

No securities will be allotted or issued based on this Abridged Prospectus after 6 months from the date of this Abridged Prospectus.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

Unless stated otherwise, all abbreviations and defined terms contained in this Abridged Prospectus are defined in the "Definitions" section of this Abridged Prospectus. All enquiries concerning the Rights Issue of RPS with Warrants should be addressed to our Share Registrar, Bina Management (M) Sdn Bhd at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan (Tel: 03-7784 3922).

This Abridged Prospectus, together with the NPA and RSF are only despatched to Entitled Shareholders whose names appear in our Record of Depositors and who have provided our Share Registrar with a registered address in Malaysia not later than 5.00 p.m. on 8 March 2021. This Abridged Prospectus together with the NPA and RSF, are not intended to be issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue of RPS with Warrants complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and other professional advisers as to whether the acceptance or renunciation (as the case may be) of all or any part of their entitlements to the Rights Issue of RPS with Warrants would result in the contravention of any laws of such countries or jurisdictions. Our Company and our Principal Adviser shall not accept any responsibility or liability in the event that any acceptance or renunciation made by the Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) are or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions.

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends this Rights Issue of RPS with Warrants or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Abridged Prospectus. The SC has not, in any way, considered the merits of the Rights Issue of RPS with Warrants. A copy of this Abridged Prospectus, together with the NPA and RSF, has also been lodged with the Registrar of Companies, who takes no responsibility for the contents of these documents.

Approval for this Rights Issue of RPS with Warrants has been obtained from our shareholders at our EGM held on 28 December 2020. Approval has also been obtained from Bursa Securities via its letter dated 17 November 2020 for the admission of the RPS with Warrants to the Official List of Bursa Securities and the listing of and quotation for the RPS, Warrants and new Omesti Shares to be issued pursuant to the exercise of the Warrants ("New Securities"). The listing of and quotation for the RPS and Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of successful Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) have been duly credited with the RPS and Warrants allotted to them and notices of allotment have been despatched to them. However, the approval from Bursa Securities for the admission of the RPS and Warrants to the Official List of Bursa Securities and the listing of and quotation for the New Securities on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue of RPS with Warrants.

The SC is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Abridged Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Abridged Prospectus.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, SEE "RISK FACTORS" AS SET OUT IN SECTION 5 OF THIS ABRIDGED PROSPECTUS.



OMESTI™

OMESTI BERHAD

(Registration No. 200001028094 (530701-T))

(Incorporated in Malaysia)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 119,775,812 NEW REDEEMABLE PREFERENCE SHARES ("RPS") IN OMESTI BERHAD ("OMESTI") TOGETHER WITH UP TO 279,476,894 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF 1 RPS FOR EVERY 5 EXISTING ORDINARY SHARES TOGETHER WITH 7 FREE WARRANTS FOR EVERY 3 RPS SUBSCRIBED FOR, AT 5.00 P.M. ON 8 MARCH 2021 AT AN ISSUE PRICE OF RM1.00 PER RPS ("RIGHTS ISSUE OF RPS WITH WARRANTS")

Principal Adviser



M&A SECURITIES SDN BHD

Registration No. 197301001503 (15017-H)

(A Wholly-Owned Subsidiary of Insas Berhad)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:

Entitlement Date	: Monday, 8 March 2021 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	: Monday, 15 March 2021 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	: Wednesday, 17 March 2021 at 4.30 p.m.
Last date and time for acceptance and payment	: Tuesday, 23 March 2021 at 5.00 p.m.
Last date and time for excess application and payment	: Tuesday, 23 March 2021 at 5.00 p.m.

This Abridged Prospectus is dated 8 March 2021

OUR BOARD OF DIRECTORS HAS SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THE RIGHTS ISSUE OF RPS WITH WARRANTS. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THE SAID DOCUMENTATION. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THAT THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH, IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.

M&A SECURITIES SDN BHD, BEING THE PRINCIPAL ADVISER FOR THIS RIGHTS ISSUE OF RPS WITH WARRANTS, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE OF RPS WITH WARRANTS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

INVESTORS SHOULD NOTE THAT THEY MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA, FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THE ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THE ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY.

SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE OF RPS WITH WARRANTS FOR WHICH ANY OF THE PERSON SET OUT IN SECTION 236 OF THE CMSA , IS RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE OF RPS WITH WARRANTS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

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DEFINITIONS

Except where the context otherwise requires, the following definitions and abbreviations shall apply throughout this Abridged Prospectus, NPA and RSF:

"Abridged Prospectus"	: This Abridged Prospectus issued by Omesti dated 8 March 2020 in relation to the Rights Issue of RPS with Warrants
"Act"	: Companies Act 2016, as amended from time to time including any re-enactment thereof
"Board"	: Board of Directors of Omesti
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
"Bursa Securities"	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
"BSS"	: Business support system
"CDS Account(s)"	: Central depository system account(s), which is/are a securities account(s) established by Bursa Depository for a depositor pursuant to the SICDA and the rules of Bursa Depository for the recording of depositors of securities and for dealings in such securities by the depositor
"Closing Date"	: Tuesday, 23 March 2021 at 5.00 p.m., being the last date and time for the acceptance and payment for the RPS and the Excess RPS with Warrants
"CMSA"	: Capital Markets and Services Act, 2007, as amended from time to time including any re-enactment thereof
"Code"	: The Malaysian Code on Take-Overs and Mergers, 2016 issued by the SC, as amended from time to time including any re-enactment thereof
"Constitution"	: Constitution of our Company
"Constitution Amendments"	: Amendments to the Constitution of Omesti pursuant to the Rights Issue of RPS with Warrants, which took effect following the approval of the Shareholders on 28 December 2020
"COVID-19"	: Coronavirus disease 2019
"Deed Poll"	: Deed poll dated 16 February 2021 constituting the Warrants and governing the rights of Warrant holders
"Documents"	: Collectively, this Abridged Prospectus and the accompanying NPA and RSF
"EGM"	: Extraordinary general meeting
"Entitled Shareholders"	: Shareholders of Omesti whose names appear in the Record of Depositors of Omesti on the Entitlement Date
"Entitlement Date"	: At 5.00 p.m on 8 March 2021, being the time and date which the Entitled Shareholders must appear in the Record of Depositors of Omesti in order to be entitled to participate in the Rights Issue of RPS with Warrants
"EPS"	: Earnings per Share
"ESOS"	: Employees' share option scheme
"ESOS Options"	: Employees' share option scheme options granted to the eligible persons to subscribe for new Omesti Shares at a pre-determined option price

DEFINITIONS (Cont'd)

"Excess RPS with Warrants"	: RPS(s) together with Warrants which are not taken up or not validly taken up by the Entitled Shareholder(s) and/or their renounee(s) and/or transferee(s) (if applicable) prior to the Closing Date
"FPE"	: Financial period ended/ending, as the case may be
"FYE"	: Financial year ended/ending, as the case may be
"GP"	: Gross profit
"IMR" or "Providence"	: Providence Strategic Partners Sdn Bhd (Registration No. 201701024744 (1238910-A))
"IMR Report"	: Independent market research report dated 19 February 2021 titled "Industry Overview on the Business Support Systems and Telecommunications Industry in Malaysia" prepared by the IMR
"LAT"	: Loss after taxation
"LBT"	: Loss before taxation
"Listing Requirements"	: Main Market Listing Requirements of Bursa Securities, as may be amended from time to time
"LPD"	: 9 February 2021, being the latest practicable date prior to the issuance of this Abridged Prospectus
"LTIP"	: Long term incentive plan
"Market Day(s)"	: Any day on which Bursa Securities is open for trading in securities
"Maximum Scenario"	: Assuming all 66,672,225 new Shares/ESOS Options available to be granted under our Company's LTIP are allotted/exercised prior to the Entitlement Date and all Entitled Shareholders subscribe for their entitlements under the Rights Issue of RPS with Warrants
"Minimum Scenario"	: Assuming none of the new Shares/ESOS Options available to be granted under our Company's LTIP are allotted/exercised prior to the Entitlement Date and only the Undertaking Shareholders subscribe for at least 50,000,000 RPS based on the Undertakings
"Minimum Subscription Level"	: The minimum subscription level fixed by our Board for the Rights Issue of RPS with Warrants whereby 50,000,000 RPS together with 116,666,666 Warrants will be subscribed for and issued under the Rights Issue of RPS with Warrants
"M&A Securities"	: M&A Securities Sdn Bhd (Registration No. 197301001503 (15017-H))
"NA"	: Net assets
"NPA"	: Notice of provisional allotment of RPS with Warrants pursuant to the Rights Issue of RPS with Warrants
"Omesti" or "Company"	: Omesti Berhad (Registration No. 200001028094 (530701-T))
"Omesti Group" or "Group"	: Omesti and its subsidiaries, collectively
"Omesti Shares" or "Shares"	: Ordinary shares in Omesti
"PAT"	: Profit after taxation
"PBT"	: Profit before taxation

DEFINITIONS (Cont'd)

"Proposals"	: Collectively, the Rights Issue of RPS with Warrants and Constitution Amendments
"Provisional Allotments"	: RPS with Warrants provisionally allotted to the Entitled Shareholders pursuant to the Rights Issue of RPS with Warrants
"Rights Issue of RPS with Warrants"	: Renounceable rights issue of up to 119,775,812 RPS at an issue price of RM1.00 per RPS together with up to 279,476,894 Warrants on the basis of 1 RPS for every 5 existing Omesti Shares held at the Entitlement Date together with 7 Warrants for every 3 RPS subscribed
"Record of Depositors"	: A record of securities holders established and maintained by Bursa Depository under the rules of Bursa Depository
"RM" and "sen"	: Ringgit Malaysia and sen, respectively
"RPS"	: Up to 119,775,812 new redeemable preference shares in Omesti to be issued pursuant to the Rights Issue of RPS with Warrants
"RSF"	: Rights subscription form in relation to the Rights Issue of RPS with Warrants
"Rules"	: The Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC, as amended from time to time including any re-enactment thereof
"SC"	: Securities Commission Malaysia
"Share Registrar"	: Bina Management (M) Sdn Bhd (Registration No. 197901005880 (50164-V))
"SICDA"	: Securities Industry (Central Depositories) Act, 1991, as amended from time to time including any re-enactment thereof
"TM"	: Telekom Malaysia Berhad (Registration No. 198401016183 (128740-P))
"TM Project"	: A project for the design, development, customisation, configuration, delivery, installation, integration, conversion, migration, testing, commissioning and training for TM's BSS
"Undertaking Shareholders"	: Collectively, Dato' Mah Siew Kwok, H2O Holdings Sdn Bhd, Monteiro Gerard Clair, Insas Plaza Sdn Bhd, Gryphon Asset Management Sdn Bhd, Montego Assets Limited and Winfields Development Pte Ltd
"Undertakings"	: Irrevocable written undertakings dated 3 June 2020 by the Undertaking Shareholders of Omesti (as varied by a subsequent written undertaking dated 17 September 2020 in respect of the undertaking given by Insas Plaza Sdn Bhd) to subscribe for at least 50,000,000 RPS pursuant to their entitlement and/or via excess application under the Rights Issue of RPS with Warrants
"Warrants"	: Up to 279,476,894 free detachable warrants to be issued pursuant to the Rights Issue of RPS with Warrants
"Warrants Exercise Price"	: RM0.50, being the price at which 1 Warrant is exercisable into 1 new Omesti Share, subject to adjustments in accordance with the provisions of the Deed Poll
"5D-VWAP"	: 5-day volume weighted average market price

DEFINITIONS (Cont'd)

