-interested shareholders of Asia Poly in relation to the proposed disposal by Asia Poly of its entire 15% equity interest in Cyprium Wire Technology Sdn Bhd to Cyprium Capital Sdn Bhd for a total disposal consideration of RM12.0 million to be satisfied entirely in cash.

(iii) IAL dated 11 October 2023 included in the circular of Stella Holdings Berhad ("Stella")

Independent advice to non-interested shareholders of Stella in relation to the proposed acquisition by Stella of the entire equity interest in Pembinaan Teguh Maju Sdn Bhd for a total purchase consideration of RM380.0 million to be satisfied via cash consideration of RM100.0 million and the balance of RM280.0 million by way of issuance of 350,000,000 new ordinary shares in Stella at an issue price of RM0.80 per share.

(iv) IAL dated 5 March 2024 included in the circular of Pan Malaysia Corporation Berhad ("PMC")

Independent advice to non-interested shareholders of PMC in relation to the proposed acquisition by PMC of the remaining 49% equity interest in A&W (Malaysia) Sdn Bhd for a purchase consideration of RM69.4 million, which is to be satisfied via a combination of cash payment of RM41.7 million and the issuance of 111,127,352 new ordinary shares in PMC at an issue price of RM0.25 per consideration share.

Premised on the foregoing, we have the capability and competency to carry out our role as the Independent Adviser for the Proposed RPS Settlement.

4. DETAILS OF THE PROPOSED RPS SETTLEMENT

The details of the Proposed RPS Settlement are set out in **Section 3, Part A** of the Circular and should be read in its entirety by the non-interested shareholders and non-interested RPS holders of Omesti.

5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

The interests of the Interested Directors (RPS Settlement) and Interested Major Shareholders (RPS Settlement) and/or chief executive and/or persons connected with them are set out in **Section 17.2, Part A** of the Circular.

The Interested Directors (RPS Settlement) have abstained and will continue to abstain from deliberating and voting on the Proposed RPS Settlement at the relevant Board meetings. The Interested Directors (RPS Settlement) and the Interested Major Shareholders (RPS Settlement) will abstain and have undertaken to ensure that persons connected with them will abstain from voting in respect of their respective direct and/ or indirect shareholding in the Company, if any, on the resolution pertaining to the Proposed RPS Settlement at the Company's forthcoming EGM and RPS holders' meeting.

6. EVALUATION OF THE PROPOSED RPS SETTLEMENT

In arriving at our conclusion and recommendation, we have evaluated the Proposed RPS Settlement based on the following pertinent factors:

		Section
(a)	Rationale for the Proposed RPS Settlement	6.1
(b)	Basis of determining and justification for the issue price of the RPS Settlement Shares	6.2
(c)	Industry outlook and future prospects	6.3
(d)	Risk factors of the Proposed RPS Settlement	6.4
(c)	Effects of the Proposed RPS Settlement	6.5

6.1 Rationale for the Proposed RPS Settlement

We take cognisance of the rationale for the Proposed RPS Settlement as set out in **Section 8.2, Part A** of the Circular.

In evaluating the rationale for the Proposed RPS Settlement, we have considered the following:

(i) Historical financial performance of Omesti Group

We take note of the summary of key financial information of the Group for the FYE 31 March 2022, FYE 31 March 2023, FYE 31 March 2024, and unaudited 15-month FPE 30 June 2025 together with its accompanied commentaries as set out in **Section 1, Appendix VI** of the Circular.

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Additionally, we wish to highlight the key financial metrics as follows:

	Audited			Unaudited
	FYE 31 March 2022	FYE 31 March 2023	FYE 31 March 2024	15-month FPE 30 June 2025[4]
	RM'000	RM'000	RM'000	RM'000
Revenue	132,846	116,226	116,149	88,066
GP	51,919	42,455	55,275	50,706
(LBT)	(32,983)	(61,554)	(256,265)	(21,297)
(LAT) from continuing operations	(34,412)	(62,423)	(257,762)	(21,407)
Shareholders' funds / NA	194,682	330,781	65,758	43,551
Total equity	287,281	326,666	68,670	47,452
No. of Shares in issue ('000)	534,190	540,673	540,673	540,673
NA per Share (RM)[1]	0.36	0.61	0.12	0.08
Cash and bank balances	97,510	49,296	31,785	8,832
Total borrowings[2]	205,066	122,684	107,381	40,468
Gearing ratio (times)[3]	0.71	0.38	1.56	0.85

(Source: Annual reports and quarterly results of Omesti Group for the financial years/periods under review)

Notes:

(1) Computed based on the NA divided by the number of Shares in issue for the respective financial years/periods under review.

(2) Comprising lease liabilities, term loans, bank overdrafts and invoice financing.

(3) Computed based on the total borrowings divided by total equity for the respective financial years/periods under review.

(4) The Company changed its FYE from 31 March 2025 to 30 September 2025.

Financial commentaries:

a) FYE 31 March 2023 vs FYE 31 March 2022

The Group recorded a lower revenue of RM116.23 million for the FYE 31 March 2023 (FYE 31 March 2022: RM132.85 million), representing a decrease of RM16.62 million or 12.51%. The decrease in revenue was mainly due to lower revenue contribution from business performance division of RM92.35 million (FYE 31 March 2022: RM116.78 million), mainly due to lower order fulfilments, arising from lower total project value secured.

The Group recorded a LAT from continuing operations of RM62.42 million for the FYE 31 March 2023 as compared to a LAT from continuing operations of RM34.41 million for the FYE 31 March 2022. The LAT from continuing operations was mainly contributed by the decrease in GP which is in line with lower revenue as mentioned above as well as increase in administrative and other operating expenses.

b) FYE 31 March 2024 vs FYE 31 March 2023

The Group recorded a lower revenue of RM116.15 million for the FYE 31 March 2024 (FYE 31 March 2023: RM116.23 million), representing a decrease of RM0.08 million or 0.07%. The decrease in revenue was mainly due to lower revenue contribution from business performance division of RM91.41 million (FYE 31 March 2023: RM92.35 million), mainly due to lower order fulfilments, arising from lower total project value secured.

The Group recorded a higher LAT from continuing operations of RM257.76 million for the FYE 31 March 2024 as compared to a LAT from continuing operations of RM62.42 million for the FYE 31 March 2023. The LAT from continuing operations was mainly contributed by the increase in other operating expenses of RM284.84 million (FYE 31 March 2023:RM45.00 million), though it was partially offset by an increase in GP and other operating income and decreases in administrative expenses and finance costs.

c) 15-month FPE 30 June 2025 vs FYE 31 March 2024

The Group recorded a lower revenue of RM88.07 million for the 15-month FPE 30 June 2025 (FYE 31 March 2024: RM116.15 million), representing a decrease of RM28.08 million or 24.18% (the annualised revenue for the 15-month FPE 30 June 2025 was RM70.45 million, representing a decrease of RM45.70 million or 39.34% on an annualised basis). The decrease in revenue was mainly due to lower revenue contribution from business performance division of RM54.70 million (annualised revenue for the 15-month FPE 30 June 2025 of RM43.76 million) (FYE31 March 2024: RM91.41 million), mainly due to lower order fulfilments, arising from lower total project value secured.

The Group recorded a lower LAT from continuing operations of RM21.41 million for the 15-month FPE 30 June 2025 (annualised LAT for the 15-month FPE 30 June 2025 of RM17.13 million) as compared to a LAT from continuing operations of RM257.76 million for the FYE 31 March 2024. The decrease in LAT from continuing operations was mainly contributed by the decreases in administrative expenses, other operating expenses, finance costs, and shares of loss of associates, though it was partially offset by a decrease in GP and other operating income.

SCA's comments:

For the financial years/periods under review, the Group has been incurring losses from its continuing operations mainly due to, amongst others, declining revenue contribution from its business performance decision and impairment losses. We also noted the Group's cash and bank balances have been declining from RM97.51 million as at FYE 31 March 2022 to RM8.83 million as at the 15-month FPE 30 June 2025.

Notwithstanding that the Group's borrowings have decreased substantially from RM205.07 million as at the FYE 31 March 2022 to RM40.47 million as at the 15-month FPE 30 June 2025, we noted that its gearing ratio as at the 15-month FPE 30 June 2025 at 0.85 times, which is lower than its gearing ratio as at FYE 31 March 2024 of 1.56 times, but higher than its gearing ratio as at FYE 31 March 2022 and 31 March 2023 of 0.71 times and 0.38 times respectively.

In view of the Group's loss-making position, declining cash and bank balances, and financial commitments from its existing borrowings, we are of the view that the Proposed RPS Settlement will allow the Company to settle the amount owing to its RPS holders promptly.

(ii) Ensuring timely settlement of amount owing to the RPS holders

We take note that the RPS Maturity Date is on 31 March 2026, which is less than one (1) year away from the LPD. In view of the Group's financial position and to avoid the risk of late redemption or default in the event the Company is unable to redeem the RPS upon the RPS Maturity Date, the Proposed RPS Settlement will enable Omesti to repay its RPS holders in a timely manner as it would not need to face the challenge of raising the requisite quantum of cash before the RPS Maturity Date. Furthermore, the early redemption of RPS would allow Omesti to be exempt from the ongoing dividend obligation, should the Group generate distributable profits in the near future prior to the maturity of the RPS, as the RPS carries a fixed cumulative gross preferential dividend rate of 5.0% per annum at an issue price of RM1.00 per RPS out of the distributable profits of the Company, hence conserving the Group's future cashflow.

We also take cognisance of the proceeds from the Proposed Rights Issue with Warrants, which can be used to undertake a partial settlement of the RPS. The Board has decided that the aforementioned proceeds, as set out in **Section 4.7, Part A** of the Circular, are earmarked for other urgent

settlements and expenses of the Group such as repayment of bank borrowings and working capital. We also take note that up to RM40.60 million of the proceeds from the Proposed Rights Issue with Warrants is intended to finance the existing and future projects for the Group's business performance division. As such, the issuance of the RPS Settlement Shares will not only avoid the burden of making cash payments to the RPS holders, but also allow the Group to use the proceeds raised from the Proposed Rights Issue with Warrants for its business activities.

In addition, should the RPS be settled via the proceeds from the Proposed Rights Issue with Warrants, there is no guarantee that the rights issue will be successfully implemented. We also take note that the proceeds from the Proposed Rights Issue with Warrants to raise minimum gross proceeds of RM16.99 million (under the Minimum Scenario (Settlement)) and a maximum of up to RM63.12 million (under the Maximum Scenario (Settlement)), as set out in **Section 4.7, Part A** of the Circular, is insufficient to settle the full amount owing to the RPS holders of RM106.44 million. As such, the settlement of the RPS via the Proposed RPS Settlement ensures timely settlement of amount owing to the RPS holders and avert redemption risks by the Company.

(iii) Avoid the need to incur additional borrowings and thereon avoiding any additional interest costs

With the issuance of the RPS Settlement Shares, Omesti would not be required to seek funding for the repayment of RPS which amounts to RM106.44 million.

We take cognisance that the Company has opted not to take on bank borrowings to repay its RPS holders, as set out **Section 8.2, Part A** of the Circular. Given the Omesti Group's recent financial performance and the cash and bank balances of approximately RM1.27 million (net of fixed deposits pledged with banks) as at the LPD, we note that it is unlikely for banks to provide borrowings for the settlement of RPS amounting to RM106.44 million owing to the RPS holders. For illustration purposes, if the settlement of RPS were to be satisfied in cash and funded via bank borrowings, the Omesti Group's total borrowings as at the FYE 30 June 2025 will increase from RM40.47 million to RM146.91 million after the RPS Settlement, which translates to a higher gearing ratio of 3.10 times from 0.85 times. Further, the Omesti Group would also incur an additional annual finance cost of approximately RM10.79 million based on its average cost of borrowing as at the LPD of 10.13% per annum.

Note:
**For the purpose of our evaluation, we do not include the effects of the Proposed Creditor Settlement, Proposed Rights Issue with Warrants, Proposed Private Placement and Proposed Share Capital Reduction for the computation of these gearing ratios.*

In addition, any funding of the RPS settlement via bank borrowings would entail the Group having to comply with bank borrowing requirements such as pledging its existing assets as collateral, the imposition of potentially significant covenants by the banks and/or fixed payment schedules which would impact the Group's flexibility and control over its cash flows and assets.

The Group would also have to incur miscellaneous fees from bank borrowings such as legal fees and stamp duty for loan documentation, as well as other administrative fees which would have a negative impact on the Group's financial performance.

In view of the financial performance of Omesti Group as set out above, the additional financial toll of incurring further financing costs will not be favourable to the Company. As such, the Proposed RPS Settlement eases the additional burden of financing and its interest costs.

(iv) Allow for greater control over cash flow

We take note that the Company's cash and bank balances as at FPE 30 June 2025 is approximately RM8.83 million. We also take note of the salient terms of the RPS as set out in the circular to the shareholders of Omesti dated 4 December 2020 which stated that the RPS carries a fixed cumulative gross preferential dividend rate of 5.0% per annum at an issue price of RM1.00 per RPS out of the distributable profits of the Company. The early redemption and repayment of the RPS via the issuance of RPS Settlement Shares would relieve the Company of any potential dividend obligation,

thus freeing it to utilise its cash reserves for other purposes. We take cognisance that the Company has paid total dividends amounting to approximately RM17.28 million in respect of the RPS since the date of issuance, funded entirely through the internally-generated funds of the Group. However, the Company did not declare or pay any dividends in respect of the RPS since 29 June 2024 up to the LPD as the Company did not record any distributable profits including retained earnings for the relevant period. Accordingly, such unpaid dividends, while cumulative in nature, will not be payable under the terms of the RPS as the conditions for payment (i.e., the availability of distributable profits) was not met.

Nonetheless, the Proposed RPS Settlement will enable Omesti to repay its RPS holders with 100% of the issue price of each RPS without incurring any immediate cash outflow and will allow Omesti to preserve its cash for its immediate operational needs. This will also reduce the financial strain of the RPS repayments on the Group's cashflow. In turn, this should give rise to an expected improvement on the Group's financial performance as it is able to utilise its cash for working capital and to improve its business performance, which in turn in is expected to create value for its shareholders.

(v) Provide a larger equity base to the Company

The Company's enlarged capital base as a result of the Proposed RPS Settlement is expected to improve its financial position in the long run, thus allowing the Company to have a higher capacity to borrow in the future for future funding requirements. We also take note of the Company's efforts to repay its bank borrowings as set out in **Section 4.7, Part A** of the Circular; as such, the Proposed RPS Settlement is in line with the Company's efforts to reduce its debt as the issuance of RPS Settlement Shares avoids the risk of the Company being unable to repay should the settlement be financed with debt.

Despite the dilutive effect on shareholders' equity interest arising from the issuance of RPS Settlement Shares, the avoidance of using internal cash resources or incurring additional borrowings makes the Proposed RPS Settlement **reasonable** and **not detrimental** to non-interested shareholders as it is expected to contribute to the improvement of the Company's financial position in the long run. Please refer to **Section 11.4, Part A** of the Circular for the effects of the Proposed RPS Settlement on the substantial shareholders' shareholdings.

The Proposed RPS Settlement will enable the RPS holders to receive Omesti Shares in place of cash upon the RPS Maturity Date. In the event the Proposed RPS Settlement is approved by the RPS holders at the forthcoming RPS holders' meeting, it will reflect the RPS holders' trust in the future of the Group.

For Omesti's longer term financial concerns, the Group is focusing on growing its existing business segments via long-term projects, investing in and streamlining its core business operations, and pursuing strategic partnerships and/or collaborations in order to improve its financial performance and sustainability of its business. The various steps being taken to improve the Group's financial conditions are set out in **Section 4, Appendix VI** of the Circular.

Premised on the above, on an overall basis, we are of the view that the rationale for the Proposed RPS Settlement is reasonable and not detrimental to the interests of the non-interested shareholders and non-interested RPS holders of Omesti as it allows the Omesti Group to incur less finance cost and manage its gearing ratio, reduces the cash outlay required for the Proposed RPS Settlement and enables Omesti Group to settle the amount owing by Omesti to the RPS holders in a timely manner.

6.2 Basis of determining and justification for the issue price of the RPS Settlement Shares

We take cognisance of the basis of determining and justification for the issue price of the RPS Settlement Shares as set out in **Section 3.2, Part A** of the Circular.

We noted that the Board intends to fix the issue price of the RPS Settlement Shares such that the issue price is at a discount of up to 10% to the TEAP of the Shares, up to and including the last market day immediately preceding the Price-fixing Date, with a minimum issue price of RM0.10 for each RPS Settlement Share.