In this Abridged Prospectus, all references to "we", "us", "our" and "ourselves" are to our Company and save where the context otherwise requires, our subsidiaries. All references to "you" in this Abridged Prospectus are to our Entitled Shareholders.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Abridged Prospectus to any statute, guideline, listing requirement or enactment shall be a reference to such statute, guideline, listing requirement or enactment for the time being in force or as amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

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ADVISERS' DIRECTORY

PRINCIPAL ADVISER**: M&A Securities Sdn Bhd**

Level 11, No. 45 & 47, The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Telephone number: 03-2284 2911

**SOLICITORS FOR THE RIGHTS ISSUE
OF RPS WITH WARRANTS****: Mah-Kamariyah & Philip Koh**

3A07, Block B
Phileo Damansara II
15 Jalan 16/11
Off Jalan Damansara
46350 Petaling Jaya
Selangor

Telephone number: 03-7956 8686

COMPANY SECRETARY**: Lim Shook Nyee**
(SSM Practicing Certificate No. 201908003593)
(MAICSA 7007640)

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

Telephone number: 03-9779 1700

SHARE REGISTRAR**: Bina Management (M) Sdn Bhd**

Lot 10, The Highway Centre
Jalan 51/205, 46050 Petaling Jaya
Selangor

Telephone number: 03-7784 3922

ADVISERS' DIRECTORY (Cont'd)

REPORTING ACCOUNTANTS

: BDO PLT

Level 8
BDO @ Menara CenTARa
360, Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur

Telephone number: 03-2616 2888

Partner's Name: Koo Swee Lin
Approved Number: 03281/08/2022 J
Malaysia Institute of Accountants Number:
CA18070

INDEPENDENT MARKET RESEARCHER

: Providence Strategic Partners Sdn Bhd

67-1, Block D, The Suites, Jaya One
No. 72A, Jalan Universiti
46200 Petaling Jaya
Selangor

Telephone number: 03-7625 1769

Executive Director: Elizabeth Dhoss
(Bachelor of Business Administration from
University of Malaya)

STOCK EXCHANGE LISTING

: Main Market of Bursa Securities

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SUMMARY OF THE RIGHTS ISSUE OF RPS WITH WARRANTS

This summary of the Rights Issue of RPS with Warrants only highlights the key information from other parts of the Abridged Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Abridged Prospectus.

Information / Section	Summary																																																																															
Summary / Section 2.1	<p>Rights Issue of RPS with Warrants</p> <table border="1"> <tr> <td>Basis of the Rights Issue of RPS with Warrants</td> <td>:</td> <td>1 RPS for every 5 Omesti Shares held, together with 7 Warrants for every 3 RPS subscribed</td> </tr> <tr> <td>Number of RPS with Warrants</td> <td>:</td> <td>(i) 50,000,000 RPS together with 116,666,666 Warrants under the Minimum Scenario; and (ii) Up to 119,775,812 RPS together with 279,476,894 Warrants under the Maximum Scenario</td> </tr> </table> <p>The salient terms of the RPS and Warrants are set out in Sections 2.4 and 2.5 of this Abridged Prospectus.</p> <p>It is the intention of our Board to allot the Excess RPS with Warrants in the following priority:</p> <ol style="list-style-type: none"> Firstly, to minimise the incidence of odd lots; Secondly, for allocation to Entitled Shareholders who have applied for Excess RPS with Warrants, on a pro-rata basis and in board lots, calculated based on their respective shareholdings as at the Entitlement Date; Thirdly, for allocation to Entitled Shareholders who have applied for Excess RPS with Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess RPS with Warrants application; and Fourthly, for allocation to transferee(s); and/or renounee(s) who have applied for Excess RPS with Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess RPS with Warrants application. <p>The Excess RPS and Warrants will firstly be allocated to minimise the odd lots (if any) held by each applicant of Excess RPS with Warrants. Thereafter, the Excess RPS and Warrants will be allocated in the order of (ii) to (iv), and any balance thereafter will be allocated in the same sequence of allocation, i.e. items (ii) to (iv) until all Excess RPS with Warrants are allotted.</p>	Basis of the Rights Issue of RPS with Warrants	:	1 RPS for every 5 Omesti Shares held, together with 7 Warrants for every 3 RPS subscribed	Number of RPS with Warrants	:	(i) 50,000,000 RPS together with 116,666,666 Warrants under the Minimum Scenario; and (ii) Up to 119,775,812 RPS together with 279,476,894 Warrants under the Maximum Scenario																																																																									
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Issue price of the RPS and Warrants Exercise Price / Section 2.2	<p>Issue price of the RPS Our Board has fixed the issue price of the RPS at RM1.00 per RPS.</p> <p>Warrants Exercise Price Our Board has fixed the Warrants Exercise Price at RM0.50 per Warrant.</p>																																																																															
Undertakings and underwriting arrangements / Section 2.6	<p>Undertakings Shareholders</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Shareholdings as at LPD</th> <th colspan="3">Total to be subscribed pursuant to the Undertakings</th> <th colspan="2">After Rights Issue of RPS with Warrants and full exercise of Warrants</th> </tr> <tr> <th>No. of Shares ('000)</th> <th>%</th> <th>No. of RPS ('000)</th> <th>RM'000</th> <th>No. of Warrants ('000)</th> <th>No. of Shares ('000)</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Dato' Mah Siew Kwok⁽¹⁾</td> <td>95,630</td> <td>17.97</td> <td>19,712</td> <td>19,712</td> <td>45,995</td> <td>141,624</td> <td>21.83</td> </tr> <tr> <td>H2O Holdings Sdn Bhd⁽²⁾</td> <td>67,467</td> <td>12.68</td> <td>13,908</td> <td>13,908</td> <td>32,451</td> <td>99,918</td> <td>15.40</td> </tr> <tr> <td>Monteiro Gerard Clair⁽¹⁾</td> <td>29,836</td> <td>5.61</td> <td>5,628</td> <td>5,628</td> <td>13,132</td> <td>42,969</td> <td>6.63</td> </tr> <tr> <td>Insas Plaza Sdn Bhd⁽³⁾</td> <td>17,500</td> <td>3.29</td> <td>4,936</td> <td>4,936</td> <td>11,518</td> <td>29,017</td> <td>4.47</td> </tr> <tr> <td>Gryphon Asset Management Sdn Bhd⁽³⁾</td> <td>19,580</td> <td>3.68</td> <td>3,916</td> <td>3,916</td> <td>9,137</td> <td>28,717</td> <td>4.43</td> </tr> <tr> <td>Montego Assets Limited⁽³⁾</td> <td>7,700</td> <td>1.45</td> <td>1,200</td> <td>1,200</td> <td>2,800</td> <td>10,500</td> <td>1.62</td> </tr> <tr> <td>Winfields Development Pte Ltd⁽³⁾</td> <td>3,500</td> <td>0.66</td> <td>700</td> <td>700</td> <td>1,633</td> <td>5,133</td> <td>0.79</td> </tr> <tr> <td></td> <td></td> <td></td> <td>50,000</td> <td>50,000</td> <td>116,666</td> <td></td> <td></td> </tr> </tbody> </table> <p>Notes:</p> <ol style="list-style-type: none"> Dato' Mah Siew Kwok and Monteiro Gerard Clair are the Directors and substantial shareholders of Omesti. H2O Holdings Sdn Bhd is a substantial shareholder of Omesti. Insas Plaza Sdn Bhd, Gryphon Asset Management Sdn Bhd, Montego Assets Limited and Winfields Development Pte Ltd are the subsidiaries/associated company of Insas Berhad, a substantial shareholder of Omesti. 		Shareholdings as at LPD		Total to be subscribed pursuant to the Undertakings			After Rights Issue of RPS with Warrants and full exercise of Warrants		No. of Shares ('000)	%	No. of RPS ('000)	RM'000	No. of Warrants ('000)	No. of Shares ('000)	%	Dato' Mah Siew Kwok ⁽¹⁾	95,630	17.97	19,712	19,712	45,995	141,624	21.83	H2O Holdings Sdn Bhd ⁽²⁾	67,467	12.68	13,908	13,908	32,451	99,918	15.40	Monteiro Gerard Clair ⁽¹⁾	29,836	5.61	5,628	5,628	13,132	42,969	6.63	Insas Plaza Sdn Bhd ⁽³⁾	17,500	3.29	4,936	4,936	11,518	29,017	4.47	Gryphon Asset Management Sdn Bhd ⁽³⁾	19,580	3.68	3,916	3,916	9,137	28,717	4.43	Montego Assets Limited ⁽³⁾	7,700	1.45	1,200	1,200	2,800	10,500	1.62	Winfields Development Pte Ltd ⁽³⁾	3,500	0.66	700	700	1,633	5,133	0.79				50,000	50,000	116,666		
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Information / Section	Summary																																								
	<u>Underwriting arrangements</u> Underwriting arrangements will not be required for the Rights Issue of RPS with Warrants.																																								
Rationale / Section 3	(i) The Rights Issue of RPS with Warrants will further strengthen our Company's capital base and at the same time, improve its gearing level from 0.37 times (as at FPE 31 December 2020) to 0.17 times, following the reduction in the borrowings of the Omesti Group arising from utilisation of part of the proceeds under the Maximum Scenario of the Rights Issue of RPS with Warrants; and (ii) The Warrants attached to the RPS are intended to provide an added incentive to the Entitled Shareholders to subscribe for the RPS																																								
Utilisation of proceeds / Section 4.1	The details of the utilisation of gross proceeds under the Maximum Scenario and Minimum Scenario are as follows: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: left;"><u>Details</u></th> <th colspan="2" style="text-align: center;"><u>Maximum Scenario</u></th> <th colspan="2" style="text-align: center;"><u>Minimum Scenario</u></th> <th rowspan="2" style="text-align: center;"><u>Timeframe</u></th> </tr> <tr> <th style="text-align: center;"><u>RM</u></th> <th style="text-align: center;"><u>%</u></th> <th style="text-align: center;"><u>RM</u></th> <th style="text-align: center;"><u>%</u></th> </tr> </thead> <tbody> <tr> <td>Funding for the TM Project</td> <td style="text-align: right;">56,580,000</td> <td style="text-align: right;">47.24</td> <td style="text-align: right;">49,040,000</td> <td style="text-align: right;">98.08</td> <td style="text-align: center;">Within 6 months</td> </tr> <tr> <td>Repayment of borrowings</td> <td style="text-align: right;">44,400,000</td> <td style="text-align: right;">37.07</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">Within 6 months</td> </tr> <tr> <td>Working capital</td> <td style="text-align: right;">17,835,812</td> <td style="text-align: right;">14.89</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">Within 12 months</td> </tr> <tr> <td>Estimated expenses</td> <td style="text-align: right;">960,000</td> <td style="text-align: right;">0.80</td> <td style="text-align: right;">960,000</td> <td style="text-align: right;">1.92</td> <td style="text-align: center;">Within 1 month</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">119,775,812</td> <td style="text-align: right;">100.00</td> <td style="text-align: right;">50,000,000</td> <td style="text-align: right;">100.00</td> <td></td> </tr> </tbody> </table>	<u>Details</u>	<u>Maximum Scenario</u>		<u>Minimum Scenario</u>		<u>Timeframe</u>	<u>RM</u>	<u>%</u>	<u>RM</u>	<u>%</u>	Funding for the TM Project	56,580,000	47.24	49,040,000	98.08	Within 6 months	Repayment of borrowings	44,400,000	37.07	-	-	Within 6 months	Working capital	17,835,812	14.89	-	-	Within 12 months	Estimated expenses	960,000	0.80	960,000	1.92	Within 1 month	Total	119,775,812	100.00	50,000,000	100.00	
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Risk factors / Section 5	You should carefully consider the following key risk factors before subscribing for or investing in the Rights Issue of RPS with Warrants: <p>(i) Our Group's continued success will depend significantly on the abilities and continued efforts of our Directors and senior management as well as qualified IT technical personnel;</p> <p>(ii) There is no assurance that the COVID-19 outbreak and/or lockdown or similar measures will not have a material adverse impact on the industry in which our Group operates;</p> <p>(iii) Our revenue is recognised based on percentage of completion and billing is based on approved monthly progress claims. Any form of delay in a project will affect our billings, revenue, operational cash flows and financial performance. We are liable to pay our contracting parties for the liquidated damages stipulated in our contracts and our reputation, financial performance and operational cash flows could be materially affected. Thus, any postponement in projects may influence our resource allocation for the execution of subsequent projects and delay our revenue collection;</p> <p>(iv) Investments in BSS are in part affected by economic conditions, connectivity growth and consumer spending on telecommunication services, all of which are beyond our control; and</p> <p>(v) The market prices of the RPS and Warrants are influenced by prevailing market sentiments, liquidity and volatility of the equity markets. As the RPS is a new class of securities, there can be no assurance that an active market will develop.</p>																																								
Procedures for acceptance and payment / Section 9	Acceptance and payment for the RPS with Warrants provisionally allotted to you as an Entitled Shareholder and/or your renounee(s) and/or transferee(s) (if applicable) must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF.																																								
	You may accept the provisionally allotted RPS by completing Part I(a) and Part II of the RSF in accordance with the notes and instructions provided therein. Each completed RSF together with the relevant payment must be despatched by ORDINARY POST, COURIER or DELIVERED BY HAND using the envelope provided (at your own risk) to our Share Registrar by 5.00 p.m. on 23 March 2021.																																								
	You may apply for Excess RPS with Warrants in addition to the RPS with Warrants provisionally allotted to you by completing Part I(b) of the RSF (in addition to Parts I(a) and II) and forwarding it (together with a separate remittance for the full amount payable in respect of the Excess RPS with Warrants applied for) to our Share Registrar by 5.00 p.m. on 23 March 2021.																																								

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OMESTI™

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

8 March 2021

Directors:

Dato' Mah Siew Kwok (*Non-Independent Non-Executive Vice Chairman*)
Monteiro Gerard Clair (*Executive Director*)
Mah Xian-Zhen (*Executive Director*)
Chia Yong Wei (*Executive Director*)
Dato' Sri Thong Kok Khee (*Non-Independent Non-Executive Director*)
Dato' Jaganath Derek Steven Sabapathy (*Non-Independent Non-Executive Director*)
Tunku Zain Al-'Abidin Ibni Tuanku Muhriz (*Independent Non-Executive Director*)
Dato' Ahmad Nazim Bin Abd Rahman (*Independent Non-Executive Director*)
Tan Wee Hoong (*Independent Non-Executive Director*)
Wan Mai Gan (*Independent Non-Executive Director*)

To: Entitled Shareholders

Dēār Sīr/Mādām,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 119,775,812 RPS AT AN ISSUE PRICE OF RM1.00 PER RPS TOGETHER WITH UP TO 279,476,894 WARRANTS ON THE BASIS OF 1 RPS FOR EVERY 5 EXISTING OMESTI SHARES HELD BY THE ENTITLED SHAREHOLDERS AT 5.00 P.M. ON 8 March 2021 TOGETHER WITH 7 FREE WARRANTS FOR EVERY 3 RPS SUBSCRIBED ("RIGHTS ISSUE OF RPS WITH WARRANTS")

1. INTRODUCTION

On 3 June 2020, M&A Securities had, on behalf of our Board, announced that our Company proposes to undertake the Proposals.

On 17 September 2020 and 4 December 2020, M&A Securities had, on behalf of our Board, announced the amendments to the utilisation of proceeds under the Rights Issue of RPS with Warrants and changes to the Undertaking Shareholders. The amendments supersede the announcement dated 3 June 2020.

On 18 November 2020, M&A Securities had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 17 November 2020 approved-in-principle the following:

- (i) Admission to the Official List and the initial listing and quotation of:
 - (a) Up to 119,775,812 RPS to be issued pursuant to the Rights Issue of RPS with Warrants.
 - (b) Up to 279,476,894 Warrants to be issued pursuant to the Rights Issue of RPS with Warrants.
- (ii) Listing of up to 279,476,894 Omesti Shares to be issued pursuant to the exercise of the Warrants.

Bursa Securities' approval-in-principle is subject to the following conditions:

Conditions	Status of Compliance
(i) Omesti and M&A Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue of RPS with Warrants;	To be complied
(ii) Omesti and M&A Securities to inform Bursa Securities upon the completion of the Rights Issue of RPS with Warrants and the Constitution Amendments;	To be complied
(iii) Omesti to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue of RPS with Warrants and the Constitution Amendments are completed; and	To be complied
(iv) Omesti to furnish Bursa Securities on a quarterly basis, a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

On 28 December 2020, our shareholders approved the Proposals.

On 18 February 2021, on our behalf, M&A Securities announced the Entitlement Date and the other relevant dates pertaining to the Rights Issue of RPS with Warrants.

No person is authorised to give any information or make any representation not contained herein in connection with the Rights Issue of RPS with Warrants and if given or made, such information or representation must not be relied upon as having been authorised by M&A Securities or us.

You are advised to read, understand and consider carefully the contents of this Abridged Prospectus which sets out the details and risk factors associated with the Rights Issue of RPS with Warrants. If you are in any doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

2. PARTICULARS OF THE RIGHTS ISSUE OF RPS WITH WARRANTS

2.1 Details of the Rights Issue of RPS with Warrants

The Rights Issue of RPS with Warrants involves the issuance of up to 119,775,812 new RPS at an issue price of RM1.00 per RPS together with up to 279,476,894 Warrants on the basis of 1 RPS for every 5 existing Omesti Shares held on the Entitlement Date together with 7 Warrants for every 3 RPS subscribed.

The total number of RPS with Warrants to be issued under the Maximum Scenario will be based on the number of issued Shares of Omesti, assuming all new Shares/ESOS Options to be granted under the LTIP are allotted/exercised prior to the Entitlement Date. Accordingly, up to 119,775,812 RPS and up to 279,476,894 Warrants will be issued under the Maximum Scenario pursuant to the Rights Issue of RPS with Warrants.

Notwithstanding the above, our Company intends to raise minimum proceeds of RM50,000,000 via the issuance of 50,000,000 RPS based on the issue price of RM1.00 per RPS. The Minimum Subscription Level is based on the irrevocable undertakings of the Undertaking Shareholders, as disclosed in Section 2.6 of this Abridged Prospectus. Under the Minimum Scenario, 50,000,000 RPS together with 116,666,666 Warrants will be issued pursuant to the Rights Issue of RPS with Warrants.

Any fractional entitlement under the Rights Issue of RPS with Warrants will be disregarded and shall be dealt with in such manner as our Board in its discretion deems fit and in the best interest of our Company.

A summary of the Rights Issue of RPS with Warrants is as follows:

Basis of the Rights Issue of RPS with Warrants : 1 RPS for every 5 Omesti Shares held, together with 7 Warrants for every 3 RPS subscribed

Number of issued Shares as at the LPD : 532,206,835 issued Shares

Number of RPS with Warrants : (i) 50,000,000 RPS together with 116,666,666 Warrants under the Minimum Scenario; and
(ii) Up to 119,775,812 RPS together with 279,476,894 Warrants under the Maximum Scenario

Amount to be raised under the Rights Issue of RPS with Warrants : (i) RM50,000,000 under the Minimum Scenario⁽¹⁾; and
(ii) Up to RM119,775,812 under the Maximum Scenario⁽²⁾

Subscription price : RM1.00 per RPS

Notes:

(1) Based on the Minimum Scenario assuming that save for the Undertakings, none of the other Entitled Shareholders subscribe for the Rights Issue of RPS with Warrants.

(2) Based on the Maximum Scenario, assuming that all Entitled Shareholders subscribe for their entitlements under the Rights Issue of RPS with Warrants and all 66,672,225 new Shares/ESOS Options available to be granted under our Company's LTIP are allotted/exercised prior to the Entitlement Date.

As you are an Entitled Shareholder and the RPS are prescribed securities, your CDS Account will be duly credited with the number of Provisional Allotments which you are entitled to subscribe for in full or in part under the terms of the Rights Issue of RPS with Warrants. You will find enclosed in this Abridged Prospectus, a NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and a RSF which is to be used for the acceptance of the Provisional Allotments, and for the application of any Excess RPS with Warrants under Excess Application, should you wish to do so.

Only Entitled Shareholders who have an address in Malaysia as stated in our Record of Depositors or who have provided our Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Abridged Prospectus, together with the NPA and RSF.

The Warrants are attached to the RPS without any cost, and shall only be issued to the Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) who subscribe for the RPS. The Warrants are exercisable into new Omesti Shares and each Warrant will entitle the Warrant holder to subscribe for 1 new Omesti Share at the Warrants Exercise Price. The Warrants will be immediately detached from the RPS upon issuance and will be traded separately. The Warrants will be issued in registered form and constituted by the Deed Poll. The salient terms of the Warrants are set out in Section 2.5 of this Abridged Prospectus.

Any dealing in our securities will be subject to, amongst others, the provisions of the SICDA, the rules of Bursa Depository and any other relevant legislation. Accordingly, upon subscription, the RPS with Warrants will be credited directly into the respective CDS Accounts of the successful applicants. No physical share or warrant certificates will be issued but notices will be despatched to the successful applicants of the RPS with Warrants.

The Rights Issue of RPS with Warrants is renouneable in full or in part. Accordingly, Entitled Shareholders can subscribe for and/or renounce their entitlements to the RPS in full or in part. However, the RPS and Warrants cannot be renounced separately. As such, the Entitled Shareholders who renounce all of their RPS entitlements will not be entitled to the Warrants attached thereto. If the Entitled Shareholders accept only part of their RPS entitlements, they shall be entitled to the Warrants in proportion of their acceptance to the RPS entitlements. The RPS and Warrants which are not taken up or invalidly taken up shall be made available for excess applications by the Entitled Shareholders and/or their renounee(s) and/or transferee(s).

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2.2 Basis and justification of determining the issue price of the RPS and exercise price of the Warrants

(i) Issue price of the RPS

Our Board has fixed the issue price of the RPS at RM1.00 per RPS, which represents a premium of 66.31% to the 5D-VWAP of Omesti Shares up to and including 2 June 2020, being the last trading day prior to the price-fixing date of 3 June 2020, of RM0.6013.

The issue price was fixed after taking into consideration the following:

- (a) Funding requirements of our Group as set out in Section 4.1 of this Abridged Prospectus;
- (b) Dividend rate of 5.0% per annum at an issue price of RM1.00 per RPS; and
- (c) Tenure of the RPS of 5 years.

(ii) Warrants Exercise Price

Our Board has fixed the Warrants Exercise Price at RM0.50 per Warrant, which represents a discount of approximately 16.85% to the theoretical ex-rights price of Omesti Shares based on the 5D-VWAP of Omesti Shares up to and including 2 June 2020, being the last trading day prior to the price-fixing date of 3 June 2020, of RM0.6013.