In the event that the Proposed Rights Issue with Warrants is not approved by Omesti's shareholders during the forthcoming EGM, the issue price of RPS Settlement Shares will be fixed at a discount of up to 10% to the 5-day VWAP of the Shares, up to and including the last market day immediately preceding the Price-fixing Date of the Proposed RPS Settlement.

Further, we also noted that the issue price of the RPS Settlement Shares shall be fixed and announced later by the Board after taking into consideration, amongst others, the following:

(i) the rationale for the Proposed RPS Settlement as set out in **Section 8.2, Part A** of the Circular; and

(ii) a discount of up to 10% to the TEAP of the Shares, up to and including the last market day immediately preceding the Price-fixing Date, with a minimum issue price of RM0.10 each was determined, after taking into consideration, amongst others, the following:

   (a) the potential risk faced by RPS holders in receiving RPS Settlement Shares as opposed to cash such as economic uncertainties influenced by factors including inflation, interest rates, changes in government policies, market sentiments, liquidity of Omesti Shares and volatility in the general equity markets;

   (b) the unaudited NA per Share as at 30 June 2025 of RM0.08; and

   (c) the discount from the prevailing market price of the Shares to entice the RPS holders to support the Proposed RPS Settlement instead of cash redemption for all outstanding RPS by Omesti on or before the RPS Maturity Date.

SCA's comments:

In evaluating the issue price of the RPS Settlement Shares, we have taken into consideration the following:

(i) Comparison between indicative issue price of RM0.10 per RPS Settlement Share and the NA per Share

The NA per Share based on its latest audited consolidated financial statements as at 31 March 2024 and latest unaudited consolidated financial statements as at 30 June 2025 are as follows:

	NA per Share	Premium/ (Discount) of the indicative issue price of the RPS Settlement Shares of RM0.10	
	RM	RM	%
Based on the latest audited consolidated financial statements as at 31 March 2024	0.12	(0.02)	(16.67)
Based on the latest unaudited consolidated financial statements as at 30 June 2025	0.08	0.02	25.00

Based on the above, we noted that the indicative issue price of RM0.10 per RPS Settlement Share represents:

(i) a discount of RM0.02 (or approximately 16.67%) to the audited consolidated NA per Omesti Share of RM0.12 as at 31 March 2024; and

(ii) a premium of RM0.02 (or approximately 25.00%) to the latest unaudited consolidated NA per Omesti Share of RM0.08 as at 30 June 2025.

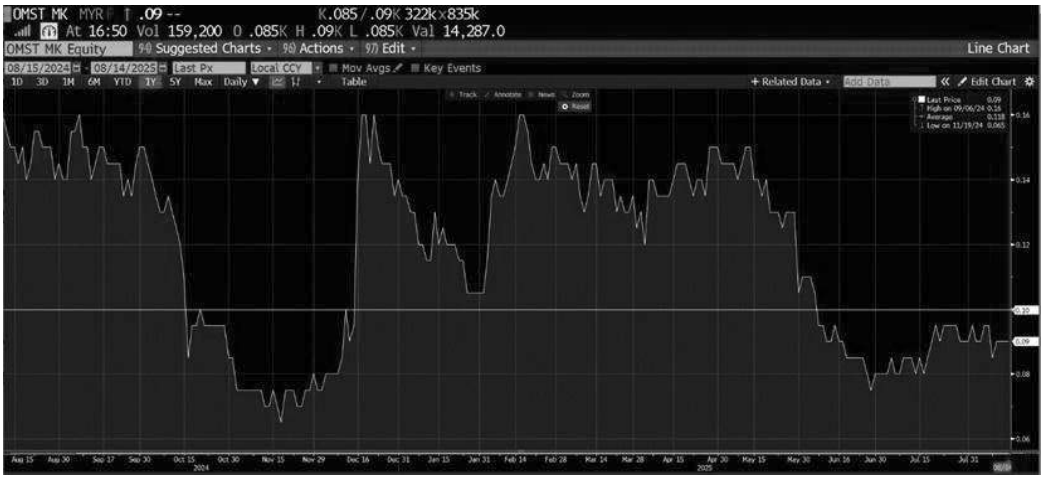
Notwithstanding that the indicative issue price of RM0.10 per RPS Settlement Share represents a discount to the audited consolidated NA per Omesti Share as at 31 March 2024, we are of the view that the latest unaudited consolidated NA per Omesti Share of RM0.08 as at 30 June 2025 serves as a more meaningful reference point in our evaluation.

As such, we are of the view that the indicative issue price of RM0.10 per RPS Settlement Share is fair based on the comparison with the NA per Share.

(ii) Comparison between the indicative issue price of RM0.10 per RPS Settlement Share, the TEAP and historical market prices of Omesti Shares

The historical trading prices of Omesti Shares for the past one (1) year up to and including the LPD, as compared to the indicative issue price of RM0.10 per RPS Settlement Share are as follows:

Historical trading price of Omesti Shares



(Source: Bloomberg Finance L.P.)

As shown in the chart above, Omesti Shares were traded within the range of the lowest price of RM0.0650 on 19 November 2024 and the highest price of RM0.1600 on 6 September 2024. The indicative issue price of the RPS Settlement Shares of RM0.10 is within the range of the lowest and the highest traded market prices of Omesti for the past one (1) year up to and including the LPD.

Further, we also noted that the indicative issue price of RM0.10 per RPS Settlement Share represents the following premium / discount to the TEAP, relevant last transacted price and VWAPs up to and including the LPD:

	TEAP/ VWAP/ Closing price	**Premium/ (Discount) of the indicative issue price of the RPS Settlement Shares of RM0.10**	
	RM	**RM**	**%**
TEAP up to and including the LPD	0.0831	0.0169	20.34
Relevant market prices of Omesti up to and including the LPD			
Closing price as at the LPD	0.9000	0.0100	11.11
5-day VWAP	0.0861	0.0139	16.14
1-month VWAP	0.0898	0.0102	11.36
3-month VWAP	0.0952	0.0048	5.04
6-month VWAP	0.1117	(0.0117)	(10.47)
12-month VWAP	0.1204	(0.0204)	(16.94)

(Source: Bloomberg Finance L.P.)

Based on the above, we noted that the indicative issue price of RM0.10 per RPS Settlement Share represents:

(i) a premium of 20.34% to the TEAP up to and including the LPD; and

(ii) a premium of between 5.04% to 16.14% to the closing price as at the LPD and the 5-day, 1-month and 3-month VWAPs and a discount of 10.47% and 16.94% to the respective 6-month and 12-month VWAPs of Omesti Shares up to and including the LPD.

Premised on the above, we are of the view that it is reasonable to fix the settlement price at RM0.10 with reference to the above TEAP and historical VWAPs to determine the issue price of the RPS Settlement Shares as it takes into account the significant fluctuations in the price of Omesti Shares between a high of RM0.1600 and a low of RM0.0650 over the past one (1) year up to and including the LPD. Additionally, the indicative issue price of RM0.10 per RPS Settlement Share compared to the TEAP up to and including the LPD, is at a premium which is **fair** to the non-interested shareholders of Omesti.

We also take note that the TEAP is a theoretical price and the RPS Settlement Shares, which is issued at a premium of 11.11% to the closing price as at the LPD, is **not detrimental** to the non-interested shareholders and serves as an avenue for the RPS holders to participate in the RPS settlement. By offering the RPS Settlement Shares, Omesti seeks to foster a cooperative environment and encourage its RPS holders to support Omesti's efforts in improving its financial position. The decision to issue settlement shares reflects Omesti's commitment in addressing financial challenges and mitigating distress.

As such, we are of the view that the indicative issue price of RM0.10 per RPS Settlement Share is fair and not detrimental based on the comparison with both the TEAP and historical market prices on an overall basis of Omesti Shares. Nevertheless, the non-interested RPS holders should note the potential risk in receiving RPS Settlement Shares as opposed to cash such as economic uncertainties influenced by factors including inflation, interest rates, changes in government policies, market sentiments, liquidity of Omesti Shares and volatility in the general equity markets.

(iii) Comparison between Settlement Shares to cash settlement

For illustrative purposes, assuming an RPS holder is entitled to a settlement amount of RM10,000. Based on the minimum issue price of RM0.10 per RPS Settlement Share, such RPS holder will be issued with 100,000 Shares pursuant to the Proposed RPS Settlement. If the issue price is set at a premium to the TEAP of Omesti Shares, the RPS holder will receive Omesti Shares with a market value lower than the cash settlement amount they would have otherwise received, as illustrated below:

Issue price	Cash settlement (RM)	Proposed RPS Settlement (RM)
Premium to the TEAP	10,000	8,310[(1)]

Notes:

(1) Assuming the issue price of the RPS Settlement Share is at a premium of RM0.0169 or 20.34% to the TEAP of Omesti Shares of RM0.0831, with 100,000 Shares to be issued under the Proposed RPS Settlement. The RPS holder will receive Shares worth RM8,310 based on market value.

While the number of shares to be issued is based on the full RPS settlement amount, the actual market value received by the RPS holder may be lower or higher than the cash settlement amount, depending on the prevailing market price of Omesti Shares at the time of issuance.

SCA's comments:

We take note that the actual market value received by the RPS holder may be lower or higher than the cash settlement amount, depending on the prevailing market price of Omesti Shares at the time of issuance. As mentioned in **Section 6.4.2** of this IAL, RPS holders may be exposed to the market risks of Omesti Shares amongst others, the market sentiments, the liquidity of Omesti Shares, interest rate movements, volatility of the equity markets as well as the financial performance of Omesti. Taking into account that Omesti's cash and bank balances as at 30 June 2025 stood at RM8.83 million which is not sufficient to repay its RPS holders, in the event that the RPS holders approve the Proposed RPS Settlement, this would signify the support of the RPS holders in relation

to Omesti's efforts in addressing its financial challenges. This is in line with Omesti's objective to foster a cooperative environment and encourage its RPS holders to support Omesti's efforts in improving its financial position which would in turn improve its share price.

Premised on our analysis above, we are of the view that the issue price of RM0.10 per RPS Settlement Share is fair and not detrimental to the non-interested shareholders and non-interested RPS holders of the Company.

6.3 Industry outlook and future prospects

We refer to the industry outlook and future prospects as set out in **Section 9, Part A** of the Circular. We also wish to draw the attention of the non-interested shareholders and non-interested RPS holders to the following additional industry overview and outlook associated with the Proposed RPS Settlement, which were not mentioned in **Section 9, Part A** of the Circular.

6.3.1 Overview and outlook of the Malaysian economy

Malaysia's economic performance has improved significantly in 2024. The economy grew by 5.2 percent in the first three quarters of 2024, supported by strong private consumption, buoyant investment, improvements in external demand for electrical and electronic products, and a recovery in tourism. Labor market conditions have been strong, with the unemployment rate low at 3.2 percent in 2024Q3. Meanwhile, inflation has been stable around 2 percent, and the ringgit appreciated against the U.S. dollar by 2.6 percent in 2024.

Malaysia's favorable economic conditions provide a window of opportunity to build macroeconomic policy buffers and accelerate structural reforms. Malaysia's strong growth momentum is expected to be sustained in the near term, with growth projected at 4.7 percent in 2025. Inflation, which eased to 1.8 percent in 2024, is projected to increase to 2.6 percent in 2025 on account of the anticipated implementation of gasoline subsidy reforms, before moderating to 2.3 percent in 2026. Malaysia's external position in 2024 is preliminarily assessed to be stronger than the level implied by medium-term fundamentals and desirable policies.

Risks to growth, mostly external, are tilted to the downside, while inflation risks are tilted to the upside. Downside external risks include deepening geoeconomic fragmentation, a growth slowdown in major trading partners, and intensification of geopolitical conflicts, while upside growth risks include faster implementation of investment projects. The upside risks to the inflation outlook stem from global commodity price shocks and potential wage pressures from increases in minimum wage and civil servants' pay.

(Source: Malaysia: 2025 Article IV Consultation Press Release & Staff Report, March 2025, International Monetary Fund)

6.3.2 Overview and outlook of the IT and ICT industry in Malaysia

The Malaysia ICT Market size is estimated at USD 27.20 billion (RM120.67 billion) in 2024, and is expected to reach USD 39.18 billion (RM173.82 billion) by 2029, growing at a CAGR of 7.57% during the forecast period (2024-2029). The increased digitalization of processes across all significant industrial sectors is mainly responsible for this growth. Also, compared to other Asian neighbouring nations, Malaysia is expected to witness a comparatively high broadband penetration.

The demand for ICT goods and services would continue to be high, mainly attributable to the rollout of 5G, hybrid business models, digital banking, and consumers who keep up with the newest trends. According to the Department of Statistics Malaysia ("**DOSM**"), ICT contributed 23.2% of Malaysia's gross domestic product ("**GDP**") in the last year, with an increase of 12.1% from the past year. As per the report, e-commerce in the ICT sector contributed 3.8% to GDP, while e-commerce in other sectors contributed 9.2%.

The Economic Stimulus Package of the Malaysian government offers significant financial incentives for digital transformation, connectivity, security, satellite broadband, digital infrastructure for buildings, 5G ecosystems, and process automation. After the pandemic, the government's focus started focusing more on modernizing and standardizing Malaysia's industrial

sector and worldwide supply chain network, which is likely to result in a further increase in demand for automation and digitalization exports.

However, it is crucial to overcome some significant obstacles to secure the long-term survival of Malaysia's businesses in the post-pandemic world and beyond. The expense of funding or digitizing is one of the biggest obstacles. These costs include software subscriptions, digital devices, and internet connectivity.

The robust core government policies, high-tech-focused national development, and accessibility of trained labor in the Malaysian ICT market have helped the sector thrive in the nation. Notably, the government has given the Internet of Things ("**IoT**") sub-sector significant attention, which has led to several market alliances.

Work-from-home arrangements used under Covid-19 have increased ICT goods and services sales in Malaysia. Today, technology is employed everywhere in our daily lives, from communications to decision making. Not only is digitalization the foundation of the economy, but it is also quickly evolving into the foundation of society. The government is battling to keep up with the rapid speed of digitalization while sustaining, directing, and offering support for the economy and society to grow with the technologies.

(Source: Malaysia ICT Market Size & Share Analysis – Growth Trends & Forecasts (2024 – 2029), Mordor Intelligence)

6.3.3 Overview and outlook of the healthcare industry in Malaysia

Malaysia's medium-term health expenditure growth will be among the fastest in Association of Southeast Asian Nations (ASEAN). We continue to have a positive outlook for Malaysia's health expenditure growth, with our view supported by double-digit increases in the government's healthcare budget chain 2023 and 2024 alongside continued advancements in the private sector. We forecast that Malaysia's health expenditure will grow by a 2023-2028 compound annual growth rate ("**CAGR**") of 8.3%, with public expenditure growing by 8.5% and private expenditure by 8.1%. The ageing population, growing burden of chronic diseases and efforts to enhance public health infrastructure and improve access for underserved communities will drive public sector growth. Private healthcare providers will continue to attract patients with higher incomes including medical tourists and domestic patients looking to avoid long waiting times amid Malaysia's shortage of physicians and nurses. Malaysia's high single-digit expenditure growth will see it outpace regional peers such as Singapore, Thailand, the Philippines and Indonesia over the medium term. Additionally, annual per capita health expenditure remains above global and emerging market averages, indicating strong capacity for spending on advanced medical products.

Malaysia will continue developing its healthcare offering to attract medical tourists but will face strong regional competition from Thailand and Singapore. Malaysia remains an attractive destination for foreign healthcare patients with its availability of high-quality healthcare facilities equipped with modern medical products alongside cost-effective healthcare. In February 2024, KPJ Healthcare, which operates 29 hospitals in Malaysia, announced that two of its hospitals had joined the Mayo Clinic care network. The collaboration will enhance the healthcare services provided by the hospitals by leveraging Mayo Clinic's knowledge and expertise and will help to attract patients seeking advanced medical care, supporting demand for healthcare services and medical products. The hospitals will use digital health tools and promote individualised care through Mayo Clinic's point-of-care database that includes clinical information on medical conditions, while physicians will be able to use live video conferences to discuss cases with other doctors in the Mayo Clinic network. This latest partnership follows one signed between private companies Sunway Healthcare Group, which is based in Malaysia, and PT JCB International Indonesia, a subsidiary of JCB International, in January 2024 to attract medical tourists from Indonesia.

We expect partnerships will remain a feature of Malaysia's efforts to enhance its medical tourism industry as it seeks to remain competitive amid strong regional competition. Competition is coming from markets such as Thailand and Singapore. Medical tourists from both developed and emerging markets visit Singapore for a range of health services including health screenings, cardiology and oncology services and orthopaedic procedures; however, Singapore may increasingly struggle to

compete with Malaysia and Thailand in terms of offering affordable costs for certain procedures and could increasingly target patients seeking more complicated procedures or those from developed markets with higher incomes as a result. Thailand recently signed a memorandum of understanding with Saudi Arabia to attract medical tourists, while the Thai government also relaxed medical visas in 2023 to make healthcare more accessible for international patients, reducing the cost of visas and increasing the amount of time patients can remain in the country for.

(Source: Malaysia's Healthcare Market will be one of the fastest growing in ASEAN, 14 June 2024, Business Monitor International (BMI) Research)

6.3.4 Prospects and future plans of the Group

We take note of the business segments of the Omesti Group, namely, the business performance segment, healthcare segment, and digital and infrastructure segment, and the prospects and future plans of the Group as set out in **Section 9.4, Part A** of the Circular.

The Group is actively focused on expanding its business performance division, leveraging its expertise in multi-stakeholder integration projects to capitalise on the growing demand for digital transformation services in both public and private sectors. During the FYE 31 March 2024 up to the LPD, the Group has successfully secured several long-term and sustainable projects from the public sector, such as system maintenance contracts from government agencies, sub-contractor works for UPM campus network implementation, and contract from TNB for the provision of cybersecurity services, amongst others.

In addition, the Group secured an e-Courts Phase 3 Project on 19 February 2025 through its digital court infrastructure, for a period of 3 years, commencing from 1 March 2025 to 29 February 2028, with a total project value of approximately RM70.54 million. The Group has been involved in project of e-Courts system since 2012, providing end-to-end court management solutions that improve efficiency in court delivery systems.

Moving forward, the Group seeks to deepen its involvement in providing tailored solutions to address specific operational challenges faced by businesses, as well as technology-driven solutions to optimise business processes. As part of these initiatives, the Group's internal technical team is currently testing and developing hybrid cloud solutions and AI LLM systems designed for universities and colleges to assist in citation writing. Additionally, the Group intends to foster strategic partnerships with technology providers to further strengthen its technical capabilities and expand its client base, thereby offer more innovative solutions and maintain a competitive edge in the rapidly evolving technology landscape.

The Group's healthcare division is involved in the operation of pharmacies, distribution of pharmaceutical products, vaccines, medical devices, and test laboratory services. The healthcare division has demonstrated consistent year-on-year growth, with revenue increasing from RM15.37 million in the FYE 31 March 2022 to RM34.42 million in the 15-month FPE 30 June 2025 (annualised revenue for the 15-month FPE 30 June 2025 of RM25.94 million), as well as consistent GP margins ranging from approximately 16% to 29% since the FYE 31 March 2022, reflecting healthy gross profitability in the pharmacy retail segment.

The Group's digital and infrastructure division experienced a significant drop in revenue since the FYE 31 March 2021, following the transfer of the retail operations which provides broadband services, of Ohana Communications Sdn Bhd, a wholly-owned subsidiary of the Company to Viewqwest Holdings Sdn Bhd, an indirect 20%-owned associated company of the Company during the FYE 31 March 2021. As part of the Group's cost rationalisation efforts and to strengthen cash flow, the Group decided to exit its loss-making retail business. Since the transfer, the digital and infrastructure division has mainly focused on the leasing of telecommunication infrastructure.

During the FYE 31 March 2023, the Group has discontinued its trading and distribution division, which was involved in the trading and system integration of hardware and software solutions, as part of its strategic divestment to unlock the value/gain of its investments in Microlink through the disposal of shares in Microlink on the open market, reducing its equity interest in Microlink from an indirect subsidiary to an indirect associate in which Omesti holds 17.18% equity interest as at

the LPD. This restructuring aimed to further strengthen the Group's financial position and aligned with its strategic shift, focusing its resources on expanding the business performance and healthcare divisions.

(Source: Management of Omesti)

SCA's comments

We take cognisance that the Malaysian economy is expected to maintain its growth trajectory for the near future, driven by its fundamentals and policies. This, in turn will help offset the downside risks stemming from external geopolitical challenges and fragmentation.

In addition, the Government of Malaysia has committed to the further development of digital infrastructure and ensuring widespread digital adoption across all industrial sectors, thus facilitating increasing demand for digital infrastructure services. This commitment will ensure increasing demand for digitisation in both the private and public sectors, backed by an expanding digital infrastructure to support and encourage the growth of the digital economy. As such, this provides an opportunity for the Group to meet the demand for digitisation services and digital infrastructure.

The Government of Malaysia's increased investment in the healthcare sector also presents an opportunity for the Group as the increased investment will lead to opportunities for providing new products and services as public hospitals and clinics seek to upgrade their facilities and services. The higher demand for private healthcare domestically and from medical tourism is also encouraging for the Group's prospects as it seeks to offer new products and services to the Malaysian market.

We also take note of the Group's restructuring efforts in relation to its divestment in Microlink from an indirect subsidiary to the Group holding 17.18% equity interest as at the LPD as a result of the Group discontinuing its trading and distribution division, as well as the downsizing of its digital and infrastructure division to focus on the leasing of telecommunication infrastructure. The restructuring of its underperforming businesses will help to ensure a stronger financial position for the Group and reflects a strategic shift towards building upon the Group's strengths in its main business segments.

Despite the positive outlook for the IT and ICT industry in Malaysia, we take note of the declining revenue contribution from the Group's business performance division for the financial years and periods under review as set out in **Section 1 of Appendix VI, Part A** of the Circular, which was a result of lower total project value secured. However, we also note of the steps taken or to be undertaken by the Group to improve its financial condition as set out in **Section 4 of Appendix VI, Part A** of the Circular, which include the e-Courts Phase 3 Project which will be partially funded by the proceeds from the Proposed Rights Issue with Warrants as at out in **Section 4.7, Part A** of the Circular, in line with the Group's strategy in securing public sector projects.

In addition, the Group's upcoming long-term contracts such as the e-Courts Phase 3 Project augurs well for the Group's long-term financial stability. The long-term projects are part of the Group's core business segments, thus the Group has the expertise and manpower to execute its long-term projects.

Taking into consideration the above and barring any unforeseen circumstances, we are of the opinion that the prospects of the Omesti Group are expected to be encouraging in the long term given the Group's focus towards ensuring its stability and focusing on growing its existing business segments.

In view on the above, the RPS holders who receive the RPS Settlement Shares may be able to benefit from the potential growth of the Group through their equity participation.

Accordingly, we are of the view that the Proposed RPS Settlement is **reasonable** and **not detrimental** to the interests of the non-interested shareholders and non-interested RPS holders of Omesti as the Proposed RPS Settlement is expected to further improve the Group's financial performance and enhance shareholders' value in the long term.

6.4 Risk Factors of the Proposed RPS Settlement

In evaluating the Proposed RPS Settlement, the non-interested shareholders and non-interested RPS holders of the Company should carefully consider the potential risk of the Proposed RPS Settlement as set out in **Section 10.2, Part A** of the Circular.

SCA's comments

We take note and concur with the risk factor in relation to the Proposed RPS Settlement as set out in **Section 10.2, Part A** of the Circular. We wish to highlight to the non-interested shareholders and non-interested RPS holders of the additional risk factors in relation to the Proposed RPS Settlement as follows:

6.4.1 Risk of late redemption and non-redemption of RPS

From the non-interested RPS holders' perspective, in the event the shareholders' approvals for the Proposed RPS Settlement is not obtained at the forthcoming EGM or the RPS holders' approval for the Proposed RPS Settlement is not obtained at the forthcoming RPS holders' meeting, the RPS holders may face the risk of late redemption in the event the Company is unable to redeem the RPS upon the RPS Maturity Date.

In the event the Company fails to redeem the RPS on maturity date the RPS will be reclassified from non-current liabilities to current liabilities as the said liabilities become immediately due and payable.

If such an event occurs, it will affect the Company's financial health, reputation and creditworthiness, it may face legal fees, damages, or other penalties for failing to redeem the RPS on maturity date. Consequently, it will be difficult for the Company to raise future capital. Accordingly this may adversely impact the Company's future business activities and plans, and could potentially trigger the prescribed criteria under Practice Note 17 of the Listing Requirements in the event of default in repayment to the RPS holders.

On the other hand, the RPS holders may experience financial losses and reduced returns and it will be challenging for the RPS holders to dispose/ liquidate the investments due to illiquidity. However, the RPS holder may have limited legal options as the Company is in financial distress.

Notwithstanding the above, the Company will endeavour to obtain both shareholders' approvals and RPS holders' approval at the forthcoming EGM and RPS holders' meeting, respectively, on best effort basis to avert the risk of late redemption and non-redemption of RPS.

6.4.2 Market risk in holding Omesti Shares

From the non-interested RPS holders' perspective, the issuance of RPS Settlement Shares to the RPS holders pursuant to the Proposed RPS Settlement will result in RPS holders holding Omesti Shares. Therefore, the RPS holders will be exposed to the market risk of Omesti Shares amongst others, the market sentiments, the liquidity of Omesti Shares, interest rate movements, volatility of the equity markets as well as the financial performance of Omesti.

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The table below shows the trading volume of Omesti Shares for the past one (1) year up to and including the LPD:

Month	[1]Volume traded of Omesti Shares	[2]Volume traded over free float (%)
2024		
August	18,800,000	5.17
September	6,680,000	1.85
October	14,090,000	3.74
November	21,990,000	5.91
December	88,790,000	23.86
2025		
January	32,280,000	8.67
February	21,220,000	5.70
March	5,820,000	1.56
April	9,050,000	2.32
May	11,505,300	2.93
June	28,542,500	7.38
July	7,268,200	1.90
Simple average[3]	**16,113,273**	**4.28**
KLTEC average	**4,381,250,925**	**12.77**

(Source: Bloomberg Finance L.P.)

Notes:

(1) Monthly traded volume excludes Omesti Shares traded in the open market by the substantial shareholders and directors of Omesti.

(2) The monthly free float of Omesti Shares excludes Omesti Shares held by the substantial shareholders of Omesti.

(3) Computation of simple average excludes volume traded over free float as at December 2024 due to being an outlier

For information purposes, the table above shows the liquidity of Omesti Shares, whereby Omesti Shares were traded at an average monthly volume of 16,113,273 Shares, representing approximately 4.28% of the free float of Omesti Shares for the past 12 months from August 2024 to July 2025 (being the last full trading month before the LPD). We are of the view that Omesti Shares are relatively less liquid when compared against the Bursa Technology Index ("**KLTEC**").

The historical trading volume of Omesti Shares for the respective periods as well as the free float as at the respective dates should not be relied upon as an indication of the future trading liquidity of Omesti Shares which may be influenced by, amongst others, the performance and prospects of the Omesti Group, prevailing economic conditions, economic outlook, stock market conditions, market sentiments and other general macroeconomic conditions as well as company-specific factors.

We wish to highlight that although efforts and measures will be taken by the Company to mitigate such risks associated with the Proposed RPS Settlement, no assurance can be given that the risk factors as stated above will not occur and give rise to material adverse impact on the business operations of the Omesti Group, its financial performance, financial position or prospects thereon.

In evaluating the Proposed RPS Settlement, the non-interested shareholders and non-interested RPS holders of Omesti should carefully consider the said risk factors and their respective mitigating factors prior to voting on the resolution pertaining to the Proposed RPS Settlement at the forthcoming EGM and RPS holders' meeting of the Company. The non-interested shareholders and non-interested RPS holders of the Company should note that the risk factors mentioned therein are not meant to be exhaustive.

6.5 Effects of the Proposed RPS Settlement

In view that the Proposals are not inter-conditional upon each other, we have evaluated the effects of the Proposed RPS Settlement on a standalone basis (excluding the effects of the Proposed Creditor Settlement, Proposed Rights Issue with Warrants, Proposed Private Placement and Proposed Share Capital Reduction). We have taken note of the effects of the Proposed RPS Settlement and the Proposals (illustrated based on the Minimum Scenario (Settlement), Base Case Scenario (Placement) and Maximum Scenario (Settlement)) as set out in **Section 11, Part A** of the Circular.

We noted that the effects of the Proposed RPS Settlement are similar under the Minimum Scenario (Settlement) and Base Case Scenario (Placement).

SCA's comments

6.5.1 Issued share capital

The effects of the Proposed RPS Settlement on the issued share capital on a standalone basis under the Minimum Scenario (Settlement), Base Case Scenario (Placement) and Maximum Scenario (Settlement) are as follows:

	Minimum Scenario (Settlement)[1] and Base Case Scenario (Placement)[2]		**Maximum Scenario (Settlement)[3]**	
	No. of Shares	**RM**	**No. of Shares**	**RM**
As at the LPD	540,673,135	279,794,933	540,673,135	279,794,933
To be issued assuming full exercise of the outstanding Warrants C	-	-	248,362,936	151,302,728[4]
	540,673,135	**279,794,933**	**789,036,071**	**431,097,661**
To be issued pursuant to the Proposed RPS Settlement	1,064,413,670	106,441,367[5]	1,064,413,670	106,441,367[5]
	1,605,086,805	**386,236,300**	**1,853,449,741**	**537,539,028**

Notes:

(1) Assuming Minimum Scenario (Settlement).

(2) Assuming none of the 248,362,936 outstanding Warrants C are exercised into new Shares prior to the issuance of RPS Settlement Shares.

(3) Assuming Maximum Scenario (Settlement).

(4) Based on an exercise price of RM0.50 per Warrant C and after accounting for the reversal of the warrants reserve amount of RM27.12 million pursuant to the exercise of Warrants C.

(5) Based on an indicative issue price of RM0.10 per RPS Settlement Share.

Based on the above, we noted that:

(i) the Proposed RPS Settlement will result in an increase in the total issued share capital of Omesti by approximately RM106.44 million arising from the issuance of 1,064,413,670 RPS Settlement Shares based on an indicative issue price of RM0.10 per RPS Settlement Share under the Minimum Scenario (Settlement), Base Case Scenario (Placement) and Maximum Scenario (Settlement); and

(ii) the higher resultant issued share capital of Omesti under the Maximum Scenario (Settlement) as compared to the Minimum Scenario (Settlement) and Base Case Scenario (Placement) is solely due to the assumption that all of the 248,362,936 outstanding Warrants C are exercised into 248,362,936 new Shares prior to the issuance of RPS Settlement Shares.

Nonetheless, we wish to highlight that the actual effects of the Proposed RPS Settlement on the issued share capital of Omesti may vary depending on the actual issue price.

6.5.2 Earnings / Loss and EPS / LPS

We noted that the Proposed RPS Settlement is not expected to have any material effect on the consolidated earnings / losses and EPS / LPS of the Group for the 18-month FPE 30 September 2025.

However, we wish to highlight that the EPS / LPS of the Group will be diluted following the increase in the number of issued Shares as a result of the issuance of the RPS Settlement Shares pursuant to the Proposed RPS Settlement.

6.5.3 NA, NA per Share and gearing

The effects of the Proposed RPS Settlement on the NA, NA per Share and gearing on a standalone basis under the Minimum Scenario (Settlement), Base Case Scenario (Placement) and Maximum Scenario (Settlement) are as follows:

Minimum Scenario (Settlement) and Base Case Scenario (Placement)

	Audited as at 31 March 2024	**(I) After the Proposed RPS Settlement**
	RM	**RM**
Share capital	279,794,933	386,236,300[2]
Capital reserve	24,663,246	24,663,246
Warrant reserve	27,121,260	27,121,260
Exchange translation reserve	(1,473,513)	(1,473,513)
Accumulated losses	(264,348,333)	(278,061,717)[3][4]
Shareholders' equity / NA	**65,757,593**	**158,485,576**
Non-controlling interest	2,912,099	2,912,099
Total equity	**68,669,692**	**161,397,675**
No. of Shares in issue	540,673,135	1,605,086,805[2]
NA per Share	0.12	0.10
Total borrowings[1]	107,380,728	107,380,728
Gearing ratio (times)	1.56	0.67

Notes:

(1) Comprising lease liabilities of RM43.89 million, term loans of RM45.04 million, bank overdrafts of RM10.16 million and invoice financing of RM8.29 million as at 31 March 2024.

(2) After taking into consideration the issuance of 1,064,413,670 RPS Settlement Shares at an indicative issue price of RM0.10 per RPS Settlement Share.

(3) After deducting the estimated expenses for the Proposals of approximately RM1.90 million.

(4) After taking into consideration the issuance of RPS Settlement Shares and the reversal of RPS recognised under the Company's non-current liabilities as at 31 March 2024 of RM94.63 million.