Our Board is of the opinion that:

- (a) The pricing of the issue price of the RPS is fair and reasonable after taking into consideration the dividend rate represented by the issue price of the RPS being reasonably attractive to encourage the Entitled Shareholders to subscribe for their respective entitlements under the Rights Issue of RPS with Warrants. The pricing of the issue price of the RPS together with the total number of RPS to be issued pursuant to the Rights Issue of RPS with Warrants is sufficient to meet our Group's funding requirements as set out in Section 4.1 of this Abridged Prospectus; and
- (b) The pricing for the Warrants Exercise Price is fair and reasonable after taking into consideration that the Warrants will be issued at no cost to the Entitled Shareholders.

2.3 Ranking of the RPS and the new Omesti Shares to be issued arising from the exercise of the Warrants

The RPS shall rank equally without any preference or priority amongst 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 Omesti.

The new Omesti Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank equally in all respects with the then existing Omesti Shares except that the holders shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of our Company prior to the relevant date of allotment and issuance of the new Omesti Shares arising from the exercise of the Warrants.

2.4 Salient terms of the RPS

The salient terms of the RPS are as follows:

- Issuer : Omesti
- Issue size : Up to 119,775,812 RPS
- Issue price of RPS : RM1.00 per RPS
- Form and denomination : The RPS will be constituted by our Company's Constitution and will be 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 of RM1.00 per RPS, subject to the provisions of the Act. No dividend shall be paid on the ordinary shares of Omesti 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 pro-rated from the date of issuance of the RPS. The last dividend payment shall be made on the Maturity Date
- Tenure : 5 years commencing from and inclusive of the date of issuance of the 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 Omesti 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 ("Maturity Date")
- 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 : RPS are not convertible into new Omesti Shares
- Redemption : Subject to the provisions of the Act, our Company may at its option and discretion redeem any of the RPS on a pro-rata basis at 100% of RM1.00 per RPS at any time during the tenure of the RPS up to the Maturity Date by giving not less than 7 business days' notice of its intention to do so
- Any outstanding RPS as at the 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 RM1.00 per RPS

- 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 RPS up to the Maturity Date, subject to not less than 7 business days' notice in writing being given
- Ranking of the RPS : The RPS shall rank equally 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 Omesti. 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 dividends that has been declared and remaining in arrears) of up to 100% of RM1.00 per RPS provided that there shall be no further right to participate in any surplus capital or surplus profits of Omesti
 - (b) In the event that Omesti has insufficient assets to permit payment of the full RPS to the RPS holder, the assets of Omesti shall be distributed rateably to the RPS holder 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 with regards to receiving notices, reports and audited accounts 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 the Omesti Group's 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 Omesti; 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 of RPS holders : 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

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 : Laws of Malaysia

2.5 Salient terms of the Warrants

The salient terms of the Warrants are as follows:

Issuer : Omesti

Issue size : Up to 279,476,894 Warrants to be issued pursuant to the Rights Issue of RPS with Warrants

Form and detachability : The Warrants will be issued in registered form and constituted by a Deed Poll. The Warrants which are to be issued pursuant to the Rights Issue of RPS with Warrants will be immediately detachable from the RPS upon allotment and issuance and will be traded separately on Bursa Securities

Exercise Period : The Warrants may be exercised at any time during the tenure of 5 years commencing from and including the date of issue of the Warrants until 5.00 p.m. (Malaysia time) on the expiry date. If such date is not a Market Day, then it shall be the next Market Day immediately after the said non Market Day ("Exercise Period").

The rights attached to the Warrants which are not exercised during the Exercise Period will thereafter lapse

- Warrants Exercise Price : The Warrants Exercise Price is fixed at RM0.50 per Warrant. The Warrants Exercise Price and/or the number of Warrants in issue during the Exercise Period shall however be subject to adjustments in accordance with the terms and provisions of the Deed Poll during the Exercise Period
- Exercise rights : Each Warrant shall entitle its registered holder to subscribe for 1 new Share at any time during the Exercise Period at the Warrants Exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll
- Mode of exercise : The holders of the Warrants are required to lodge a subscription form with our Company's registrar, duly completed, signed and stamped together with payment by way of banker's draft or cashier's order drawn on a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia for the aggregate of the Warrants Exercise Price payable when exercising their Warrants to subscribe for new Shares. The payment of such fee must be made in Ringgit Malaysia
- Adjustments to the Warrants Exercise Price and/or number of Warrants : The Warrants Exercise Price and/or the number of unexercised Warrants held by each Warrant holder may from time to time be adjusted in the event of any alteration to the share capital of our Company in accordance with the provisions as set out in the Deed Poll
- Rights in the event of winding up, liquidation or an event of default : (a) If a resolution is passed for a members' voluntary winding-up of our Company, or where 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 for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the registered Warrant holders (or some other persons designated by them for such purpose by special resolution) shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the registered Warrant holders; and
- (b) In any other cases, every Warrant holder shall be entitled to exercise his/her Warrants 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 (as the case may be), whereupon our Company shall allot the relevant new Omesti Shares to such Warrant holder credited as fully paid subject to the prevailing laws, and such Warrant holder shall be entitled to receive out of the assets of our Company which would be available in liquidation if he/she had on such date been the holder of the new Omesti Shares to which

he/she 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 above 6 weeks, all subscription rights of the Warrants shall lapse and cease to be valid for any purpose

- Rights of the Warrant holders : The Warrants do not confer on their holders any voting rights or any right to participate in any form of distribution and/or offer of further securities in our Company until and unless such holders of Warrants exercise their Warrants for new Omesti Shares in accordance with the provisions of the Deed Poll and such new Omesti Shares have been allotted and issued to such holders
- Modification of rights of the Warrant holders : Save as expressly provided in the Deed Poll, no amendment or addition may be made to the provisions of the Deed Poll without the sanction of a special resolution of the Warrant holders unless the amendments or additions are required to correct any typographical errors or relate purely to administrative matters or are required to comply with any provisions of the prevailing laws or regulations of Malaysia or in the opinion of our Company, will not be materially prejudicial to the interests of the Warrant holders
- Ranking of the new Shares to be issued pursuant to the exercise of the Warrants : The new Shares to be issued pursuant to the exercise of the Warrants in accordance with the provisions of the Deed Poll shall, upon allotment, issuance and full payment of the Warrants Exercise Price, rank equally in all respects with the then existing issued Omesti Shares, save and except that they will not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of our Company, prior to the date of allotment and issuance of the new Omesti Shares to be issued arising from the exercise of the Warrants
- Listing : The Warrants will be listed on the Main Market of Bursa Securities
- Deed Poll : The Warrants shall be constituted by the Deed Poll
- Governing law : The Warrants and the Deed Poll shall be governed by the laws of Malaysia

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2.6 Undertakings and underwriting arrangements

Our Board intends to raise a minimum of RM150.0 million from the Rights Issue of RPS with Warrants to meet the funding requirements of our Group as set out in Section 4.1 of this Abridged Prospectus.

To meet the Minimum Subscription Level, our Company has procured Undertakings from the Undertaking Shareholders under the Rights Issue of RPS with Warrants as follows:

Undertaking Shareholders	Shareholdings as at the LPD		Undertakings to subscribe for their rights entitlements			Undertakings to subscribe for excess RPS			Total to be subscribed pursuant to the Undertakings		
	No. of Shares ('000)	% [^]	No. of RPS ('000)	No. of Warrants ('000)	%*	No. of RPS ('000)	No. of Warrants ('000)	%*	No. of RPS ('000)	No. of Warrants ('000)	%*
Dato' Mah Siew Kwok	95,630	17.97	19,125	44,625	15.97	587	1,370	0.49	19,712	45,995	16.46
H2O Holdings Sdn Bhd	67,467	12.68	13,493	31,484	11.27	414	967	0.35	13,908	32,451	11.61
Monteiro Gerard Clair	29,836	5.61	5,460	12,740	4.56	168	392	0.14	5,628	13,132	4.70
Insas Plaza Sdn Bhd	17,500	3.29	3,500	8,167	2.92	1,436	3,351	1.20	4,936	11,518	4.12
Gryphon Asset Management Sdn Bhd	19,580	3.68	3,916	9,137	3.27	-	-	-	3,916	9,137	3.27
Montego Assets Limited	7,700	1.45	1,200	2,800	1.00	-	-	-	1,200	2,800	1.00
Winfields Development Pte Ltd	3,500	0.66	700	1,633	0.58	-	-	-	700	1,633	0.58
	241,213	45.34	47,394	110,586	39.57	2,605	6,080	2.18	50,000	116,666	41.74

Notes:

[^] % shareholdings calculated based on 532,206,835 issued Shares.

* Computed based on up to 119,775,812 RPS and up to 279,476,894 Warrants to be issued pursuant to the Rights Issue of RPS with Warrants.

M&A Securities is a company related to Insas Plaza Sdn Bhd, Gryphon Asset Management Sdn Bhd, Montego Assets Limited and Winfields Development Pte Ltd, which are subsidiaries/associated company of Insas Berhad.

M&A Securities is a stockbroking firm licensed to undertake the provision of corporate finance services and is the Principal Adviser for the Rights Issue of RPS with Warrants in its ordinary course of business. M&A Securities is of the view that the relationship above does not give rise to a situation of conflict of interest in M&A Securities' role as the Principal Adviser. Further details of the relationship and our view that the relationship does not give rise to a situation of conflict are set out in Section 8.1 of Appendix I of this Abridged Prospectus.

Pursuant to the Undertakings, the Undertaking Shareholders have confirmed that he/she/it has sufficient financial means and resources to subscribe in full for his/her/its entitlement and additional RPS not taken up by other Entitled Shareholder by way of excess RPS applications (if applicable), to the extent such that the aggregate subscription proceeds received by our Company arising from the subscription by all Entitled Shareholders including the Undertaking Shareholders and/or their renouncee(s) amounts to not less than RM50.0 million. Such confirmation has been verified by M&A Securities.

The Undertaking Shareholders have confirmed that the Undertakings will not give rise to any mandatory take-over offer obligation pursuant to the Code and the Rules immediately after the completion of the Rights Issue of RPS with Warrants.

The Undertaking Shareholders have also confirmed that they will at all times observe and ensure compliance with the provisions of the Code and the Rules and will seek from the SC the necessary exemptions from undertaking such mandatory take-over offer, if required.

In view of the Undertakings, underwriting arrangements will not be required for the Rights Issue of RPS with Warrants.

3. RATIONALE FOR THE RIGHTS ISSUE OF RPS WITH WARRANTS

After due consideration of the various options available such as bank borrowings and private placement as well as the capital structure of Omesti, our Board is of the opinion that the Rights Issue of RPS with Warrants is the most suitable means of fund raising for our Company as compared to other options available, for the following reasons:

- (i) It enables our Company to raise proceeds to be used in the manner set out in Section 4.1 of this Abridged Prospectus;
- (ii) The Rights Issue of RPS with Warrants will further strengthen our Company's capital base and at the same time, improve its gearing level following the reduction in the borrowings of the Omesti Group arising from utilisation of part of the proceeds of the Rights Issue of RPS with Warrants;
- (iii) Compared to other forms of equity offerings, the Rights Issue of RPS with Warrants will also minimise the immediate dilution effect on the earnings per share of our Company which would otherwise arise from the issuance of ordinary shares; and
- (iv) The Warrants attached to the RPS are intended to provide an added incentive to the Entitled Shareholders to subscribe for the RPS. In addition, the Warrants will provide the Entitled Shareholders with an opportunity to increase their equity participation in our Company at a pre-determined exercise price during the tenure of the Warrants and will allow the Entitled Shareholders to further participate in the future growth of our Company as and when the Warrants are exercised.

The exercise of the Warrants in the future will allow our Company to obtain additional funds without incurring additional interest expenses from borrowings. Furthermore, should our Company increase its borrowings in the future, the exercise of Warrants will increase shareholders' funds and lower our Company's gearing, thereby providing our Company with flexibility in terms of the options available to meet its funding requirements.