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Maximum Scenario (Settlement)

	Audited as at 31 March 2024	(I) After assuming full exercise of the Warrants C	(II) After the Proposed RPS Settlement
	RM	RM	RM
Share capital	279,794,933	431,097,661[2]	537,539,028[3]
Capital reserve	24,663,246	24,663,246	24,663,246
Warrant reserve	27,121,260	-[2]	-
Exchange translation reserve	(1,473,513)	(1,473,513)	(1,473,513)
Accumulated losses	(264,348,333)	(264,348,333)	(278,061,717)[4][5]
Shareholders' equity / NA	**65,757,593**	**189,939,061**	**282,667,044**
Non-controlling interest	2,912,099	2,912,099	2,912,099
Total equity	**68,669,692**	**192,851,160**	**285,579,143**
No. of Shares in issue	540,673,135	789,036,071[2]	1,853,449,741[3]
NA per Share	0.12	0.24	0.15
Total borrowings[1]	107,380,728	107,380,728	107,380,728
Gearing ratio (times)	1.56	0.56	0.38

Notes:

(1) Comprising lease liabilities of RM43.89 million, term loans of RM45.04 million, bank overdrafts of RM10.16 million and invoice financing of RM8.29 million as at 31 March 2024.

(2) Assuming all 248,362,936 outstanding Warrants C are exercised into new Shares at an exercise price of RM0.50 per Warrant C and after accounting for the reversal of the warrants reserve amount recognised in the share capital in respect of Warrants C.

(3) After taking into consideration the issuance of 1,064,413,670 RPS Settlement Shares at an indicative issue price of RM0.10 per RPS Settlement Share.

(4) After deducting the estimated expenses for the Proposals of approximately RM1.90 million.

(5) After taking into consideration the issuance of RPS Settlement Shares and the reversal of RPS recognised under the Company's non-current liabilities as at 31 March 2024 of RM94.63 million.

Based on the above, we noted that:

(i) Under the Minimum Scenario (Settlement) and Base Case Scenario (Placement),

(a) the pro forma NA per Share as at 31 March 2024 after the Proposed RPS Settlement will decrease from RM0.12 to RM0.10 as a result of the significant increase in the Group's number of shares in issue as well as the indicative issue price of RM0.10 which is lower than the Group's NA per Share of RM0.12 as at 31 March 2024 pursuant to the Proposed RPS Settlement; and

(b) the pro forma gearing of the Group as at 31 March 2024 after the Proposed RPS Settlement will decrease from 1.56 times to 0.67 times due to the larger equity base as a result of the issuance of the RPS Settlement Shares.

(ii) Under the Maximum Scenario (Settlement),

(a) the pro forma NA per Share as at 31 March 2024 after the full exercise of the Warrants C and Proposed RPS Settlement will increase from RM0.12 to RM0.15 mainly due to the exercise of Warrants C at an exercise price of RM0.50 which is higher than the Group's NA per Share of RM0.12 as at 31 March 2024 while being offset by the dilutive effect of the Proposed RPS Settlement; and

(b) the pro forma gearing of the Group as at 31 March 2024 after the full exercise of Warrants C and the Proposed RPS Settlement will decrease from 1.56 times to 0.38

times due to the larger equity base as a result of the issuance of the RPS Settlement Shares and exercise of Warrants C.

Premised on the above, save for the dilutive effect to the NA per Share under the Minimum Scenario (Settlement) and Base Case Scenario (Placement), we are of the view that the Proposed RPS Settlement will have a positive effect on the Group given the resultant equity base and gearing.

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6.5.4 Substantial shareholders' shareholdings

The effects of the Proposed RPS Settlement on the substantial shareholders' shareholdings on a standalone basis under the Minimum Scenario (Settlement), Base Case Scenario (Placement) and Maximum Scenario (Settlement) are as follows:

Minimum Scenario (Settlement) and Base Case Scenario (Placement)

	As at the LPD				After the Proposed RPS Settlement			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%[1]	No. of Shares	%[1]	No. of Shares	%[2]	No. of Shares	%[2]
Dato' Mah Siew Kwok	88,450,075	16.36	-	-	297,122,075	18.51	5,088,000[3]	0.32
Insas Berhad[4]	-	-	53,859,500	9.96	-	-	112,348,000	7.00
Dato' Sri Thong Kok Khee[5]	-	-	53,859,500	9.96	-	-	112,348,000	7.00
GAMSB	35,159,500	6.50	-	-	85,478,500	5.33	-	-
H2O Holdings Sdn Bhd	66,333,700	12.27	-	-	66,333,700	4.13	-	-
Gerard	10,412,555	1.93	66,333,700[6]	12.27	19,960,955	1.24	66,333,700[6]	4.13
Dato' Wong Kit-Leong	-	-	66,333,700[6]	12.27	-	-	66,333,700[6]	4.13
Datuk Raymond Tan	248,000	0.05	66,333,700[6]	12.27	424,000	0.03	66,333,700[6]	4.13
CIMB Commerce Trustee Berhad for Kenanga Yield Enhancement Fund	-	-	-	-	193,922,000	12.08	-	-
Total[7]	**200,603,830**	**37.10**			**469,319,230**	**29.24**		

Notes:

(1) Based on 540,673,135 Shares as at the LPD.

(2) Based on 1,605,086,805 Shares after the Proposed RPS Settlement on a standalone basis.

(3) Deemed interested by virtue of his spouse's interest pursuant to Section 8 of the Act.

(4) Deemed interested by virtue of its interests in IPSB, GAMSB, MAL and WDPL pursuant to Section 8 of the Act.

(5) Deemed interest by virtue of his interest in Insas Berhad (deemed interested by virtue of its interests in IPSB, GAMSB, MAL and WDPL pursuant to Section 8 of the Act) pursuant to Section 8 of the Act.

(6) Deemed interest by virtue of their interest in H20 Holdings Sdn Bhd pursuant to Section 8 of the Act.

(7) *Excluding shareholdings of CIMB Commerce Trustee Berhad for Kenanga Yield Enhancement Fund.*

Maximum Scenario (Settlement)

	As at the LPD				(I) After assuming full exercise of the Warrants C				(II) After (I) and the Proposed RPS Settlement			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	%(2)	No. of Shares	%(2)	No. of Shares	%(3)	No. of Shares	%(3)
Dato' Mah Siew Kwok	88,450,075	16.36	-	-	88,450,075	11.21	66(4)	0.01	297,122,075	16.03	5,088,066(4)	0.27
Insas Berhad(5)	-	-	53,859,500	9.96	-	-	80,074,032	10.15	-	-	192,422,032	10.38
Dato' Sri Thong Kok Khee(6)	-	-	53,859,500	9.96	-	-	80,074,032	10.15	-	-	192,422,032	10.38
GAMSB	35,159,500	6.50	-	-	46,900,600	5.94	-	-	97,219,600	5.25	-	-
H2O Holdings Sdn Bhd	66,333,700	12.27	-	-	98,953,700	12.54	-	-	98,953,700	5.34	-	-
Gerard	10,412,555	1.93	66,333,700(7)	12.27	24,358,514	3.09	98,953,700(7)	12.54	33,906,914	1.83	98,953,700(7)	5.34
Dato' Wong Kit-Leong	-	-	66,333,700(7)	12.27	-	-	98,953,700(7)	12.54	-	-	98,953,700(7)	5.34
Datuk Raymond Tan	248,000	0.05	66,333,700(7)	12.27	289,066	0.04	98,953,700(7)	12.54	465,066	0.03	98,953,700(7)	5.34
CIMB Commerce Trustee Berhad for Kenanga Yield Enhancement Fund	-	-	-	-	-	-	-	-	193,922,000	10.46	-	-
Total(8)	**200,603,830**	**37.10**			**258,951,155**	**32.82**			**527,667,355**	**28.47**		

Notes:

(1) Based on 540,673,135 Shares as at the LPD.

(2) Based on 789,036,071 Shares after assuming full exercise of the outstanding Warrants C.

(3) Based on 1,853,449,741 Shares after assuming full exercise of the outstanding Warrants C and the Proposed RPS Settlement on a standalone basis.

(4) Deemed interest by virtue of his spouse's interest pursuant to Section 8 of the Act.

(5) Deemed interested by virtue of its interests in IPSB, GAMSB, MAL and WDPL pursuant to Section 8 of the Act.

(6) Deemed interest by virtue of his interest in Insas Berhad (deemed interest by virtue of its interests in IPSB, GAMSB, MAL and WDPL pursuant to Section 8 of the Act) pursuant to Section 8 of the Act.

(7) Deemed interest by virtue of their interest in H20 Holdings Sdn Bhd pursuant to Section 8 of the Act.

(8) Excluding shareholdings of CIMB Commerce Trustee Berhad for Kenanga Yield Enhancement Fund.

Based on the above, we noted that:

(i) under the Minimum Scenario (Settlement) and Base Case Scenario (Placement), the collective direct shareholdings of the existing substantial shareholders of Omesti are expected to decrease from 37.10% to 29.24%, assuming none of the outstanding Warrants C are exercised into new Shares. The effect of the Proposed RPS Settlement is dilutive to the existing substantial shareholders except Dato' Mah Siew Kwok who holds sufficient number of RPS to reduce the impact of the dilutive effect. However, CIMB Commerce Trustee Berhad for Kenanga Yield Enhancement Fund will emerge as a substantial shareholder of Omesti pursuant to the Proposed RPS Settlement which leads to the increase in the collective direct shareholdings of the substantial shareholders.

(ii) under the Maximum Scenario (Settlement), the collective direct shareholdings of the existing substantial shareholders of Omesti are expected to decrease from 37.10% to 28.47%, assuming all 248,362,936 outstanding Warrants C are exercised into new Shares. The effect of the Proposed RPS Settlement is dilutive to the existing substantial shareholders. However, CIMB Commerce Trustee Berhad for Kenanga Yield Enhancement Fund will emerge as a substantial shareholder of Omesti pursuant to the Proposed RPS Settlement which leads to the increase in the collective direct shareholdings of the substantial shareholders.

While the Proposed RPS Settlement has a dilutive effect on the existing shareholders of Omesti, it allows for the settlement of the RPS without any cash outlay or borrowings.

Premised on the above, we are of the view that the effects of the Proposed RPS Settlement are <u>not detrimental</u> to the interest of the non-interested shareholders and non-interested RPS holders of Omesti.

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7. CONCLUSION AND RECOMMENDATION

The non-interested shareholders and non-interested RPS holders of Omesti should carefully consider the justifications for the Proposed RPS Settlement based on all relevant and pertinent factors including those set out in this IAL as well as those set out in **Part A of the Circular** together with the accompanying appendices before voting on the ordinary resolution pertaining to the Proposed RPS Settlement at the forthcoming EGM and RPS holders' meeting.

Premised on our evaluation of the Proposed RPS Settlement in Section 6 of this IAL, we are of the opinion that the Proposed RPS Settlement is fair and reasonable and not detrimental to the interest of the non-interested shareholders and non-interested RPS holders of Omesti.

Accordingly, we recommend the non-interested shareholders and non-interested RPS holders to vote in favour of the resolution pertaining to the Proposed RPS Settlement to be tabled at the forthcoming EGM and RPS holders' meeting of the Company.

Yours faithfully,
for and on behalf of
SIERAC CORPORATE ADVISERS SDN BHD

TEH SEW HONG
Executive Director

TAN HOOI WEN, MELANIE
Associate Director, Corporate Finance

The salient terms of the Settlement Agreement are set out as follows:

1. Agreement to Partial Settlement

The parties to the Settlement Agreement (collectively, the "**Parties**" and individually, the "**Party**") agree that Omesti shall partially settle the total outstanding sum remains due and owing by Omesti to Microlink by way of the issuance of the Creditor Settlement Shares free from all encumbrances to Microlink in full satisfaction of the Settlement Sum. As at 5 June 2025, the total outstanding sum is approximately RM30,028,379.32 ("**Total Outstanding Sum**").

2. Issue Price of Creditor Settlement Shares

The issue price of the Creditor Settlement Shares shall be fixed at a discount of up to 10% to the TEAP of the Shares (if the event that the Proposed Rights Issue with Warrants is approved by shareholders of Omesti) or 5-day VWAP of the Omesti Shares, up to and including the last market day immediately preceding the Price-fixing Date, with a minimum issue price of RM0.10 each. For the purpose of this paragraph, "Price-fixing Date" means the date on which the Board will determine and announce the issue price of each Creditor Settlement Share, with a minimum issue price of RM0.10 each.

3. Conditions Precedent

3.1 The Settlement Agreement is conditional upon the following conditions precedent being satisfied within the conditions precedent period of 90 calendar days from the date of the Settlement Agreement:

a. Omesti receiving the approval from Bursa Securities for the listing of and quotation for the Creditor Settlement Shares on the Main Market of Bursa Securities;

b. Omesti receiving the approval from its shareholders of Omesti for the Proposed Creditor Settlement including the issuance of the Creditor Settlement Shares;

c. Omesti receiving all other necessary consents, approvals or waivers from any relevant regulatory authorities or third parties (if applicable) for the issuance and allotment of the Creditor Settlement Shares; and

d. Microlink shall deliver to Omesti a written confirmation duly executed by its authorised representative, together with a certified extract of the resolution of its board of directors, confirming that:

(i) Microlink acknowledges the Total Outstanding Sum as due and payable by Omesti;

(ii) Microlink agrees and accepts the Proposed Creditor Settlement, including the receipt and subscription of the Creditor Settlement Shares, as partial satisfaction of the Total Outstanding Sum; and

(iii) the board of directors and/or the shareholders (if required) of Microlink has authorised the entry into and execution of the Settlement Agreement and acceptance of the Creditor Settlement Shares in accordance with the terms herein.

As at the LPD, save for the condition stated in **Section 3.1(d) of this Appendix I**, which has been fulfilled, the remaining conditions precedent are in the process of being satisfied and are expected to be fulfilled upon the issuance and allotment of the Creditor Settlement Shares to Microlink.

3.2 The Settlement Agreement shall become unconditional upon the satisfaction or fulfilment of all the conditions precedent above. Each of the Parties shall notify the other promptly and in any event no later than three (3) business days upon it becoming aware that any condition above has been fulfilled and such notice shall be accompanied by documents evidencing the fulfilment of such conditions.

3.3 If any of the conditions precedent (save for **Section 3.1(d) of this Appendix I**) is not fulfilled or waived in writing by the relevant Party within the Conditions Precedent Period, and the Parties do not mutually agree to extend the same, either Party shall be entitled, at its sole discretion, to terminate this Settlement Agreement by giving written notice to the other Party, whereupon the Settlement Agreement shall be of no further effect and neither Party shall have any further claims against the other, save for any antecedent breach.

4. Completion

The completion of the Proposed Creditor Settlement ("**Completion**") shall take place within 1 calendar month (or such other period as may be mutually agreed in writing between the Parties) from the date the Settlement Agreement becomes unconditional and mutually confirmed in writing ("**Date of Completion**").

On the Completion Date, Omesti shall:

a. issue and allot the Creditor Settlement Shares to Microlink, credited as fully paid-up, in settlement of the Settlement Sum;

b. procure the crediting of the Creditor Settlement Shares into the central depository system ("**CDS**") account designated by Microlink;

c. deliver to Microlink a copy of the notice of allotment and any other relevant documents evidencing the issuance and allotment of the Creditor Settlement Shares; and

d. make the necessary announcements to Bursa Securities in respect of the Completion and the Proposed Creditor Settlement.

On the Completion Date, Microlink shall deliver to Omesti any remaining confirmations, declarations or undertakings required for the Completion, including such documents as may be reasonably required by Omesti, SC, Bursa Securities, and/or other regulatory authorities. Microlink agrees that no physical share certificate will be issued in respect of the Creditor Settlement Shares which shall be credited into its CDS Accounts.

5. Default

In the event of any breach by a Party of any term or provisions of the Settlement Agreement, the non-defaulting Party shall be entitled to exercise and/or enforce any and all of its rights and remedies available to it (at law and in equity) including but not limited to the liberty to file appropriate action (including for specific performance) and/or to recover for losses suffered or incurred by it as a result of the said breach by the defaulting Party.

For the avoidance of doubt, in the event of default by Omesti, Microlink shall be entitled to terminate the Settlement Agreement by providing a written notice to Omesti and to exercise any and all rights and remedies available to it at law or in equity, including (but not limited to) its right to demand, recover, and enforce payment of the Total Outstanding Sum (which Omesti remains unconditionally and irrevocably liable to pay in full by way of cash payment within the period specified by Microlink in writing) and any other sums due and owing by Omesti to Microlink, whether arising under the Settlement Agreement or otherwise and whether such rights accrued prior to or after the termination or expiry of the Settlement Agreement.