4. UTILISATION OF PROCEEDS

4.1 Proceeds raised from the Rights Issue of RPS with Warrants

The gross proceeds to be raised from the Rights Issue of RPS with Warrants will be utilised in the following manner:

Details	Maximum Scenario RM	%	Minimum Scenario RM	%	Expected timeframe for utilisation from receipt of proceeds
Funding for the TM Project ⁽¹⁾	56,580,000	47.24	49,040,000	98.08	Within 6 months
Repayment of borrowings ⁽²⁾	44,400,000	37.07	-	-	Within 6 months
Working capital ⁽³⁾	17,835,812	14.89	-	-	Within 12 months
Estimated expenses for the Rights Issue of RPS with Warrants ⁽⁴⁾	960,000	0.80	960,000	1.92	Within 1 month
	119,775,812	100.00	50,000,000	100.00	

Notes:

- ⁽¹⁾ On 9 April 2020, our Company received a Letter of Award ("LOA") from TM for the design, development, customisation, configuration, delivery, installation, integration, conversion, migration, testing, commissioning and training for the new TM BSS. Subsequently, on 24 July 2020, our Company and TM entered into a definitive agreement for the TM Project.

The TM Project is intended to replace TM's existing customer management, product catalogue, order management and billing systems with an up-to-date system aimed at enhancing and improving TM's business operations and support.

The TM Project comprises 2 stages:

- (i) Stage 1: Design, development, customisation, configuration, delivery, installation, integration, conversion, migration, testing, commissioning and training for the new BSS**

For the development of the BSS platform, our Company shall acquire a software licence from Huawei Technologies Malaysia Sdn Bhd to implement TM's BSS.

The implementation of Phase 1 of the BSS (under Stage 1) shall be fully led by Omesti which shall include project management, design, development, installation, integration, data migration and testing of the BSS. Thereafter, the implementation of Phases 2 and 3 of the BSS (under Stage 1) shall be led by TM and supported by Omesti on the design, testing and data migration of

the BSS. Omesti will issue invoices to TM for services performed during implementation based on implementation milestones agreed with TM.

After the completion of Phase 1 of the BSS and acceptance by TM thereof the TM Project is to be billed under an Operational Expenditure (OPEX) business model where the amount to be charged by Omesti to TM shall be based on the number of active subscribers over the contractual period (beginning from June 2020 for a period of 2 years).

In addition to the above, Omesti shall also contract Huawei Technologies Malaysia Sdn Bhd to conduct trainings for the employees of TM throughout the duration of the TM Project.

The various modules under the TM Project shall be implemented progressively by Omesti and TM respectively commencing from April 2020 up to April 2022. The BSS shall be fully implemented by April 2022.

The implementation timeline and milestones are set out below:

No.	Description	Implementation timeline	Implementation led by
(i)	Initial planning for module rollout and user training	July 2020* to March 2021	Omesti
(ii)	Implementation of:		
	(a) Consumer fixed mobile convergence (Phase 1A)	June 2020* to March 2021	Omesti
	(b) Consumer mobile (prepaid and postpaid) module (Phase 1B)	October 2020 to August 2021	Omesti
(iii)	Consumer Unifi module (Phase 2)	March 2021 to February 2022	TM
(iv)	TM ONE module (Phase 3A)	January 2021 to December 2021	TM
(v)	TM wholesale and global customer module (Phase 3B)	May 2021 to April 2022	TM

Note:

* Our Company has commenced the implementation of these modules upon the signing of LOA.

(ii) Stage 2: Renewal of application software subscription

The term of the contractual period for the BSS shall commence from June 2020 for a period of 2 years. Thereafter, the subscription of the BSS may be renewed, subject to TM management's approval for a term of 3 years.

BSS platforms for the telecommunications industry generally have a lifespan of 10 to 15 years. Although Omesti has to fund the cost of acquiring the licences and the

development of the BSS platform, our management is confident that this business model will allow our Group to benefit from recurring income for future financial years.

The total project implementation cost of the TM Project which includes software licence acquisition costs, software training fees and other project implementation costs, is estimated at RM121.66 million. The project implementation cost shall be funded via proceeds from the Rights Issue of RPS with Warrants and internally generated funds/bank borrowings as follows:

Details	Maximum Scenario RM'000	Minimum Scenario RM'000
Total implementation cost for the TM project	121,657	121,657
Funded via:		
(i) Proceeds from the Rights Issue of RPS with Warrants ^(a)	56,580	49,040
(ii) Internally generated funds/ bank borrowings ^(b)	65,077	72,617

Notes:

(a) The breakdown of the utilisation proceeds are as follows:

Details	Maximum Scenario RM'000	Minimum Scenario RM'000
Software licence acquisition cost	33,770	33,770
Software training fee	9,489	9,489
Other project implementation cost	13,321	5,781
	56,580	49,040

(b) The remaining project implementation costs amounting to RM65.08 million under the Maximum Scenario and RM72.62 million under the Minimum Scenario are expected to be spent over the project implementation duration of approximately 2 years until April 2022 and shall be funded via internally generated funds or bank borrowings, of which the proportion has not been determined at this juncture.

(2) Our Company proposes to utilise up to RM44,400,000 under the Maximum Scenario for the repayment of its outstanding borrowings.

Based on the effective interest rate of approximately 10.70% per annum, our Company is expected to generate annual interest savings of approximately RM4.75 million per annum under the Maximum Scenario.

Under the Minimum Scenario, the outstanding borrowings shall be repaid as and when it is due and via internally generated funds.

The total bank borrowings of our Group are RM76,445,010 as at the LPD and the repayment details are set out below:

Name of bank	Type of facility/ Tenure/ Maturity	Interest rate	Purpose of borrowing	Outstanding amount as at LPD RM'000	Repayment amount under the Maximum Scenario ⁽³⁾ RM'000
OSK Capital Sdn Bhd	Term loan / Payable by May 2021	10.00%	To finance the working capital ⁽²⁾ of our Group	13,110	-
Insas Leasing Bhd ⁽¹⁾	Term loan / Payable by June 2021	12.00%	To finance the working capital ⁽²⁾ of our Group	33,607	33,607
Aminvestment Bank Berhad	Share margin financing / Not applicable	4.75%	To finance the acquisition of quoted shares and working capital ⁽²⁾ of our Group	8,936	-
AmBank Berhad	Trust receipt / within 3 months from the date of drawdown, payable by May 2021	6.45% to 6.95%	To finance the working capital ⁽²⁾ of our Group	12,565	8,290
Standard Chartered Bank Berhad	Trust receipt / within 3 months from the date of drawdown, payable by May 2021	3.65%	To finance the working capital ⁽²⁾ of our Group	1,870	1,870
RHB Berhad	Bank Term loan / 60 months from January 2021 to January 2026	5.45%	To finance the working capital ⁽²⁾ of our Group	5,724	-
OCBC Bank (M) Berhad	Trust receipt / within 3 months from the date of drawdown, payable by May 2021	7.01%	To finance the working capital ⁽²⁾ of our Group	633	633
Total				76,445	44,400

Notes:

- (1) Insas Credit Leasing Sdn Bhd is a company related to M&A Securities. Insas Credit Leasing Sdn Bhd is a wholly-owned subsidiary of Insas Berhad. Insas Plaza Sdn Bhd, Gryphon Asset Management Sdn Bhd, Montego Assets Limited and Winfields Development Pte Ltd, which are subsidiaries/associated company of Insas Berhad are also the Undertaking Shareholders. There is no conflict of interest between Omesti Group and these subsidiaries/associated company of Insas Berhad. Kindly refer to Section 8.1 of Appendix I.

Our Board has reviewed the terms and conditions of the term loan provided by Insas Credit Leasing Sdn Bhd and is of the opinion that the terms and conditions are at arm's length.

- (2) Working capital to finance our Group's day-to-day operations, including staff salaries and remuneration, marketing expenses and utilities.
- (3) Amount payable to Insas Credit Leasing Sdn Bhd amounting to RM33.61 million shall be paid first, to be followed by trust receipt from AmBank Berhad amounting to RM8.29 million and then trust receipt from Standard Chartered Bank amounting to RM1.87 million.

The rationale of paying the selected borrowings in the abovementioned order of priority is based on our management's internal assessment after taking into consideration the applicable interest rates and the working capital needs of our Group.

The repayment of these borrowings will not result in any early settlement fees. Under the Maximum Scenario, upon the repayment of the borrowings amounting to RM44.40 million, the gearing ratio as at FPE 31 December 2020 of the Group shall improve from 0.37 times to 0.17 times.

- (3) Our Company proposes to utilise up to RM17.84 million under the Maximum Scenario to finance the working capital requirements of our Group. A breakdown of the utilisation is as follows:

Description	Maximum Scenario RM'000
(i) Hiring of personnel for TM Project ^(a)	14,396
(ii) Capital expenditure and operating expense for the erection of 17 telecommunication towers ^(b)	3,440
	<u>17,836</u>

Notes:

- (a) Involves the hiring of at least 40 additional personnel (comprising 3 project managers, 10 system analysts, 20 programmers and 7 quality assurance staff) to complement the existing personnel for the implementation of the TM project. We hired 10 personnel (comprising 3 project managers and 7 system analysts) during the fourth quarter of 2020. The remaining personnel (comprising 3 system analysts, 20 programmers and 7 quality assurance staff) are expected to be hired by end of 2021.
- (b) In January 2020, Ohana Communications Sdn Bhd, an indirect wholly-owned subsidiary of our Company has been awarded 17 sites (Negeri Sembilan - 15 sites, Perlis - 1 site and Penang - 1 site) by the Railway Asset Corporation via

a leasing program to construct telecommunication infrastructures (17 towers in total with 1 telecommunication tower in each site).

Ohana Communications Sdn Bhd has the requisite Network Facilities Provider licence which allows the company to lease these constructed telecommunication towers to telecommunication companies for their coverage requirements. The Railway Asset Corporation has allowed Ohana Communications Sdn Bhd to lease these constructed telecommunication towers to telecommunication companies from 1 October 2020 to 30 September 2023. Notwithstanding the expiry of lease on 30 September 2023, the ownership of the constructed telecommunication towers belongs to Ohana Communications Sdn Bhd. Subsequent to 30 September 2023, Ohana Communications Sdn Bhd intends to request for an extension of a lease for up to 7 years, which is a common practice for such contracts. In the event that the lease extension is not obtained, Ohana Communications Sdn Bhd shall remove the constructed telecommunication towers and reconstruct it at other sites.

Ohana Communications Sdn Bhd estimates an annual revenue of RM84,000 per leased telecommunication tower; while the lease to be paid to the Railway Asset Corporation is RM21,600 annually per site.

The project implementation cost for the erection and operating expense of these telecommunication towers is as follows:

Description	RM'000
Capital expenditure	1,530
Operating expenses	6,997
	<u>8,527</u>

Up to RM3.44 million shall be allocated to fund the erection and operating expense of these telecommunication towers; while the remaining RM5.09 million shall be funded via internally generated funds and/or borrowings, of which the proportion has not been determined at this juncture.

As at the LPD, Ohana Communications Sdn Bhd has yet to commence the construction of these telecommunication towers. Construction of the telecommunication towers shall commence upon the receipt of the relevant approvals from the local authorities which are expected to be obtained progressively as we implement the construction works.

As at the LPD, Ohana Communications Sdn Bhd has applied for the approvals from the Majlis Daerah Rembau and Majlis Bandaraya Seremban for the construction of telecommunication towers in these districts. The applications for these 2 districts are being processed and Ohana Communications Sdn Bhd is constantly following up with the respective local authorities on the status of approval. As at the LPD, Ohana Communications Sdn Bhd is unable to ascertain when such approval shall be forthcoming from the respective local councils. The applications for the local authorities in other districts shall be submitted when construction is set to commence in the remaining sites. The entire project is targeted to be completed by June 2022.

Under the Minimum Scenario, the abovementioned working capital requirements shall be funded via internally generated funds and/or borrowings, of which the proportion has not been determined at this juncture.

- (4) The breakdown of the estimated expenses of RM0.96 million for the Proposals is as follows:

Description	RM'000
Professional fees*	567
Fees to be paid to the relevant authorities	112
Printing, despatch and advertising charges	200
Miscellaneous charges	81
	960

Note:

- * Comprises estimated professional fees payable to the Principal Adviser, company secretary, Share Registrar, solicitors, reporting accountants and IMR in relation to the Proposals.

If the actual expenses incurred pursuant to the Rights Issue of RPS with Warrants are higher than the amount budgeted, the deficit will be funded via internally generated funds. Conversely, if the actual expenses are lower than the amount budgeted, the excess will be utilised for working capital of our Group.

In the event the actual proceeds raised are more than RM50.00 million, the additional proceeds shall firstly be utilised to fund the implementation cost of the TM Project, secondly for the repayment of bank borrowings and any remaining amount shall be utilised for working capital purposes.

Pending utilisation of the proceeds from the Rights Issue of RPS with Warrants for the above purpose, the proceeds will be placed in deposits with financial institutions or short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of our Group.

4.2 Proceeds from exercise of Warrants

Based on the Warrants Exercise Price of RM0.50 each, the exercise of the Warrants will raise up to RM58.33 million under the Minimum Scenario and RM139.74 million under the Maximum Scenario.

Any proceeds arising from the exercise of the Warrants in the future shall be utilised for the working capital of our Group, which includes but is not limited to salaries, rental, materials, transportation and other operational expenses, the breakdown of which has yet to be determined. The exact details of the utilisation of such proceeds, including the breakdown of the utilisation have not been determined.

5. RISK FACTORS

In addition to other information contained in this Abridged Prospectus, you should carefully consider the following risk factors before subscribing for or investing in the Rights Issue of RPS with Warrants:

5.1 Risks relating to our business

(i) Dependence on key management and qualified personnel

Our Group believes that our continued success will depend significantly on the abilities and continued efforts of our Directors and senior management. With our

Group's human resources strategies to retain competent personnel such as encouraging participative management, providing competitive and performance-based remuneration, adopting succession planning for key positions and providing employees with a variety of on-going training programmes to upgrade their knowledge and capabilities, our management has expanded and strengthened over the years. Our Group is thus confident that it would not face difficulties when younger members of our management team eventually take over from their seniors in the future.

Our Group is also dependent on qualified IT technical personnel, including project managers, system analysts, programmers and quality assurance staff as they are key employees in our project delivery teams. Our Group makes every effort to recruit and retain skilled personnel to ensure the continued growth of our Group. However, the loss of key members of the senior management team or qualified IT personnel could adversely affect our Group's ability to compete in the industry.

(ii) Impact of COVID-19 on our Group's business and operations

Over the last financial quarters, the COVID-19 pandemic has spread across the world resulting in lockdown or similar measures imposed by governments worldwide to curb the spread of the virus. These have resulted in adverse impact to the performance of the world's economies including Malaysia. Even with the gradual relaxation of lockdown measures, consumer sentiment is expected to remain dampened in the near future as consumers stay cautious in their spending. With the recent resurgence of COVID-19 infections across the world, the dampening effects of the COVID-19 pandemic on consumer spending is expected to remain prevalent in the foreseeable future.

Our Group was able to operate with minimal disruptions during the movement control orders ("MCO"), including the MCO currently in effect as at the LPD. We were able to operate as we have obtained the necessary approvals from the relevant authorities. In addition, the majority of our employees are able to carry out their work at home.

While our Group has experienced 2 separate COVID-19 cases, this did not result in any material impact on our Group's operations. To prevent the further spread of COVID-19 virus, our Group immediately shut down the affected office floors for disinfection and sanitisation works. Employees who had close contact with the employees who tested positive for COVID-19 were required to undergo swab testing. Other employees on the same office floor who did not have close contact with the employees who tested positive for COVID-19 were required to self-quarantine. Our Group incurred RM6,500 for swab testing of employees following these incidences of COVID-19 at our office premise.

As such, there is no other impact to our cash flows, liquidity, financial position and financial performance. However, there is no assurance that the COVID-19 outbreak and/or lockdown or similar measures will not have a material adverse impact on the industry in which our Group operates.

(iii) Delays or inability to complete projects on a timely basis

Our revenue is recognised based on percentage of completion and billing is based on approved monthly progress claims. Thus, any postponement in projects may influence our resource allocation for the execution of subsequent projects and delay our revenue collection.

Ohana Communications Sdn Bhd has been awarded 17 sites (Negeri Sembilan - 15 sites, Perlis - 1 site and Penang - 1 site) by the Railway Asset Corporation via a leasing program to construct 17 telecommunication towers. The entire project is targeted to be completed by June 2022. As at the LPD, Ohana Communications Sdn

Bhd has yet to commence the construction of any telecommunication towers as it has yet to receive approvals from Majlis Daerah Rembau and Majlis Bandaraya Seremban. In the event Ohana Communications Sdn Bhd is unable to receive approval from Majlis Daerah Rembau and Majlis Bandaraya Seremban as well as other applicable local authorities, Ohana Communications Sdn Bhd will be unable to commence construction works, thereby exposing our Group to the risk of construction delay or inability to complete this project by June 2022.

In addition, any form of delay in a project will therefore affect our billings, revenue, operational cash flows and financial performance. We may also be required to pay our suppliers regardless of such delay if the purchase orders have been fulfilled, thereby affecting our operational cash flows. The delay in projects can be due to various factors, including but not limited to, a shortage of manpower, a shortage of materials from our suppliers, suspension of business following COVID-19 and economic turndown. We are liable to pay our contracting parties for the liquidated damages stipulated in our contracts and our reputation, financial performance and operational cash flows could be materially affected. Nonetheless, as at the LPD, our Group has not experienced any delays or inability to complete our projects within the stipulated timeline.

(iv) Risk of impairment

During the past FYE 31 December 2018 ("FYE 2018"), FYE 31 December 2019 ("FYE 2019") and FYE 31 December 2020 ("FYE 2020"), we have recorded impairment losses as follows:

- (a) FYE 2018 - impairment loss on trade receivables (RM8.71 million), software development costs (RM39.69 million), on other investments and associate (RM28.32 million) and goodwill, stocks and work-in-progress (RM24.49 million);
- (b) FYE 2019 - impairment loss on trade receivables (RM6.44 million); and
- (c) FYE 2020 - impairment loss on trade receivables (RM2.80 million).

This is in accordance to the accounting standards. We may continue to record impairment loss in future financial years.

We will seek to mitigate impairment losses on trade receivables by closely monitoring collection from our customers in order to ensure that trade receivables are collected in a timely manner. For the financial period year ending FYE 2021, we have yet to record any impairment loss on trade receivables.

5.2 Risks relating to our industry

(i) Dependency on investments from fixed and mobile service providers

Within the telecommunications industry, the demand for BSS correlates with the capital expenditure of fixed and mobile service providers on support systems to cope with greater network coverage as well as increasing network capacity to accommodate both ongoing growth in subscriber base and data usage. Thus, our Group is dependent on investments from fixed and mobile service providers. Save for TM, we are not dependent on any single mobile service provider.

The capital expenditure of fixed service and mobile service telecommunication industry players, which includes expenditure on telecommunication facilities and network infrastructure, as well as support services grew from RM6.8 billion in 2014 to RM7.4 billion in 2018 at a compound annual growth rate of 2.1%. In 2019, the capital

expenditure of fixed service and mobile service telecommunication industry players dropped to RM4.6 billion, from the RM7.4 billion incurred in 2018.

Investments in BSS are in part affected by economic conditions, connectivity growth and consumer spending on telecommunication services, all of which are beyond our control. A reduction in new projects available in the market will result in more intense competition in tenders among the industry players as we may face increased competition, along with the need to be more aggressive in our pricing strategy. This will adversely affect our business, financial performance and prospects.

Our Group is also dependent on Huawei Technologies for its role in the TM Project. Nonetheless, as Huawei Technologies' authorised system integration partner, our Group is able to market the Huawei Technologies' BSS, cloud and Internet of Things (IoT) solutions to other fixed and mobile service providers, thereby enabling us to increase our revenue streams in the future.

(ii) Competition from industry players

Our industry is competitive in terms of technology, range and quality of services and timeliness of project delivery. Some of our competitors may be equipped with better resources and technical expertise allowing them to offer a more comprehensive range of solutions or specialised solutions in comparison to us. Industry players may resort to price competition or other competitive practices to capture or retain market share and hence will be willing to take on projects with lower profit margin. There is no assurance that we can or will remain competitive among our existing or new competitors in light of changing customer preferences and competitive business environment. Additionally, consolidation of small market players within the BSS industry would also result in a competitive environment. Our failure to remain competent may have a material adverse impact on our business operations and financial performance.

(iii) Political, economic and regulatory considerations

The nature of our business is subject to prevailing political, economic and regulatory circumstances in Malaysia. Adverse political and economic conditions or developments, vulnerabilities and volatility of emerging market economies and currencies and severe fluctuation in interest rates, can affect investors' confidence in the financial and stock markets which, in turn, may have a material adverse impact on our Group's financial performance. As a result of globalisation, economic or market instability in a single country or region are increasingly affecting other markets in general. A continuation of these situations could adversely affect global economic conditions and world markets, and in turn, could cause a "chain reaction" effect and thus may adversely affect our Group's business and financial performance.

5.3 Risks relating to the Rights Issue of RPS with Warrants

(i) Capital market risks for the RPS and the Warrants

The market price of our Shares is influenced by, amongst others, the prevailing market sentiments, volatility of the equity markets movements in interest rates and the outlook of the industry in which our Company operates in. In view of this, there can be no assurance that our Shares will trade above the issue price of the RPS upon or subsequent to the listing of and quotation of the RPS in the Main Market of Bursa Securities.

The value of the Warrants depends on various factors, primarily the market price of our Shares, exercise price for the Warrants, remaining tenure of the Warrants, volatility of our share price and the perceived risk-free rates applicable in the relevant

market. In view of this, there can be no assurance that the Warrants will be 'in-the-money' during the tenure of the Warrants. There can also be no assurance that an active market for the Warrants will develop upon or subsequent to the listing of the Warrants on the Main Market of Bursa Securities or if developed, that such market can be sustained.

Furthermore, you are reminded that should the outstanding Warrants expire at the end of its tenure, it will cease thereafter to be valid for any other purposes and hence, will no longer have any value.

(ii) Failure or delay in the completion of the Rights Issue of RPS with Warrants

The Rights Issue of RPS with Warrants is exposed to the risk that it may be terminated or delayed in the event of a material adverse change of events or circumstances (such as force majeure events including without limitation, acts of government, natural disasters including without limitation the occurrence of a tsunami and/or earthquakes, acts of terrorism, strikes, national disorder, declaration of a state of war or accidents, or any change in law, regulation, policy or ruling), which is beyond the control of our Group and the Principal Adviser, arising prior to the completion of the Rights Issue of RPS with Warrants.