6. Governing Law and Jurisdiction

Any dispute, controversy or claim arising out of or in connection with the Settlement Agreement shall be governed by and construed in all respects in accordance with the laws of Malaysia. The Parties hereto irrevocably submit to the non-exclusive jurisdiction of the courts of Malaysia.

The salient terms of the RPS are set out as follows:

Terms & Conditions		Description
Issuer	:	Omesti
Issue size	:	106,441,367 RPS
Issue Price	:	RM1.00 per RPS
Form and denomination	:	The RPS are constituted by our Company's Constitution and are issued in registered form. The RPS are unsecured.
Dividend	:	The RPS shall carry the right to receive cumulative gross preferential dividend rate out of the distributable profits of Omesti, at a fixed rate of 5.0% per annum at an Issue Price, subject to the provisions of the Act. No dividend shall be paid on the ordinary shares unless the dividends on the RPS have first been paid. The dividends for the RPS shall be paid every 6 months period ending 30th June and 31st December of each year, with the first dividend payment to be paid either on 30th June or 31st December, commencing on or after 30th June 2021, wherein the dividend rate of 5.0% per annum shall be prorated from the date of issuance of the RPS. The last dividend payment shall be made on the RPS Maturity Date.
Tenure	:	5 years commencing from and inclusive of the date of issuance of the RPS. The date of issuance of the RPS is 1 April 2021.
RPS Maturity Date	:	The day falling 5 years from the date of issue of the RPS unless the tenure of the RPS, if permitted by law and the Listing Requirements, is extended by our Company and the RPS holders. If such date is not a market day, then it shall be the next market day immediately after the said non-market day. The RPS Maturity Date of the RPS is 31 March 2026.
Board lot	:	The RPS are tradeable upon listing in board lots of 100 units or such other number of units as may be prescribed by Bursa Securities.
Conversion right	:	The RPS are not convertible into new Omesti Shares.
Redemption	:	Subject to the provisions of the Act, our Company may at our option and discretion redeem any of the RPS on a pro-rata basis at 100% of the Issue Price at any time during the tenure of the RPS up to the RPS Maturity Date by giving not less than 7 business days' notice of our intention to do so. Any outstanding RPS as at the RPS Maturity Date which have not already been redeemed by our Company shall be mandatorily redeemed by our Company.
Redemption price	:	The redemption price is at 100% of the Issue Price.
Method of redemption	:	Our Company may redeem the RPS on a pro-rata basis at their nominal value commencing from the date of issue of the PRS up to the RPS Maturity Date, subject to not less than 7 business days' notice in writing being given.

Terms & Conditions		Description
Ranking	:	The RPS shall rank *pari passu* without any preference or priority among themselves and in priority to Omesti Shares and other preference shares that may be created in future which do not rank in priority to the RPS, but shall rank behind all secured and unsecured obligations of our Company. In the event of liquidation, dissolution, winding-up or other repayment of capital (other than on redemption): (a) The RPS shall confer on the holders the right to receive in priority to the holders of all other class of Shares in Omesti, cash repayment in full of the amount (and the premium payable and the amount of any dividend that has been declared and remaining in arrears) of up to 100% of the Issue Price provided that there shall be no further right to participate in any surplus capital or surplus profits of our Company; and (b) In the event that Omesti has insufficient assets to permit payment of the full RPS to the RPS holders, the assets of Omesti shall be distributed rateably to the RPS holders in proportion to the amount that each RPS holder would otherwise be entitled to receive.
Rights of the holders of RPS	:	The RPS holders shall have the same rights as ordinary shareholders as regards to receiving notices, reports and audited financial statements and attending general meetings of our Company. The RPS holders however are not entitled to any voting rights or participation in any rights, allotments and/or other distributions in our Company except in the following circumstances: (a) where the dividend or part of the dividend on the RPS has been declared but remains unpaid for more than 6 months; (b) on a proposal to reduce our Company's share capital; (c) on a proposal for the disposal of our Group' assets, business and undertakings in excess of 25% of the net assets of our Group based on the last audited financial statements; (d) upon any resolution which varies or is deemed to vary the rights and privileges attaching to the RPS; (e) upon any resolution for the winding up of our Company; and (f) other circumstances as may be provided under law and applicable to preference shares and/or preference shareholders from time to time. In any such case, the RPS holders shall be entitled to vote together with the holders of ordinary shares in Omesti and exercise one vote for each RPS held.
Modification of Rights	:	Our Company may from time to time make modifications to the terms of the RPS which in the opinion of our Company are not materially prejudicial to the interest of the RPS holders or are to correct a manifest error or to comply with mandatory provisions of the laws of Malaysia and the relevant regulations. Any variation, modification or abrogation of the rights and privileges attached to the RPS shall require the sanction of a special resolution of the RPS holders holding or representing not less than 75% of the outstanding RPS.

Terms & Conditions		Description
Listing	:	The RPS shall be listed and quoted on the Main Market of Bursa Securities.
Transferability	:	The RPS shall be transferable in accordance with the rules of Bursa Depository.
Governing Law	:	The RPS shall be governed by the laws of Malaysia.

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The indicative salient terms of the Warrants D are set out as follows:

Terms		Details
Issuer	:	Omesti
Issue size	:	Up to 315,614,428 Warrants D.
Detachability	:	The Warrants D are immediately detachable upon issuance and allotment of the Rights Shares. The Warrants D will be traded separately.
Form and constitution	:	The Warrants D will be issued in registered form and constituted by a Deed Poll D to be executed by our Company.
Exercise Price	:	Each Warrant D entitles its registered holder to subscribe for 1 new Share at an exercise price to be determined and announced later by the Board, payable in full in cash.
Exercise Period	:	The Warrants D may be exercised at any time during the period of 5 years commencing from and including the date of issuance of Warrants D to the close of business at 5.00 p.m. (Malaysia time) on the market day immediately preceding the date which is the 5th anniversary of the date of issuance of Warrants D.
Mode of exercise	:	The holders of the Warrants D must complete and sign the exercise form (which shall be irrevocable) and deliver the duly completed exercise form to our Company's share registrar together with a remittance of the exercise money by way of cashier's order, bankers's draft drawn on a bank operating in Malaysia or by way of internet bank transfer, in accordance with the provisions of the Deed Poll D. The payment of such remittance must be made in Ringgit Malaysia.
Exercise rights	:	Each Warrant D entitles the registered Warrant D holder to subscribe for 1 new Share at the Exercise Price during the Exercise Period, subject to adjustments in accordance with the provisions of the Deed Poll D, which is to be executed.
Board lot	:	The Warrants D are tradeable upon listing in board lots of 100 units carrying rights to subscribe for 100 new Shares at any time during the Exercise Period or such other number of units as may be prescribed by Bursa Securities.
Adjustment in the Exercise Price and/or number of unexercised Warrants D	:	The exercise price and/or the number of unexercised Warrants D in issue held by each Warrants D holder may from time to time be adjusted only in the event of any alteration to the share capital of our Company in accordance with Paragraph 6.54(3)(b) of the Listing Requirements and the provisions as set out in the Deed Poll D.
Rights of the Warrants D holders	:	The Warrants D holders are not entitled to any voting rights or participation in any dividends, rights, allotments and/or other form of distributions in our Company until and unless such holders of the Warrants D exercise their Warrants D into new Shares.

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Terms		Details
Rights of the Warrants D holders in the event of winding-up, liquidation, compromise or arrangement	:	As long as any of the exercise rights remain exercisable, where a resolution has been passed for a members' voluntary winding-up of our Company, or there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one or more companies, then: (a) for the purposes of such a winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the Warrants D holders, (or some persons designated by them for such purposes by a special resolution) shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the Warrants D holders; and (b) In any other case and to the extent permitted by laws, every Warrants D holders shall thereupon be entitled to exercise his Warrants D at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of our Company or within 6 weeks after the granting of the court order approving the winding-up, compromise or arrangement, whereupon our Company shall allot the relevant new Shares to the Warrants D holder credited as fully paid subject to the prevailing laws, and such Warrants D holder shall be entitled to receive out of the assets of our Company which would be available in liquidation if the Warrants D holder had on such date been the holder of the new Shares to which the Warrants D Holder would have become entitled pursuant to such exercise and the liquidator of our Company shall give effect to such election accordingly. Upon the expiry of the aforesaid 6 weeks, all subscription rights shall lapse and cease to be valid for any purpose.
Modifications of rights of the Warrants D holders	:	Save as otherwise provided in the Deed Poll D, a special resolution of the Warrants D holders is required to sanction any modification, alteration, addition or abrogation in respect of the rights of the Warrants D holders.
Transferability	:	The Warrants D are transferrable in accordance with the provisions of the Securities Industry (Central Depositories) Act 1991 and the Rules of Bursa Depository.
Listing	:	The Warrants D will be listed on the Main Market of Bursa Securities.
Governing law	:	The Warrants D including the Deed Poll D shall be governed by, and will be construed in accordance with the laws of Malaysia.

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The illustrative adjustments of the Warrants C pursuant to the Proposed Rights Issue with Warrants is set out below.

For illustrative purpose, the adjustments to Warrants C arising from the Proposed Rights Issue with Warrants are based on the following assumptions:

(i) Entitlement Date is assumed at the LPD;

(ii) issue price of Rights Share is assumed at RM0.08 each;

(iii) exercise price of Warrants C is assumed at RM0.10 each; and

(iv) formula as provided in the Deed Poll C:

$$\text{New exercise price of Warrants C} = \text{Exercise price of outstanding Warrants C} \times \frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$

$$\text{Adjusted number of outstanding Warrants C} = \text{Existing number of Warrants C} \times \frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)}$$

where:

G	=	the aggregate number of Shares in issue on the Entitlement Date
C	=	the 5-day VWAP of Share up to and including the market day immediately preceding the date on which the Proposed Rights Issue with Warrants is publicly announced to Bursa Securities
H / H*	=	the number of Rights Shares to be issued
I / I*	=	the issue price of the Rights Shares
J	=	the number of Warrants D to be issued
K	=	the exercise price of Warrants D

Hence, the illustrative adjustments to the exercise price and number of outstanding Warrants C under the Minimum Scenario (RIWW) and Base Case Scenario (RIWW) are as summarised below:

Minimum Scenario (RIWW)

	Before Adjustments	After Proposed Rights Issue with Warrants
Number of outstanding Warrants C	248,362,936	270,493,370[(1)]
Exercise price of Warrants C	RM0.50	RM0.46[(2)]

Notes:

(1) *Adjusted number of outstanding Warrants C* = *248,362,936* x $\frac{(540,673,135 + 212,326,530) \times RM0.1127}{(540,673,135 \times RM0.1127) + (212,326,530 \times RM0.08)}$

= *270,493,370*

Number of Additional Warrants C to be issued = *270,493,370 – 248,362,936*

= *22,130,434* *(rounded down to the nearest whole Warrants C pursuant to Deed Poll C)*

(2) *New exercise price of Warrants C* = *RM0.50* x $\frac{(540,673,135 \times RM0.1127) + (212,326,530 \times RM0.08) + (84,930,612 \times RM0.10)}{(540,673,135 + 212,326,530 + 84,930,612) \times RM0.1127}$

= *RM0.46* *(rounded up to the nearest 1 Sen pursuant to Deed Poll C)*

Base Case Scenario (RIWW)

	Before Adjustments	After Proposed Rights Issue with Warrants
Number of outstanding Warrants C	248,362,936	290,508,592[(1)]
Exercise price of Warrants C	RM0.50	RM0.44[(2)]

Notes:

(1) *Adjusted number of outstanding Warrants C* = *248,362,936* x $\frac{(540,673,135 + 540,673,135) \times RM0.1127}{(540,673,135 \times RM0.1127) + (540,673,135 \times RM0.08)}$

= *290,508,592*

Number of Additional Warrants C to be issued = *290,508,592 – 248,362,936*

= *42,145,656* *(rounded down to the nearest whole Warrants C pursuant to Deed Poll C)*

(2) *New exercise price of Warrants C* = *RM0.50* x $\frac{(540,673,135 \times RM0.1127) + (540,673,135 \times RM0.08) + (216,269,254 \times RM0.10)}{(540,673,135 + 540,673,135 + 216,269,254) \times RM0.1127}$

= *RM0.44* *(rounded up to the nearest 1 Sen pursuant to Deed Poll C)*

Any such Adjustments will be determined by our Board in consultation with an approved adviser and/or external auditors of our Company. Despite the Adjustments, the rights and obligations of the Warrants C holders will remain unchanged.

A notice setting out the details of the actual Adjustments made to the exercise price and number of outstanding Warrants C will be issued and despatched to the Warrants C holders.

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1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board, and our Directors individually and collectively accept full responsibility for the accuracy 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 false or misleading statements or information contained in this Circular, or other facts and information, the omission of which would make any statement in this Circular false or misleading.

2. CONSENT

TA Securities, being the Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

SCA, being the Independent Adviser for the Proposed Creditor Settlement and Proposed RPS Settlement, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the IAL as set out in **Part B** and **Part C** of this Circular and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATION OF CONFLICT OF INTEREST

TA Securities has confirmed that there is no conflict of interest which exists or is likely to exist in relation to its role as the Adviser for the Proposals.

SCA has confirmed that there is no conflict of interest which exists or is likely to exist in relation to its role as the Independent Adviser for the Proposed Creditor Settlement and Proposed RPS Settlement.

4. MATERIAL COMMITMENTS

As at the LPD, our Board confirmed that there are no material commitments incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial position or financial performance of our Group.

5. MATERIAL CONTRACTS

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

(i) Settlement Agreement; and

(ii) share purchase agreement dated 10 June 2024 entered into by OHB for the disposal of 100% equity interest in Aurora 360 Sdn Bhd, which was a wholly-owned subsidiary of OHB prior to this agreement for RM618,117.00 to the purchasers, namely Tomy Ling Duon Mein and Tang Vee Mun. The completion date of the share purchase agreement was on 14 August 2024.

6. CONTINGENT LIABILITIES

As at the LPD, our Board confirmed that there are no contingent liabilities incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial position or financial performance of our Group.

7. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, save as disclosed below, our Group is not involved in any material litigation, claim and/or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of our Group and our Board confirms that there are no proceedings, pending or threatened, or of any facts likely to give rise to any proceedings, which may materially and adversely affect the business or financial position of our Group:

High Court of Malaya in Kuala Lumpur Suit No.: WA-21NCVC-27-02/2021 ("SUIT")

Plaintiff: FNS
Defendant: SSM

On 11 February 2021, FNS filed a suit against SSM, seeking, among others, an order for specific performance to enforce the terms of an outsourcing agreement dated 28 November 2017 entered into between the FNS and SSM. The agreement relates to the supply, implementation, training, support, and maintenance of SSM's Core Registry Solution. In addition, FNS claims the followings against SSM:

(a) Alternatively, damages in lieu of specific performance;

(b) Alternatively, damages be assessed and/or sums to be determined by way of quantum meruit;

(c) Alternatively, damages in the sum of RM128,178,067.84;

(d) Further and/or in the alternative, damages to be assessed in relation to the unjust enrichment of the Defendant;

(e) a declaration that the source code and/or intellectual property and/or confidential information is property belonging to FNS;

(f) 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 SSM to FNS;

(g) an injunction to restrain SSM 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 FNS and/or any part thereof for any propose;

(h) damages, whether general and/or aggravated and/or exemplary to be assessed;

(i) interest at such rate and for such period in respect of the damages so awarded and assessed as aforesaid; and

(j) costs.

On 2 April 2021, SSM filed its defence and counterclaim seeking the followings against FNS:

(a) a declaration that the outsourcing agreement was lawfully terminated;

(b) payment of RM49,298,651.00 from Omesti to SSM;

(c) damages to be assessed;

(d) an order for the delivery up of all content, materials, designs, specifications, records, accounts, detailed reports, data, documents and any other information belonging to SSM and in the possession of FNS;

(e) interest on all sums awarded;

(f) costs of the proceedings; and

(g) such further or other relief as the Court deems fit and proper.

Both FNS and SSM have been involved in various interim court applications and proceedings within the Suit. The Suit is currently fixed for trial on the following dates:

(c) 11 and 12 September 2025;

(d) 3 to 5 November 2025;

(e) 10 and 11 September 2025; and

(f) 4 to 6 February 2026.