In this respect, pursuant to Section 243 of the CMSA, in the event the Rights Issue of RPS with Warrants is aborted, all monies raised in the Rights Issue of RPS with Warrants which are held in a trust account for our Company will be refunded free of interest within 14 days to the Entitled Shareholders. Monies not paid within 14 days will be returned with interest at the rate of 10% per annum or at such other rates as may be prescribed by the SC.

In the event the Rights Issue of RPS with Warrants is aborted/terminated, and the RPS have been allotted to the Entitled Shareholders, a return of monies to all holders of RPS could only be achieved by way of cancellation of the share capital as provided under the Act and its related rules. Such cancellation requires the sanction of our shareholders by special resolution in a general meeting, consent of our Company's creditors (where applicable) and either the confirmation of the High Court of Malaya or a solvency statement by our Board. There can be no assurance that such monies can be returned within a short period of time or at all in such circumstances.

(iii) Forward-looking statements

Certain statements in this Abridged Prospectus are based on historical information, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on forecasts and assumptions made by our Company and although believed to be reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, among others, the risk factors as set out in this section. In light of these and other uncertainties, the inclusion of forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

6. INDUSTRY OVERVIEW AND PROSPECTS

The following industry overview and prospects are an extract from the IMR Report. The profile of the IMR is as follows:

Profile of Providence

Providence is an independent research and consulting firm based in Petaling Jaya, Selangor, Malaysia. Since their inception in 2017, Providence has been involved in the preparation of independent market research reports for capital market exercises. Providence's reports aim to provide an independent assessment of industry dynamics, encompassing aspects such as industry performance, demand and supply conditions and competitive landscape.

Profile of IMR Report signee, Elizabeth Dhoss

Elizabeth Dhoss is the Executive Director of Providence. She has more than 10 years of experience in market research for capital market exercises. She holds a Bachelor of Business Administration from University of Malaya.

6.1 Overview and outlook of the global economy

The global economy continued to recover in the fourth quarter of 2020, buoyed by improvements in trade activity and domestic demand conditions. The overall pick-up in production activity led to broad-based improvements in labour market conditions, and consequently private sector expenditure. However, in the Euro area, the pace of recovery slowed as COVID-19 resurgences necessitated further re-tightening of containment measures.

The United States of America's economy contracted at a slower pace of 2.5% (3Q 2020: -2.8%), driven by a rebound in private investment and improvement in private consumption.

Meanwhile, growth in the Euro area registered a larger contraction of 5.1% (3Q 2020: -4.3%) as containment measures weighed on the services sector.

The People's Republic of China recorded positive growth of 6.5% in the fourth quarter of 2020 (3Q 2020: 4.9%), thus realising a full recovery back to pre-pandemic growth levels. Firm control over the epidemic lifted sentiments and facilitated a broad-based recovery across consumption, investment and net exports. These were further supported by the start of its vaccination programme.

Building on the rebound in exports in the third quarter, the region benefitted from a continued improvement in exports in the fourth quarter of 2020. Strong domestic and external activity in the People's Republic of China anchored the recovery of the region's value chains, as all major regional economies with the exception of Singapore, recorded an improvement in exports.

Financial market volatility remained elevated in the fourth quarter of 2020 (average: 25.6; 3Q 2020 average: 25.9; 2Q 2020 average: 34.5). Market conditions were particularly volatile in November, as positive news relating to the rollout of COVID-19 vaccines during the month, was accompanied by resurgences of COVID-19 and a re-tightening of containment measures in major advanced economies such as the United States of America, United Kingdom and several Euro area Member States.

Brent crude oil prices improved to an average of United States Dollar (USD) 45 per barrel during the quarter (3Q 2020 average: USD43 per barrel), driven mainly by higher global oil demand and positive sentiments surrounding the COVID-19 vaccine rollout. The ongoing

Organization of the Petroleum Exporting Countries Plus (OPEC+) production cuts since May 2020 also continued to provide support to crude oil prices.

(Source: Economic and Financial Developments in the Malaysian Economy in the Fourth Quarter of 2020, Bank Negara Malaysia)

6.2 Overview and outlook of the Malaysian economy

The Malaysian economy recorded a negative growth of 3.4% in the fourth quarter (3Q 2020: -2.6%), largely attributable to the imposition of the Conditional Movement Control Order ("CMCO") on a number of states since mid-October. The restrictions on mobility, especially on inter-district and inter-state travel, weighed on economic activity. Nevertheless, the continued improvement in external demand provided support to growth. Consequently, except for manufacturing, all economic sectors continued to record negative growth. On the expenditure side, moderating private consumption and public investment activities weighed on domestic demand. On a quarter-on-quarter seasonally-adjusted basis, the economy registered a decline of 0.3% (3Q 2020: +18.2%).

In terms of sectoral performance, all economic sectors, except manufacturing, registered negative growth in the fourth quarter.

The services sector registered a larger contraction of 4.9% in the fourth quarter of 2020 (3Q 2020: -4.0%), as tighter restrictions on mobility and stricter standard operating procedures (SOPs) affected domestic-oriented activities. The restrictions (e.g. shorter operating hours) and weak sentiments adversely impacted spending, particularly on recreational activity and non-essential retail goods, which in turn weighed on activity in the wholesale and retail trade subsector. This was partially offset by continued growth in the motor vehicle segment. In addition, the weakness in tourism activity amid continued closure of international borders weighed on key sub-sectors, such as food and beverage, accommodation as well as transport and storage. Meanwhile, finance and insurance continued to grow amid sustained loan and deposit growth. Growth in the information and communication sub-sector also improved, amid higher demand for data communication services, particularly broadband.

The construction sector registered a larger contraction (-13.9%; 3Q 2020: -12.4%). Labour shortages, site shutdowns due to COVID-19 outbreaks and interruptions in progress of selected work packages have affected growth, particularly in the civil engineering and residential sub sectors. The special trade sub sector, however, continued to register positive growth following support from small-scale projects under the PRIHATIN stimulus package.

Headline inflation, as measured by the annual percentage change in the Consumer Price Index (CPI), was slightly lower at -1.5% during the quarter (3Q 2020: -1.4%). This was mainly due to lower inflation for rental and communication services respectively as well as the larger annual decline in retail fuel prices. These were partly offset by higher inflation in other categories, in particular, transport services and food.

The lower inflation for communication services followed the lapse in the base effect of higher fixed telephone line call charges introduced in 2019. The lower rental inflation reflects weak demand for housing as income remained weak, as well as the new work arrangements and border closures. Retail fuel prices declined at an annual rate of 19.2% in the fourth quarter (-18.8% in 3Q 2020) although they were relatively stable on a quarterly basis. Following the lower inflation for communication services and rental, core inflation moderated to 0.8% during the quarter (3Q 2020: 1.0%)

The manufacturing sector expanded by 3.0% (3Q 20: 3.3%), as robust electrical and electronics ("E&E") production more than offset lower activity in the consumer cluster. The strong performance in the E&E sub-sector was supported by sustained global demand for semiconductors components, which has led to a global shortage. This has resulted in a build-up of order backlogs among Malaysian producers which are highly integrated in the global

value chain. The positive growth in E&E was partially offset by the weakness in consumer-cluster. In particular, the refining and manufacture of palm-oil related products was affected by disruptions in the agriculture sector amid labour shortages. Several consumer-clusters, such as food and beverages, tobacco, and textiles subsectors, were affected by weaker demand due to the re-imposition of CMCO.

Labour market conditions remained soft amid the re-imposition of CMCO. The unemployment rate remained elevated at 4.8% (3Q 2020: 4.7%), mainly reflecting a larger decline in employment growth in the fourth quarter (-0.6%; 3Q 2020: -0.4%). Data from SOCSO reported lower jobless claims from the EIS (23,307 persons; 3Q 2020: 33,309) and higher placement rate of employees into new jobs (43 per 100 people retrenched; 3Q 2020: 22)¹. This reflects improved labour market conditions particularly in October, before conditions deteriorated in November and December following the re-imposition of movement restrictions.

(Source: Economic and Financial Developments in the Malaysian Economy in the Fourth Quarter of 2020, Bank Negara Malaysia)

6.3 Overview and outlook of the telecommunications business support systems market in Malaysia

BSS facilitates the relationship of service providers with their customers. BSS is a group of software modules used in networking to help service providers gain customer insight, compile real-time subscriptions and introduce new revenue generating services. BSS is critical because it helps service providers support and extend operations to enhance business services. BSS are used by all service providers, including mobile, fixed and cable networks.

BSS is also known as an operational support system (OSS). BSS supports the product management, customer management, order management and revenue management processes of service providers. Within the telecommunications industry, the demand for BSS correlates with the capital expenditure of fixed and mobile service providers on support systems to cope with greater network coverage as well as increasing network capacity to accommodate both ongoing growth in subscriber base and data usage. As such, growth in connectivity contributes to greater investments in BSS. Growth in connectivity is evidenced by the growth in subscriber base for broadband services as well as growth in internet traffic or internet bandwidth.

Connectivity services have been a driver for telecommunication service provider revenue growth over the last 20 years. Connectivity services have evolved from fixed voice to mobile and recently, mobile broadband. In 2019, mobile cellular subscriptions were 44.6 million, while the subscriptions for Direct Exchange Line dropped to 2.2 million from 4.6 million in 2000. Mobile broadband subscriptions surpassed fixed broadband in 2010. In 2019, there were 3.0 million fixed broadband subscriptions and 40.4 million mobile broadband subscriptions at a ratio of 1:13.

Broadband subscriptions grew from 31.0 million in 2016 to reach 43.4 million in 2019. This contributed to a national broadband penetration rate per 100 inhabitants of 131.7% in 2019 (2016: 99.8%). Mobile broadband constituted 122.8% of national broadband penetration rate per 100 inhabitants while fixed broadband was at 8.9%. In the first quarter of 2020, broadband subscriptions moderated to 127.4%, whereby mobile broadband subscriptions constituted 133.6% of national broadband penetration rate per 100 inhabitants while fixed broadband was at 19.8%. Fixed broadband subscriptions increased from 2.5 million in 2016 to 3.0 million in 2019. In places where fixed broadband is not available, mobile broadband is an alternative for Internet access. Mobile broadband subscriptions increased to 40.4 million in 2019 from 28.5 million in 2016. In the second quarter of 2020, fixed broadband subscriptions hovered at 3.1 million subscriptions (1Q 2020: 3.0 million) while mobile broadband subscriptions dipped marginally to 38.7 million (1Q 2020: 38.7 million). The factors driving

mobile broadband subscriptions growth include improved network coverage, more attractive pricing plans, and consumer uptake of more connected devices.

Fibre broadband has overtaken traditional Asymmetric Digital Subscriber Line (ADSL) in offering fixed broadband in 2017. Fibre broadband subscriptions increased from 0.86 million in 2014 to 2.0 million in 2019, and constituted approximately 69% of the fixed broadband market in 2019. The take up of fibre broadband has been accelerated by the lower broadband prices in conjunction with efforts taken by service providers and the Government of Malaysia to facilitate its subscription.

Malaysia's broadband market is predominantly mobile based with subscriptions totaling 40.4 million in 2019, supported by 3G and 4G LTE population coverage. Wider coverage along with more affordable mobile data packages have increased usage of data-intensive content to suit digital lifestyle of Malaysians. The average mobile data prices per Gigabyte ("GB") have declined for both prepaid and postpaid plans, from as high as RM15 per GB in 2016 to as low as RM2 per GB in 2018. In the second quarter of 2020, mobile broadband subscriptions dipped to 38.1 million (1Q, 2020: 38.7 million). Going forward, data consumption is expected to rise in view of the more affordable mobile data prices.