The exchange of witness statements and expert reports has yet to take place. Nevertheless, after consulting with our Company's acting solicitors in the matter, our Board is of the view that FNS's prospects of success in the Suit are reasonable based on the facts and circumstances as they currently stand. Pending the outcome of the trial, there are no anticipated material financial effects on our Group.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our 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 during normal business hours from Monday to Friday (except public holidays) following the date of this Circular up to and including the date of our forthcoming EGM and RPS holders' meeting:

(i) our Constitution;

(ii) audited consolidated financial statements of our Group for the FYE 31 March 2023 and FYE 31 March 2024 and the latest unaudited consolidated financial statements of our Group for the 15-month FPE 30 June 2025;

(iii) Settlement Agreement;

(iv) Undertakings as referred to in **Part A, Section 4.5** of this Circular;

(v) draft Deed Poll;

(vi) letters of consent and declarations of conflict of interest as referred to in **Sections 2 and 3 of this Appendix V**, respectively;

(vii) contracts in respect of the material contracts of our Group as referred to in **Section 5 of this Appendix V**; and

(viii) relevant cause papers in respect of the material litigation of our Group as referred to in **Section 7 of this Appendix V**.

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1. HISTORICAL FINANCIAL INFORMATION OF OUR GROUP

The summary of key financial information of our Group for the financial years and period under review are as follows:

	Audited			Unaudited
	FYE 31 March 2022	**FYE 31 March 2023**	**FYE 31 March 2024**	**15-month FPE 30 June 2025[1]**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	132,846	116,226	116,149	88,066
Cost of sales	(80,927)	(73,771)	(60,874)	(37,360)
GP	**51,919**	**42,455**	**55,275**	**50,706**
Other operating income	9,860	19,564	61,882	8,015
Administrative expenses	(54,257)	(64,652)	(50,368)	(46,538)
Other operating expenses	(17,153)	(44,999)	(284,836)	(14,896)
Finance costs	(18,184)	(20,370)	(18,038)	(14,098)
Net impairment loss on financial assets and financial guarantee contracts	(2,657)	(770)	(1,963)	-
Shares of profit / (loss) of associates, net of tax	(2,511)	7,218	(18,217)	(4,486)
LBT	**(32,983)**	**(61,554)**	**(256,265)**	**(21,297)**
Income tax expense	(1,429)	(869)	(1,497)	(110)
LAT from continuing operation	**(34,412)**	**(62,423)**	**(257,762)**	**(21,407)**
PAT / (LAT) attributable to owners of our Company:				
- from continuing operation	(34,435)	(65,000)	(255,311)	(22,396)
- discontinued operation	14,266	191,513	-	-
	(20,169)	**126,513**	**(255,311)**	**(22,396)**
Share capital	276,949	279,795	279,795	279,795
Shareholders' funds / NA	194,682	330,781	65,758	43,551
Total equity	287,281	326,666	68,670	47,452
No. of Shares in issue ('000)	534,190	540,673	540,673	540,673
Weighted average no. of Shares in issue ('000)	533,077	535,853	540,673	540,673
NA per Share (RM)[2]	0.36	0.61	0.12	0.08
Basic EPS / (LPS) (sen)[3]	(3.78)	23.61	(47.22)	(4.14)
Total borrowings[4]	205,066	122,684	107,381	40,468
Gearing ratio (times)[5]	0.71	0.38	1.56	0.85

(Source: Annual reports and quarterly results of our Group for the financial years/period under review)

Notes:

(1) Our Company has changed the FYE from 31 March 2025 to 30 September 2025.

(2) Computed based on the NA divided by the number of Shares in issue for the respective financial years/period under review.

(3) Computed based on the PAT / (LAT) attributable to the owners of our Company divided by the weighted average number of Shares in issue for the respective financial years/period under review.

(4) Comprising lease liabilities, term loans, bank overdrafts and invoice financing.

(5) Computed based on the total borrowings divided by the total equity for the respective financial years/period under review.

Commentaries:

(i) FYE 31 March 2023 vs FYE 31 March 2022

Our Group recorded a lower revenue of RM116.23 million for the FYE 31 March 2023 (FYE 31 March 2022: RM132.85 million), representing a decrease of RM16.62 million or 12.51%. The decrease in revenue was mainly due to the following:

(a) lower revenue contribution from business performance division of RM92.35 million (FYE 31 March 2022: RM116.78 million), mainly due to lower order fulfilments, arising from lower total project value secured; and

(b) partially offset by higher revenue contribution from healthcare division of RM22.74 million (FYE 31 March 2022: RM15.37 million), mainly due to higher sales volume driven by the increase in the number of pharmacy outlets from 10 outlets to 19 outlets during the FYE 31 March 2023. Subsequently, 6 outlets were closed due to poor performance. As at the LPD, our Group operates 13 pharmacy outlets under the under the "Be Pharmacy", as well as a warehouse facility, are as follows:

Be Pharmacy outlets	
Be Pharmacy Pusat Bandar Puchong	BB Boss Sdn Bhd
Be Pharmacy Kampung Pandan	Bemed Venture Sdn Bhd
Be Pharmacy Kota Damansara	Bemed (PTJ) Sdn Bhd
Be Pharmacy Putrajaya	Bemed (PTJ) Sdn Bhd
Be Pharmacy Subang Jaya	Be Med Sdn Bhd
Be Pharmacy Puchong Perdana	Be Med Sdn Bhd
Be Pharmacy Segambut	Be Med Sdn Bhd
Be Pharmacy Putra Perdana	Be Med Sdn Bhd
Be Pharmacy Tempua Puchong	Bemed Tempua Sdn Bhd
Be Pharmacy Bandar Baru Sungai Buloh	Bemed (ITT) sdn Bhd
Be Pharmacy Matahari Mall	Bemed Matahari Sdn Bhd
Be Pharmacy Bandar Sri Permaisuri	Bemed Lagenda Sdn Bhd
Be Pharmacy Sunway Mentari	Bemed Healthcare Sdn Bhd
Warehouse	
Taman Puchong Perdana	Bemed Pharma Sdn Bhd

In line with lower revenue for the FYE 31 March 2023, our Group recorded a lower GP of RM42.46 million (GP margin of 36.53%) as compared to a GP of RM51.92 million (GP margin of 39.08%) for the FYE 31 March 2022, representing a decrease of RM9.46 million or 18.22%. The decrease in GP was mainly due to the drop in revenue for the business performance division as order fulfilments decreased.

Our Group recorded a LAT from continuing operations of RM62.42 million for the FYE 31 March 2023 as compared to a LAT from continuing operations of RM34.41 million for the FYE 31 March 2022. The LAT from continuing operations was mainly contributed by:

(a) the decrease in GP as mentioned above;

(b) the increase in administrative expenses of RM64.65 million (FYE 31 March 2022: RM54.26 million), mainly due to the increase in depreciation and amortisation expenses of RM38.84 million (FYE 31 March 2022: RM32.01 million), arising mainly from the increase in amortisation expenses for software development costs and purchased software, as well as the increase in employee benefits of RM25.81 million (FYE 31 March 2022: RM22.25 million), mainly due to higher staff salaries, wages, bonuses, and allowances incurred; and

(c) the increase in other operating expenses of RM45.00 million (FYE 31 March 2022: RM17.15 million), mainly due to:

- the impairment loss on amounts owing by Microlink Solutions Pte Ltd ("**MSPL**") (a former indirect wholly-owned subsidiary of our Company) of RM2.76 million following its disposal to Microlink (FYE 31 March 2022: RM nil). These advances were extended by our Company to support MSPL's working capital needs, primarily for operational and payroll expenses. The advances were not subject to any formal credit period for repayment and were intended to sustain MSPL's operations. Prior to the impairment, we regularly assessing and monitoring MSPL's financial performance and position. However, due to MSPL's continued financial underperformance and the significant losses incurred, our Company subsequently disposed of our entire equity interest in MSPL to Microlink. Following the disposal, the outstanding advances were reclassified as external receivables and, upon reassessment recognised as an impairment loss. Nevertheless, the outstanding advances have been offset against the amount owing by our Company to Microlink for services rendered under the TM Project during the FYE 31 March 2024;

- impairment loss on investments in an associate, being Ho Hup of RM14.35 million (FYE 31 March 2022: RM nil);

- the written off of telecommunication equipment of RM2.51 million, arising from the expiry of contract under the digital and infrastructure division (FYE 31 March 2022: RM nil); and

- tax provision of RM10.61 million arising from the gain on disposal of Microlink (FYE 31 March 2022: RM nil).

However, the above factors were partially offset by:

(a) the increase in other operating income of RM19.56 million (FYE 31 March 2022: RM9.86 million), mainly due to the gain on disposal of 100.00% equity interest in a subsidiary, being Formis Labs Singapore Pte Ltd (an indirect wholly-owned subsidiary of our Company) of RM4.18 million (FYE 31 March 2022: RM nil) and the gain on disposal of 12.65% equity interest in Microlink of RM4.23 million (FYE 31 March 2022: RM nil); and

(b) the shares of profit of associates of RM7.22 million (FYE 31 March 2022: shares of loss of associates of RM2.51 million), mainly driven by shares of profit from Microlink.

(ii) FYE 31 March 2024 vs FYE 31 March 2023

Our Group recorded a lower revenue of RM116.15 million for the FYE 31 March 2024 (FYE 31 March 2023: RM116.23 million), representing a decrease of RM0.08 million or 0.07%. The decrease in revenue was mainly due to the following:

(a) lower revenue contribution from business performance division of RM91.41 million (FYE 31 March 2023: RM92.35 million), mainly due to lower order fulfilments, arising from lower total project value secured; and

(b) partially offset by higher revenue contribution from healthcare division of RM23.53 million (FYE 31 March 2023: RM22.74 million), mainly due to higher sales volume contributed by the pharmacy outlets.

Despite lower revenue for the FYE 31 March 2024, our Group recorded a higher GP of RM55.28 million (GP margin of 47.59%) as compared to a GP of RM42.46 million (GP margin of 36.53%) for the FYE 31 March 2023, representing an increase of RM12.82 million or 30.20%. The increase in GP was mainly driven by the provision of higher-margin services within the business performance division, such as maintenance services provided for the e-Courts phase 2 project (GP margin of approximately 73%) and leasing of personal computers (GP margin ranging from 50% to approximately 94%).

Despite the increase in GP, our Group recorded a higher LAT from continuing operations of RM257.76 million for the FYE 31 March 2024 as compared to a LAT from continuing operations of RM62.42 million for the FYE 31 March 2023. The LAT from continuing operations was mainly contributed by:

(a) the increase in other operating expenses of RM284.84 million (FYE 31 March 2023: RM45.00 million), mainly due to:

- one-off impairment loss on an asset held for sale (Microlink) of RM108.69 million, following its disposal and reclassification of the investment in Microlink from "investment in an associate" to "non-current asset held for sale" in accordance with Malaysian Financial Reporting Standards ("**MFRS**"). Upon reclassification, the investment was measured at fair value based on the prevailing market price of Microlink shares as at 31 March 2024. As the market price had declined below the carrying amount of the Microlink shares held, an impairment loss was recognised;

- one-off impairment loss on intangible assets (software development costs) of RM73.67 million due to the completion of TM Project (with no further extension thereafter), as no foreseeable future economic benefits to be derived from such intangible assets and the carrying amount could no longer be supported by future cash flows. In accordance to MFRS, companies are required to impair its intangible assets (if applicable) when a project is completed and no further economic benefits are expected;

- the increase in impairment loss on investments in an associate, being Ho Hup by RM12.27 million following a reassessment of its recoverable amount, taking into consideration Ho Hup's financial position, and declining financial performance and share price;

- one-off impairment loss on goodwill of RM10.54 million arising from declining operations of certain subsidiaries from its healthcare division;

- the increase in impairment loss on property, plant and equipment by RM2.71 million; and

- one-off impairment on the fair value of quoted shares in Ho Hup of RM27.06 million, due to a significant drop in its share price and the absence of sufficient future cash flows to support the carrying value of the investment.

(b) the increase in net impairment loss on financial assets of RM1.96 million (FYE 31 March 2023: RM0.77 million), mainly arising from the impairment loss of trade receivables due to long outstanding balances; and

(c) the shares of loss of associates of RM18.22 million (FYE 31 March 2023: shares of profit of associates of RM7.22 million), mainly driven by shares of loss from Microlink of RM7.74 million and Ho Hup of RM10.39 million.

However, the above factors were partially offset by:

(a) the increase in GP as mentioned above;

(b) the increase in other operating income of RM61.88 million (FYE 31 March 2023: RM19.56 million), mainly arising from the increase in the gain on disposal of equity interest in Microlink (from 36.55% to 32.95%) by RM32.37 million, and the reversal of tax provision of RM 10.61 million arising from the gain on disposal of Microlink (FYE 31 March 2023: RM nil);

(c) the decrease in administrative expenses of RM50.37 million (FYE 31 March 2023: RM64.65 million), mainly due to the decrease in depreciation and amortisation expenses of RM30.74 million (FYE 31 March 2023: RM38.84 million), arising from the decrease in amortisation expenses for software development costs and purchased software due to the full amortisation of certain software development costs in the FYE 31 March 2023 as well as the decrease in employee benefits of RM19.63 million (FYE 31 March 2023: RM25.81million), mainly due to the decrease in staff salaries, wages, bonuses, and allowances; and

(d) the decrease in finance costs of RM18.04 million (FYE 31 March 2023: RM20.37 million), in line with the decrease in total borrowings.

(iii) 15-month FPE 30 June 2025 vs FYE 31 March 2024

Our Group recorded a lower revenue of RM88.07 million for the 15-month FPE 30 June 2025 (FYE 31 March 2024: RM116.15 million), representing a decrease of RM28.08 million or 24.18% (the annualised revenue for the 15-month FPE 30 June 2025 was RM70.45 million, representing a decrease of RM45.70 million or 39.34% on an annualised basis). The decrease in revenue was mainly due to the following:

(a) lower revenue contribution from business performance division of RM54.70 million (annualised revenue for the 15-month FPE 30 June 2025 of RM43.76 million) (FYE 31 March 2024: RM91.41 million), mainly due to lower order fulfilments, arising from lower total project value secured; and

(b) partially offset by higher revenue contribution from healthcare division of RM32.42 million (annualised revenue for the 15-month FPE 30 June 2025 of RM25.94 million) (FYE 31 March 2024: RM23.53 million), mainly due to higher sales volume contributed by the pharmacy outlets.

In line with lower revenue for the 15-month FPE 30 June 2025, our Group recorded a lower GP of RM50.71 million (GP margin of 57.58%) as compared to a GP of RM55.28 million (GP margin of 47.59%) for the FYE 31 March 2024, representing a decrease of RM4.57 million or 8.27% (the annualised GP for the 15-month FPE 30 June 2025 was RM40.56 million, representing a decrease of RM14.71 million or 26.61% on an annualised basis). The decrease in GP was mainly due to the drop in revenue for the business performance division due to lower order fulfilments.

Despite the decrease in GP, our Group recorded a lower LAT from continuing operations of RM21.41 million for the 15-month FPE 30 June 2025 (annualised LAT for the 15-month FPE 30 June 2025 of RM17.13 million) as compared to a LAT from continuing operations of RM257.76 million for the FYE 31 March 2024. The decrease in LAT from continuing operations was mainly contributed by:

(a) the decrease in administrative expenses of RM46.54 million (FYE 31 March 2024: RM50.37 million), mainly due to the decrease in depreciation and amortisation expenses of RM24.29 million (FYE 31 March 2024: RM30.74 million), mainly due to lower depreciation expenses from computer-related rights-of-use assets;

(b) the decrease in other operating expenses of RM14.90 million (FYE 31 March 2024: RM284.84 million), mainly due to:

- one-off expenses incurred for the FYE 31 March 2024 of RM219.96 million as stipulated in the commentaries of item (ii) of **Appendix VI** of this Circular;

- the impairment loss on property, plant and equipment of RM2.77 million for the FYE 31 March 2024 (15-month FPE 30 June 2025: RM nil);

- the impairment loss on investments in an associate, being Ho Hup amounting to RM26.62 million for the FYE 31 March 2024 (15-month FPE 30 June 2025: RM nil);

- the impairment loss on amount owning from a former subsidiary, being Microlink Solutions Vietnam Company Limited ("**MSV**") (a former indirect wholly-owned subsidiary of our Company) of RM3.17 million (15-month FPE 30 June 2025: RM nil). These advances were extended by our Company to support MSV's working requirements for its operations in Vietnam. The advances were not subject to any formal credit period for repayment and were intended to sustain MSV's operations. Prior to the impairment, we regularly assessing and monitoring MSPL's financial performance and position. However, due to MSV's continued financial underperformance and the significant losses incurred, our Company subsequently disposed of our entire equity interest in MSV to Microlink. Following the disposal, the outstanding advances were reclassified as external receivables and, upon reassessment recognised as an impairment loss. Nevertheless, the outstanding advances have been offset against the amount owing by our Company to Microlink for services rendered under the TM Project during the 15-month FPE 30 June 2025; and

- one-off fees incurred for the FYE 31 March 2024 from the trading of Microlink shares of RM11.57 million;

(c) the decrease in finance costs of RM14.10 million (FYE 31 March 2024: RM18.04 million), in line with the decrease in total borrowings; and

(d) the decrease in shares of loss of associates of RM4.49 million (FYE 31 March 2024: RM18.22 million), mainly driven by the decrease in shares of loss from Ho Hup of RM4.46 million (FYE 31 March 2024: RM10.39 million) and the shares of loss from Microlink for the FYE 31 March 2024 of RM7.74 million (15-month FPE 30 June 2025: RM nil), which has been classified under assets held for sale.

However, the above factors were partially offset by:

(a) the decrease in GP as mentioned above; and

(b) the decrease in other operating income of RM8.02 million (FYE 31 March 2024: RM61.88 million), mainly due to one-off income incurred in the FYE 31 March 2024, including the gain on disposal of equity interest in Microlink of RM36.60 million, the reversal of tax provision of RM 10.61 million arising from the gain on disposal of Microlink, and the gain on disposal of entire equity interest in MSV of RM3.67 million.

2. IMPACT AND VALUE CREATION OF THE PROPOSED RIGHTS ISSUE WITH WARRANTS AND PROPOSED PRIVATE PLACEMENT TO OUR GROUP AND OUR SHAREHOLDERS

The Proposed Rights Issue with Warrants and Proposed Private Placement serve as an avenue to raise necessary funding for our Group as set out in **Part A, Sections 4.7 and 5.5** of this Circular. This allows our Group to avoid additional interest expenses or principal repayments compared to bank borrowings thereby, preserving our existing cash and bank balances to meet any short-term obligation and/or funding requirements of our business in a timely manner.

The Proposed Rights Issue with Warrants will have a dilutive impact to our Group's EPS / LPS and shareholdings of our existing shareholders (assuming our Entitled Shareholders do not subscribe for their entitlements under the Proposed Rights Issue with Warrants). However, such dilutive effects are expected to be mitigated upon realisation of the economic and financial benefits arising from the utilisation of proceeds. Considering the prospects of the ICT and healthcare industries as set out in **Part A, Sections 9.2 and 9.3** of this Circular, respectively, the Proposed Rights Issue with Warrants is expected to contribute positively to the future earnings of our Group in the long term via the use of the proceeds which in turn, is expected to enhance our shareholders' value in the future.

The Warrants D provide shareholders with an opportunity to increase their equity participation in our Company and enjoy potential capital appreciation of our Shares in the future. In addition, we are able to raise funds for our Group's working capital requirements, without incurring interest costs associated with bank borrowings when Warrant D holders exercise their Warrants D into new Shares.

The Proposed Private Placement will also have a dilutive impact to our Group's EPS / LPS and shareholdings of our existing shareholders. However, such dilutive effects are expected to be mitigated should the competitiveness of our Company improved following the increase in Bumiputera investors' shareholdings in our Company, which allow our Group to participate in more projects which is expected to contribute positively to the financial performance of our Group.

3. ADEQUACY OF THE PROPOSED RIGHTS ISSUE WITH WARRANTS AND PROPOSED PRIVATE PLACEMENT IN ADDRESSING OUR GROUP'S FINANCIAL CONDITIONS

Considering our Group's on-going efforts to improve the financial performance (as set out in **Section 4 of this Appendix VI**), impact of the Proposed Rights Issue with Warrants and the Proposed Private Placement (as set out in **Section 2 of this Appendix VI**) and the prospects of the ICT and healthcare industries as set out in **Part A, Sections 9.2 and 9.3** of this Circular, respectively, our Board is of the view that the Proposed Rights Issue with Warrants and the Proposed Private Placement will provide the necessary funds to meet our financial requirements without relying on debt financing, which would result in higher finance cost.

As set out in **Part A, Sections 4.7 and 5.5** of this Circular, the proceeds from the Proposed Rights Issue with Warrants and the Proposed Private Placement will be used mainly to provide our Group with the necessary funds to finance our existing and future projects for our business performance division, partial repayment of bank borrowings, to fund the working capital requirements of our healthcare division as well as to repay amount owing to Microlink, in-line with our long-term growth plan. Our Board believes that the Proposed Rights Issue with Warrants and the Proposed Private Placement represent an appropriate measure to manage our Company's capital structure and to strengthen our Group's financial position. Additionally, our Board will continuously evaluate the viability of other measures to ensure the sustainability of our Group's financial performance as well as various fundraising avenues to meet our Group's cash flow requirements in the long-term.

4. STEPS TAKEN OR TO BE UNDERTAKEN BY OUR GROUP TO IMPROVE OUR FINANCIAL CONDITION

Over the past few years, our Group has undertaken the following initiatives to improve our financial performance and financial position:

(i) securing long-term and sustainable projects as well as penetrating into the public and/or private sector to further enhance our financial performance

- On 21 June 2022, FNS had accepted a LA from TNB for leasing of personal computers, for a period of 3 years, with a total of project value of approximately RM25.31 million.

- On 14 September 2022, FNS had accepted a LA from TNB for supply, delivery, installation, configuration, migration, testing, commissioning and maintenance of firewall and network intrusion prevention system (NIPS), for a period of 3 years, with a total project value of approximately RM6.58 million.

- On 23 November 2022, our Board announced that FNS had accepted an award from the Chief Registrar's Office of the Federal Court of Malaysia to provide maintenance and support services for phase 2 of the e-Courts system, for a period of 3 years commencing from 1 December 2022 to 30 November 2025, with a total project value of approximately RM33.85 million.

- On 19 January 2023, FNS had accepted a letter of acceptance from MOHE for the rental service of ICT equipment on a lease basis in Zone 4 (i.e., Sabah and Sarawak) for the use of MOHE, for a period of 3 years, with a total project value of approximately RM28.94 million.

- On 20 February 2025, our Board announced that FNS had on 19 February 2025, accepted a LA from the Legal Affairs Division of the Prime Minister's Department (Bahagian Hal Ehwal Undang-Undang) (BHEUU) for the e-Courts Phase 3 Project, for a period of 3 years, commencing from 1 March 2025 to 29 February 2028, with a total project value of approximately RM70.54 million. Thereby, contribute to our Group's sustainable revenue generation.

- On 11 April 2025, FNS had accepted a LA from TNB for the consolidation and renewal of maintenance and support services for F5 load balancer (used to distribute network or application traffic across multiple servers), for a period of 2 years, commencing 31 March 2025 to 30 March 2027, with a total project value of RM3.75 million.

- On 17 June 2025, FNS had accepted a LA from TM for the provision of firewall upgrade, license renewal and maintenance services for TM's Network Security Analysis and Traffic Management System (NSATMS), for a period of 2 years and 9 months, commencing from 1 April 2025 to 31 December 2027, with a total project value of RM6.30 million.

(ii) strategic investments in core business operations / innovations to facilitate expansion

- Since our acquisition of 70% equity interest in Bemed Tempua Sdn Bhd on 30 August 2021 and 9 additional pharmacy outlets on 28 January 2022, Be Pharmacy has expanded its presence from 10 to 13 pharmacy outlets as at the LPD, all of which are located in the Klang Valley (i.e., KL, PJ, Puchong, and Shah Alam). This expansion is in line with our healthcare division's growth strategy and is expected to drive revenue growth for our Group while strengthening our market presence within the healthcare division.

- Our Group's internal technical team is actively testing and develop hybrid cloud solutions and AI LLM designed for universities and colleges to assist in citation writing. This innovation is part of our Group's ongoing efforts to stay ahead of technological trends, thereby offering more innovative solutions and maintaining a competitive edge in the rapidly evolving technology landscape.

(iii) streamline our core business operations via strategic divestment of our trading and distribution division

- On 4 July 2022, Continuous Network Advisers Sdn Bhd ("**CNASB**") (a wholly-owned subsidiary of our Company) had disposed its entire equity interest in MSPL to Microlink for a total consideration of RM1, resulting in a gain on disposal of RM4.18 million, arising from the derecognition of CNASB's net liabilities of RM4.18 million from our Group's consolidated financial statements.

- On 18 July 2022, Microlink had ceased to be an indirect owned subsidiary of our Company, and recognised as an indirect associate company of our Company following our disposal of 15,000,000 ordinary shares in Microlink on 2 June 2022 for a consideration of RM8,700,000, resulting in a gain of disposal of subsidiary of RM184.92 million. As such, we have discontinued our trading and distribution division, as part of our strategic divestment to unlock the value of our investments in Microlink, thereby, focusing our resources on expanding the business performance and healthcare divisions. In addition, our Group has further disposed our equity interest in Microlink via the open market, reducing our shareholding to 17.18% as at the LPD, to realise our investment gains and further strengthen our financial position.

- On 27 May 2023, Bancore Asia Pte Ltd ("**BAPL**") (an indirect wholly-owned subsidiary of our Company) had disposed its entire equity interest in Microlink Solutions Vietnam Company Limited for a total consideration of RM1, resulting in a gain on disposal of RM3.67 million, arising from the derecognition of BAPL's net liabilities of RM3.67 million from our Group's consolidated financial statements.

(iv) continuously pursue strategic partnerships and/or collaborations to expand the market footprint and offerings of our Group's business performance division

- During the FYE 31 March 2024, MiHCM Asia Sdn Bhd (an indirect 33.33%-owned associated company of our Company) ("**MiHCM**"), our Group's digital HR business under the business performance division, has taken proactive steps to expand our footprint in Asia through a partner-centric approach. This included a renewed foray into the Vietnam market in February 2024, alongside the onboarding of a leading system integrator in Cambodia as a strategic partner. These new additions to MiHCM's partner network further strengthen our business activities in the Asian region. MiHCM's extensive product portfolio, which includes features such as AI-powered systems that help HR professionals instantly generate letters, job descriptions, surveys, and evaluation templates, as well as providing data-driven insights, matching candidate's Curriculum Vitae (CVs) against selection criteria, and formalising HR documentation, positions it as a key player in the HR technology space. MiHCM's comprehensive solutions cater to several industry verticals and continue to contribute to its status as a priority co-selling partner of Microsoft for many years.

- Our Company in a joint venture with CRIF S.p.A. (a company specialising in credit bureau and business information systems, analytics, outsourcing and processing services) ("**CRIF**"), incorporated CRIF Omesti Sdn Bhd (an indirect 30%-owned associated company of our Company) on 30 December 2019, operates as our Group's credit reporting business. The company subsequently changed its name to Omesti BI Sdn Bhd ("**Omesti BI**") on 18 June 2025. Omesti BI has been integrated with SSM since November 2020, providing access to various datasets, including company profiles, business profiles and statutory documents. As such, international users are able to access Malaysian company profiles with varying levels of detail in real-time via the CRIF website. This joint venture enhances our Group's revenue stream through credit reporting services and the sale of related reports to a range of customers, including financial institutions, commercial firms, and private individuals.

- As part of a new business strategy, our Group is currently collaborating with a large language model (LLM) development partner to co-develop AI applications for our existing clients in the education and security sectors. We planned to invest in this new strategy, with a strong focus on research and development and reskilling our internal technical resources through targeted training and certifications.

Our Board will continue to implement cost management measures, explore opportunities present in the market places within our Group's existing core business, devise new strategies and measures to further strengthen our Group's financial performance in the future.

(Source: our management)

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OMESTI BERHAD
(Registration No. 200001028094 (530701-T))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**" or "**Meeting**") of Omesti Berhad ("**Omesti**" or the "**Company**") will be held at Banquet Hall, Royal Lake Club Kuala Lumpur, Taman Tasek Perdana, Jalan Cenderamulia, Off Jalan Parlimen, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia on Wednesday, 24 September 2025 at 10:30 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions with or without any modifications:-

ORDINARY RESOLUTION 1

PROPOSED SETTLEMENT OF DEBTS AMOUNTING TO RM8,500,000 OWING TO MICROLINK SOLUTIONS BERHAD ("MICROLINK") THROUGH THE ISSUANCE OF UP TO 85,000,000 NEW ORDINARY SHARES IN OMESTI ("SHARES" OR "CREDITOR SETTLEMENT SHARES") AT AN ISSUE PRICE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED CREDITOR SETTLEMENT")

"**THAT** subject to the approvals of the relevant authorities and/or parties being obtained, where required, and the relevant conditions precedent stipulated in the settlement agreement dated 6 June 2025 entered into between the Company and Microlink for the Proposed Creditor Settlement ("**Settlement Agreement**") being fulfilled or waived (as the case may be), approval be and is hereby granted to the Company to settle the amount owing to Microlink of RM8,500,000 to be satisfied via the issuance of up to 85,000,000 Creditor Settlement Shares at an issue price to be determined and announced later by the Board of Directors of Omesti ("**Board**"), with a minimum issue price of RM0.10 each, subject to and upon such terms and conditions as set out in the Settlement Agreement;

THAT approval be and is hereby granted to the Company to allot and issue up to 85,000,000 Creditor Settlement Shares in accordance with the terms and conditions as set out in the Settlement Agreement;

THAT such Creditor Settlement Shares shall, upon allotment and issuance, rank equally in all respects with the then existing Shares, save and except that the Creditor Settlement Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid to the shareholders of the Company, where the entitlement date of which is prior to the dates of allotment and issuance of the Creditor Settlement Shares;

AND THAT the Board be and is hereby authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all necessary documents, enter into any arrangements, agreements and/or undertakings with any party or parties as they may deem fit or expedient in order to carry out, finalise and give full effect to and complete the Proposed Creditor Settlement with full powers to assent to or make any conditions, modifications, variations and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Creditor Settlement in the best interest of the Company."

ORDINARY RESOLUTION 2

PROPOSED SETTLEMENT OF REDEEMABLE PREFERENCE SHARES IN OMESTI ("RPS") AMOUNTING TO RM106,441,367 OWING TO THE RPS HOLDERS THROUGH THE ISSUANCE OF UP TO 1,064,413,670 NEW SHARES ("RPS SETTLEMENT SHARES") AT AN ISSUE PRICE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED RPS SETTLEMENT")

"**THAT** subject to the approvals of the RPS holders of the Company and the relevant authorities and/or parties being obtained, where required, approval be and is hereby granted to the Company to undertake the early redemption of all outstanding RPS prior to the maturity date of 31 March 2026, to be satisfied through the settlement of the amount owing to RPS holders of RM106,441,367 via the issuance of up to 1,064,413,670 RPS Settlement Shares at an issue price to be determined and announced later by the Board, with a minimum issue price of RM0.10 each;

THAT approval be and is hereby granted to the Company to allot and issue up to 1,064,413,670 RPS Settlement Shares;

THAT such RPS Settlement Shares shall, upon allotment and issuance, rank equally in all respects with the then existing Shares, save and except that the RPS Settlement Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid to the shareholders of the Company, where the entitlement date of which is prior to the dates of allotment and issuance of the RPS Settlement Shares;

AND THAT the Board be and is hereby authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all necessary documents, enter into any arrangements, agreements and/or undertakings with any party or parties as they may deem fit or expedient in order to carry out, finalise and give full effect to and complete the Proposed RPS Settlement with full powers to assent to or make any conditions, modifications, variations and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed RPS Settlement in the best interest of the Company."

ORDINARY RESOLUTION 3

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 789,036,071 NEW SHARES ("RIGHTS SHARES") ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 1 EXISTING SHARE, AT AN ISSUE PRICE AND HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("ENTITLEMENT DATE"), TOGETHER WITH UP TO 315,614,428 FREE DETACHABLE WARRANTS IN OMESTI ("WARRANTS D") ON THE BASIS OF 2 WARRANTS D FOR EVERY 5 RIGHTS SHARES SUBSCRIBED FOR ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

"**THAT** subject to the approvals of the relevant authorities and/or parties being obtained, where required, approval be and is hereby granted to the Board to undertake the Proposed Rights Issue with Warrants as follows:

(i) to provisionally allot and issue by way of a renounceable rights issue of up to 789,036,071 Rights Shares on the basis of 1 Right Share for every 1 existing Share held on an Entitlement Date at a final issue price to be determined by the Board and on such terms and conditions and in such manner as the Board may determine, together with up to 315,614,428 Warrants D on the basis of 2 Warrants D for every 5 Rights Shares subscribed for, to the shareholders of the Company whose names appear in the Company's Record of Depositors of Shares as at the close of business on the Entitlement Date ("**Entitled Shareholders**");

(ii) to enter into and execute a deed poll in relation to Warrants D ("**Deed Poll D**") and to do all acts, deeds and things as they may deem fit or expedient in order to implement, finalise and give full effect to the aforesaid Deed Poll D (including, without limitation, the affixing of the Company's common seal, where necessary);

(iii) allot and issue such number of additional warrants 2021/2026 of the Company ("**Warrants C**") pursuant to the adjustments as provided for under the deed poll dated 16 February 2021 constituting the Warrants C ("**Deed Poll C**") and as may be imposed, required or permitted by Bursa Malaysia Securities Berhad ("**Bursa Securities**") and/or any other relevant authorities (where required) ("**Additional Warrants C**"), and to adjust from time to time the exercise price of Warrants C as a consequence of the adjustments under the provisions of the Deed Poll C and/or to effect such modifications, variations and/or amendments as may be imposed, required or permitted by Bursa Securities and/or any other relevant authorities and/or parties (where required);

(iv) to allot and issue new Shares credited as fully paid-up to the holders of Warrants D pursuant to the exercise of the Warrants D (including the additional Warrants D, if any), during the tenure of the Warrants D; and

(v) to utilise the proceeds to be raised from the Proposed Rights Issue with Warrants in the manners as set out in Part A, Section 4.7 of the circular to shareholders of the Company dated 2 September 2025 ("**Circular**") and the Board be and is hereby authorised to vary the manner and/or purpose of utilisation of such proceeds as they may deem fit and in the best interest of the Company, subject to the approval of the relevant authorities and/or parties (where required);

THAT the shareholders' fractional entitlements to the Rights Shares with Warrants D, if any, will be disregarded and dealt with by the Board in such manner at its absolute discretion as it may deem fit or expedient and in the best interest of the Company;

THAT the Rights Shares with Warrants D which are not taken up or validly taken up shall be made available for excess applications by the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable). It is the intention of the Board to reduce the incidence of odd lots and to allocate any excess Rights Shares with Warrants D in a fair and equitable manner on a basis to be determined by the Board and announced thereupon by the Company;

THAT the Warrants D shall be allotted and issued in the registered form on the basis that, subject to any adjustments to the subscription rights attached to the Warrants D under the provisions of the Deed Poll D, each Warrant D entitles its holder to subscribe for 1 new Share at an exercise price to be determined by the Board and on such terms and conditions and in such manner as the Board may determine, during its prescribed exercise period;

THAT the Rights Shares and the new Shares to be issued arising from the exercise of the Warrants D and Additional Warrants C, if any, shall, upon issuance and allotment, rank equally in all respects with the then existing Shares, save and except that the Rights Shares and the new Shares shall not be entitled to any dividends, rights, allotments and/or other distribution that may be declared, made or paid to the shareholders of the Company, where the entitlement date of which is prior to the dates of allotment and issuance of the Rights Shares and the new Shares to be issued arising from the exercise of the Warrants D and Additional Warrants C, if any;

THAT the Board be and is hereby authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all necessary documents, enter into any arrangements, agreements and/or undertakings with any party or parties as they may deem fit or expedient in order to carry out, finalise and give full effect to and complete the Proposed Rights Issue with Warrants with full powers to assent to or make any conditions, modifications, variations and/or amendments including to vary the manner and/or the purpose of the utilisation of proceeds arising from the Proposed Rights Issue with Warrants, if necessary, in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue with Warrants in the best interest of the Company;

AND THAT this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue to be in full force and effect until the Rights Shares together with Warrants D to be issued pursuant to or in connection with the Proposed Rights Issue with Warrants have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue with Warrants."

ORDINARY RESOLUTION 4

PROPOSED PRIVATE PLACEMENT OF UP TO 456,465,000 NEW SHARES, REPRESENTING UP TO 15% OF THE TOTAL ENLARGED NUMBER OF ISSUED SHARES (EXCLUDING TREASURY SHARES, IF ANY) ("PLACEMENT SHARES"), TO THIRD PARTY INVESTOR(S) AT AN ISSUE PRICE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED PRIVATE PLACEMENT")

"**THAT** subject to the approvals of the relevant authorities and/or parties being obtained, where required, approval be and is hereby granted to the Board to allot and issue up to 456,465,000 Placement Shares, representing up to 15% of the total enlarged number of issued Shares (excluding treasury shares, if any), to third party Bumiputera investor(s) at an issue price to be determined, fixed and announced by the Board at a later date ("**Price Fixing Date (Placement)**") upon the completion of the Proposed Creditor Settlement, Proposed RPS Settlement and Proposed Rights Issue with Warrants;

THAT the issue price for each tranche of the Placement Shares will be priced at not more than 10% discount to the 5-day volume weighted average market price of the Shares immediately before the Price Fixing Date (Placement);

THAT the Board be and is hereby authorised to utilise the proceeds to be raised from the Proposed Private Placement for such purposes and in such manner as set out in Part A, Section 5.5 of the Circular and the Board be and is hereby authorised to vary the manner and/or purpose of utilisation of such proceeds as they may deem fit and in the best interest of the Company, subject to the approval of the relevant authorities and/or parties (where required);

THAT the Placement Shares shall, upon issuance and allotment, rank equally in all respects with the then existing Shares, save and except that the Placement Shares shall not be entitled to any dividends, rights, allotments and/or other distribution that may be declared, made or paid to the shareholders of the Company, where the entitlement date of which is prior to the dates of allotment and issuance of the Placement Shares;

AND THAT the Board be and is hereby authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all necessary documents, enter into any arrangements, agreements and/or undertakings with any party or parties as they may deem fit or expedient in order to carry out, finalise and give full effect to and complete the Proposed Private Placement with full powers to assent to or make any conditions, modifications, variations and/or amendments including to vary the manner and/or the purpose of the utilisation of proceeds arising from the Proposed Private Placement, if necessary, in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Private Placement in the best interest of the Company."

SPECIAL RESOLUTION 1

PROPOSED REDUCTION OF RM200,000,000 OF THE ISSUED SHARE CAPITAL OF OMESTI PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016 ("ACT") ("PROPOSED SHARE CAPITAL REDUCTION")

"**THAT** subject to the approvals being obtained from the RPS holders of the Company, confirmation by the High Court of Malaya and the relevant authorities and/or parties, where required, pursuant to Section 116 of the Act, approval be and is hereby granted to the Company to undertake the Proposed Share Capital Reduction and reduce RM200.00 million of the issued share capital of the Company and that the corresponding credit of RM200.00 million arising from such cancellation shall be utilised to set off against the accumulated losses of the Company and the remaining balance, if any, will be credited to the retained earnings of the Company which shall be used in a manner to be determined by the Board at a later date and in the best interest of the Company as permitted by the Company's constitution, the relevant and applicable laws as well as the Main Market Listing Requirements of Bursa Securities;

AND THAT the Board be and is hereby authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all necessary documents, enter into any arrangements, agreements and/or undertakings with any party or parties as they may deem fit or expedient in order to carry out, finalise and give full effect to and complete the Proposed Share Capital Reduction with full powers to assent to or make any conditions, modifications, variations and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Share Capital Reduction in the best interest of the Company."

By Order of the Board

LIM SHOOK NYEE (SSM PC NO. 201908003593 & MAICSA 7007640)
Company Secretary
Kuala Lumpur
2 September 2025

Notes:

(i) A member of the Company may appoint more than two (2) proxies to attend and vote 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. A proxy appointed to attend and vote at a Meeting of the Company shall have the same rights as the member to speak at the Meeting.

(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 in the following manner, 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:

(a) In hard copy form
Deposit at the office of the Share Registrar, Bina Management (M) Sdn Bhd, at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan.

(b) By electronic form
Email to binawin@binamg168.com.

(v) Only members whose names appear in the Record of Depositors on 17 September 2025 shall be entitled to attend, speak and vote at the Meeting or appoint proxy/proxies to attend and/or vote on his/her behalf.

(vi) The resolutions set out in the Notice of EGM will be put to vote by poll pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Personal data privacy:

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

OMESTI BERHAD
(Registration No. 200001028094 (530701-T))
(Incorporated in Malaysia)

NOTICE OF REDEEMABLE PREFERENCE SHAREHOLDERS' MEETING

NOTICE IS HEREBY GIVEN THAT the Redeemable Preference Shareholders' Meeting ("**RPS Holders' Meeting**" or "**Meeting**") of Omesti Berhad ("**Omesti**" or the "**Company**") will be held at Banquet Hall, Royal Lake Club Kuala Lumpur, Taman Tasek Perdana, Jalan Cenderamulia, Off Jalan Parlimen, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia on Wednesday, 24 September 2025 at 11:00 a.m. or immediately after the conclusion or adjournment (as the case may be) of the Extraordinary General Meeting of the Company which will be held on the same date at the same venue, whichever shall be the later, or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions with or without any modifications:-

SPECIAL RESOLUTION 1

PROPOSED SETTLEMENT OF REDEEMABLE PREFERENCE SHARES IN OMESTI ("RPS") AMOUNTING TO RM106,441,367 OWING TO THE RPS HOLDERS THROUGH THE ISSUANCE OF UP TO 1,064,413,670 NEW SHARES ("RPS SETTLEMENT SHARES") AT AN ISSUE PRICE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED RPS SETTLEMENT")

"**THAT** subject to the approvals of the shareholders of the Company and the relevant authorities and/or parties being obtained, where required, approval be and is hereby granted to the Company to undertake the early redemption of all outstanding RPS prior to the maturity date of 31 March 2026, to be satisfied through the settlement of the amount owing to RPS holders of RM106,441,367 via the issuance of up to 1,064,413,670 RPS Settlement Shares at an issue price to be determined and announced later by the Board, with a minimum issue price of RM0.10 each;

THAT approval be and is hereby granted to the Company to allot and issue up to 1,064,413,670 RPS Settlement Shares;

THAT such RPS Settlement Shares shall, upon allotment and issuance, rank equally in all respects with the then existing Shares, save and except that the RPS Settlement Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid to the shareholders of the Company, where the entitlement date of which is prior to the dates of allotment and issuance of the RPS Settlement Shares;

AND THAT the Board be and is hereby authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all necessary documents, enter into any arrangements, agreements and/or undertakings with any party or parties as they may deem fit or expedient in order to carry out, finalise and give full effect to and complete the Proposed RPS Settlement with full powers to assent to or make any conditions, modifications, variations and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed RPS Settlement in the best interest of the Company."

SPECIAL RESOLUTION 2

PROPOSED REDUCTION OF RM200,000,000 OF THE ISSUED SHARE CAPITAL OF OMESTI PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016 ("ACT") ("PROPOSED SHARE CAPITAL REDUCTION")

"**THAT** subject to the approvals being obtained from the shareholders of the Company, confirmation by the High Court of Malaya and the relevant authorities and/or parties, where required, pursuant to Section 116 of the Act, approval be and is hereby granted to the Company to undertake the Proposed Share Capital Reduction and reduce RM200.00 million of the issued share capital of the Company and that the corresponding credit of RM200.00 million arising from such cancellation shall be utilised to set off against the accumulated losses of the Company and the remaining balance, if any, will be credited to the retained earnings of the Company which shall be used in a manner to be determined by the Board at a later date and in the best interest of the Company as permitted by the Company's constitution, the relevant and applicable laws as well as the Main Market Listing Requirements of Bursa Securities;

AND THAT the Board be and is hereby authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all necessary documents, enter into any arrangements, agreements and/or undertakings with any party or parties as they may deem fit or expedient in order to carry out, finalise and give full effect to and complete the Proposed Share Capital Reduction with full powers to assent to or make any conditions, modifications, variations and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Share Capital Reduction in the best interest of the Company."

By Order of the Board

LIM SHOOK NYEE (SSM PC NO. 201908003593 & MAICSA 7007640)
Company Secretary
Kuala Lumpur
2 September 2025

Notes:

(i) A member of the Company may appoint more than two (2) proxies to attend and vote 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. A proxy appointed to attend and vote at a Meeting of the Company shall have the same rights as the member to speak at the Meeting.

(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 in the following manner, 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:

(a) In hard copy form
Deposit at the office of the Share Registrar, Bina Management (M) Sdn Bhd, at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan.

(b) By electronic form
Email to binawin@binamg168.com.

(v) Only RPS holders whose names appear in the Record of Depositors on 17 September 2025 shall be entitled to attend, speak and vote at the Meeting or appoint proxy/proxies to attend and/or vote on his/her behalf.

(vi) The resolutions set out in the Notice of RPS Holders' 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.

Personal data privacy:

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the RPS Holders' Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the RPS Holders' Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the RPS Holders' Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

FORM OF PROXY *(for EGM)*

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

CDS Account No.	
No. of shares held	

I/We _____ NRIC No. _____

[Full name in block, as per NRIC/Passport/Company No.]

of _____

_____

being member(s) of Omesti Berhad, hereby appoint:

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address Email:			

and /or

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address Email:			

or failing him/her, the Chairperson of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the **EGM** of the Company to be held at Banquet Hall, Royal Lake Club Kuala Lumpur, Taman Tasek Perdana, Jalan Cenderamulia, Off Jalan Parlimen, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia on Wednesday, 24 September 2025 at 10:30 a.m. or at any adjournment thereof in the manner as indicated below:

		FOR	**AGAINST**
Ordinary Resolution 1	Proposed Creditor Settlement		
Ordinary Resolution 2	Proposed RPS Settlement		
Ordinary Resolution 3	Proposed Rights Issue with Warrants		
Ordinary Resolution 4	Proposed Private Placement		
Special Resolution 1	Proposed Share Capital Reduction		

(Please indicate with an "X" in the space provided whether you wish your votes to be cast "for" or "against" the resolutions. In the absence of specific direction, your proxy will vote or abstain at his/her discretion).

Dated this _____ day of _____, 2025

Signature of Shareholder/Common Seal

Notes:

(i) A member of the Company may appoint more than two (2) proxies to attend and vote 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. A proxy appointed to attend and vote at a Meeting of the Company shall have the same rights as the member to speak at the Meeting.

(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 in the following manner, 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:

(a) In hard copy form
Deposit at the office of the Share Registrar, Bina Management (M) Sdn Bhd, at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan.

(b) By electronic form
Email to binawin@binamg168.com.

(v) Only members whose names appear in the Record of Depositors on 17 September 2025 shall be entitled to attend, speak and vote at the Meeting or appoint proxy/proxies to attend and/or vote on his/her behalf.

(vi) The resolutions set out in the Notice of EGM will be put to vote by poll pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the EGM dated 2 September 2025.

FORM OF PROXY *(for RPS HOLDERS' MEETING)*

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

CDS Account No.	
No. of RPS held	

I/We _____ NRIC No. _____

[Full name in block, as per NRIC/Passport/Company No.]

of _____

being RPS holder(s) of Omesti Berhad, hereby appoint:

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of RPS	%
Address Email:			

and /or

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of RPS	%
Address Email:			

or failing him/her, the Chairperson of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the **RPS Holders' Meeting** of the Company to be held at Banquet Hall, Royal Lake Club Kuala Lumpur, Taman Tasek Perdana, Jalan Cenderamulia, Off Jalan Parlimen, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia on Wednesday, 24 September 2025 at 11:00 a.m. or immediately after the conclusion or adjournment (as the case may be) of the Extraordinary General Meeting of the Company which will be held on the same date at the same venue, whichever shall be the later, or at any adjournment thereof in the manner as indicated below:

		FOR	**AGAINST**
Special Resolution 1	Proposed RPS Settlement		
Special Resolution 2	Proposed Share Capital Reduction		

(Please indicate with an "X" in the space provided whether you wish your votes to be cast "for" or "against" the resolutions. In the absence of specific direction, your proxy will vote or abstain at his/her discretion).

Dated this _____ day of _____, 2025

Signature of RPS holder/Common Seal

Notes:

(i) A member of the Company may appoint more than two (2) proxies to attend and vote 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. A proxy appointed to attend and vote at a Meeting of the Company shall have the same rights as the member to speak at the Meeting.

(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 in the following manner, 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:

(a) In hard copy form
Deposit at the office of the Share Registrar, Bina Management (M) Sdn Bhd, at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan.

(b) By electronic form
Email to binawin@binamg168.com.

(v) Only RPS holders whose names appear in the Record of Depositors on 17 September 2025 shall be entitled to attend, speak and vote at the Meeting or appoint proxy/proxies to attend and/or vote on his/her behalf.

(vi) The resolutions set out in the Notice of RPS Holders' 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.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the RPS Holders' Meeting dated 2 September 2025.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

To: The Share Registrar

OMESTI BERHAD
(Registration No. 200001028094 (530701-T))

c/o Bina Management (M) Sdn Bhd
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya
Selangor Darul Ehsan

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