Malaysia's mobile cellular market in 2019 had a 135.4% penetration rate per 100 inhabitants. Many users have more than one subscription, taking advantage of competitive voice or data plans offered by the various service providers, or to make best use of network coverage and call quality in different locations. Additionally, subscribers use multiple phones or dual-SIM phones to differentiate between professional and personal use. In the second quarter of 2020, the mobile cellular penetration rate per 100 inhabitants moderated to 132.8% (1Q, 2020: 134.2%).

From 2008 to 2019, there were several initiatives at a national level to improve the broadband infrastructure in an effort to enhance Malaysia's digital connectivity readiness. The 11th Malaysia Plan (2016 – 2020) identifies the importance of infrastructure development that will have a high impact in achieving a developed nation status. This includes the construction of highways, mass rapid transit (MRT) and light rail transit (LRT), electricity power plants, water treatment plants, and the implementation of high-speed broadband. For broadband services, the Government of Malaysia intends to expand coverage through the roll-out of the High Speed Broadband Initiative ("HSBB2") and the Suburban Broadband Initiative to support economic growth. Under the HSBB2, all households in state capitals and high-impact growth areas will be provided with high speed broadband of up to 100 Megabits per second by 2020. Meanwhile, residents in the suburban and rural areas will be able to access broadband services of 20 megabits per second under the Suburban Broadband Initiative.

Information and communications technology (ICT) will be leveraged as one of the strategic tools for rural community socioeconomic empowerment to bridge development gaps between urban and rural areas. In the remaining 11th Malaysia Plan period, the digital infrastructure such as 1,000 telecommunication towers will be upgraded and 300 new towers will be constructed to increase coverage and quality of broadband services in rural areas. In addition, telecentre facilities and services will be optimised to empower communities towards digital transformation. These initiatives will bridge development gap on digital economy between urban and rural areas.

While broadband subscriptions and mobile cellular penetration rate have been seen to moderate in the first quarter of 2020, demand for bandwidth surged as a result of the COVID-19 pandemic that resulted in the imposition of the MCO. Adherence to the MCO by remaining indoors at all times saw 23.5% higher internet traffic nationwide during the first week of the MCO, while the second week of the MCO saw a further increase of 8.6% in internet traffic. During this period, Malaysia saw an increase in internet use during the stay at home period primarily for streaming, online games and video conferencing calls. The increase in internet demand stemmed from both fixed and mobile broadband. The surge in bandwidth

demand was inevitable as more Malaysians turned to video conferencing, online classes and e-commerce while working and studying at home.

On 27 March 2020, Prime Minister Tan Sri Muhyiddin Yassin announced the People-Centric Economic Stimulus Package (PRIHATIN) valued at RM250 billion. Several packages were offered in collaboration with various telecommunications companies, including efforts to improve telecommunications network and free internet offerings, that are collectively worth RM1 billion. Telecommunication companies are working on improving network performance during this time through an additional investment of RM400 million for infrastructure and network upgrades such as:

- performing network optimisation and radio capacity upgrades at areas with high utilisation;
- performing traffic readjustment to cater to the rising bandwidth demand at residential premises;
- upgrading wireless backhaul to fibre optic connections;
- increasing domestic trunk capacities including laying new fibre optic infrastructure, increasing interconnect bandwidth and releasing reserved capacities;
- increasing international link capacities; and
- mobilising portable base stations as well as providing Wi-Fi access points to manage network traffic at critical areas including hospitals, government agencies, enforcement agencies and media centres.

In the meantime, the National Fiberisation and Connectivity Plan ("NFCP") will continue to be implemented to improve the country's digital connectivity, especially in rural areas. The Government has allocated RM3 billion through the Malaysian Communications and Multimedia Commission ("MCMC"), as announced in the Economic Stimulus Package 1 on 27 February 2020 for the implementation of six projects under the NFCP for the year 2020. These projects will be fully funded through the Universal Service Provision (USP) Fund which is under the stewardship of MCMC.

Under Budget 2021, the Government of Malaysia has proposed an allocation of RM9.4 billion to develop the national digital strategy across industry sectors which is seen as being capable of closing the digital gap holistically. According to the MCMC, the allocation would be able to provide better telecommunications infrastructure with the PRIHATIN programme and National Digital Network Initiative ("JENDELA"), whereby:

- The PRIHATIN Network programme, costing RM1.5 billion would benefit eight million in the B40 group, reducing their financial burden to obtain internet service. The B40 group will receive RM180 each to spend on internet subscription or to cover part of the cost for a new mobile phone. This will be further supported by contributions from industry players amounting to an additional RM1.5 billion for the same target group; and
- Under JENDELA, the Government of Malaysia proposes to allocate RM500 million in 2021 to ensure connectivity of 430 schools nationwide in all states for the development of the future generation. An additional RM42 million has also been proposed to improve internet connectivity in 25 industrial areas to attract investment under the same plan. MCMC is also allocating RM7.4 billion for 2021 and 2022 to expand broadband services in rural areas.

On 11 January 2021, the Government of Malaysia once again announced the implementation of MCO with certain restrictions in selected states beginning 13 January 2021 until 26 January 2021 to curb the rising COVID-19 cases. This MCO has since been extended nationwide, save for the state of Sarawak, until 18 February 2021. The Government subsequently extended the MCO for Selangor, Johor and Penang as well as Kuala Lumpur until 4 March 2021, while other states have been declared under CMCO status. For the economic sector, the Government identified five sectors that are allowed to operate and are categorised as necessary economic

sectors (or essential economic sector), namely manufacturing, construction, services, trade and distribution, as well as plantations and commodities. These sectors are allowed to operate because of their role in supporting the work of supplying basic necessities such as food, beverages and household items as well as personal care; personal protective equipment (PPE) equipment, medical devices and medicines to health workers; international trade activities; and ensuring that the supply chain remains intact while supporting critical infrastructure and emergency work. For sectors or services that are not listed as essential services, instructions to work from home or work from home will take effect.

On 18 January 2021, the Government of Malaysia unveiled Perlindungan Ekonomi Dan Rakyat Malaysia ("PERMAI") Assistance Package, its fifth economic stimulus package to date, worth RM15.0 billion spread over 22 initiatives aimed at combating the COVID-19 outbreak, safeguarding the welfare of the people and supporting business continuity following the implementation of the second MCO. Highlights of the PERMAI Assistance Package specific to the telecommunications industry include:

- To support the greater reliance on the use of digital equipment in the new normal, the special tax relief of up to RM2,500 on the purchase of mobile phones, computers and tablets which expired on 31 December 2020, will be extended for another year until the end of 2021;
- Extension of the provision of free 1 GB data to the public to browse websites, including for educational purposes. This RM500.0 million facility started on 1 January 2021, and will be extended until the end of April 2021; and
- The special subscription package for students who are sitting for their *Sijil Pelajaran Malaysia* (SPM) and *Sijil Tinggi Pelajaran Malaysia* (STPM) examinations will be extended to all students of higher learning institutions. This package will also be made available until the end of April 2021.

The abovementioned efforts by the telecommunications industry are anticipated to ease the burden of consumers, and spur demand for connectivity services.

The PERMAI Assistance Package also seeks to support business continuity. To this end, the Wage Subsidy Program 3.0 under the Social Security Organisation (SOCSO) will be enhanced whereby all employers operating in the MCO states will be eligible to apply, regardless of sector. For a period of one-month, eligible employers will receive a wage subsidy of RM600 for each of their employees earning less than RM4,000. In addition, the wage subsidy limit of 200 employees for each employer will be increased to 500 employees. This initiative involves an additional allocation of RM1.0 billion which is estimated to benefit 250,000 employers employing more than 2.6 million workers. Further, electricity rebates will be given to all Tenaga Nasional Berhad domestic and non-domestic users at a rate of RM0.02 sen per kilowatt-hour, which is equivalent to a reduction in electricity bills of up to 9% for a period of six months, from 1 January 2021 to 30 June 2021.

(Source: IMR Report, Providence)

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6.4 Prospects of our Group

The COVID-19 pandemic brought about an unprecedented crisis which has impacted businesses globally. The Government of Malaysia announced the imposition of the MCO effective 18 March 2020 to 3 May 2020 to curb the spread of the COVID-19, followed by the CMCO (4 May 2020 to 9 June 2020) and subsequently RMCO (10 June 2020 to 31 December 2020). While the country was still in RMCO, the Government announced the re-imposition of CMCO for certain locations, effective 14 October 2020 to 6 December 2020 to curb the spike of COVID-19 cases in these locations.

During this period, the Omesti Group adapted to the new normal that required observations of restrictions on public movement, work and operating hours, as well as mandatory social distancing and personal protection measures. Our Group adopted work-from-home protocols to ensure uninterrupted service to its clients and business continuity. When required, onsite project installation, testing, commissioning and maintenance works were carried out in strict observations of the guidelines imposed. As a result, our Group did not experience a material disruption in the delivery of its services or business continuity during this period.

Further, our Company achieved several milestones during this period, among which include its appointment as Huawei Technologies' Authorised System Integration Partner for its BSS. Our Company then secured an LOA from TM to design, develop, customise, configure, deliver, install, integrate, convert, migrate, test, commission and provide training for the TM Project. On 24 July 2020, our Company and TM entered into a definitive agreement for the TM Project.

In January 2020, Ohana Communications Sdn Bhd, an indirect wholly-owned subsidiary of our Company has been awarded 17 sites (Negeri Sembilan - 15 sites, Perlis - 1 site and Penang - 1 site) by the Railway Asset Corporation via a leasing program to construct telecommunication infrastructure. Once constructed, our Group will be able to derive leasing revenue from these telecommunication towers.

Our Group will continue to adopt work-from-home protocols in meeting its project deliverables and contractual obligations for the TM Project. Onsite project installation, testing, commissioning and maintenance works will be carried out in strict observations of the guidelines imposed by TM. Ohana Communications Sdn Bhd will similarly adopt the same model in delivering the construction of telecommunication towers to the Railway Asset Corporation.

Given the prevailing economic conditions and global financial outlook, our Group will continue its efforts to conserve cash flow and ensure continuous profitable operations post-COVID-19. Nevertheless, our Board is optimistic that the long term prospects of our Group will be supported by the growth in connectivity services in Malaysia, evolving connectivity technology, capital expenditure of communication service providers on support systems to cope with greater network coverage as well as increasing network capacity to accommodate both ongoing growth in subscriber base and data usage.

Our Board, after having considered all the relevant aspects, including the rationale of the Rights Issue of RPS with Warrants as set out in Section 3 of this Abridged Prospectus, and the outlook of the BSS industry in Malaysia as set out in Section 6.3 of this Abridged Prospectus, is of the opinion that the Rights Issue of RPS with Warrants is expected to contribute positively to the future financial performance of our Group.

(Source: Management of Omesti Group)

7. EFFECTS OF THE RIGHTS ISSUE OF RPS WITH WARRANTS

7.1 Share capital

The pro forma effects of the Rights Issue of RPS with Warrants on the share capital of our Company are set out below.

	Maximum Scenario		Minimum Scenario	
	No. of Shares	RM	No. of Shares	RM
As at the LPD	532,206,835	276,121,676	532,206,835	276,121,676
Assuming full granting and allotment/exercise of the new Shares/ESOS Options under the LTIP	66,672,225	⁽¹⁾ 33,336,112	-	-
After full granting and/or allotment/exercise of the new Shares/ESOS Options under LTIP	598,879,060	309,457,788	532,206,835	276,121,676
Assuming full exercise of Warrants ⁽²⁾	279,476,894	170,257,324	116,666,666	71,073,333
Enlarged issued share capital	878,355,954	479,715,112	648,873,501	347,195,009

Notes:

- (1) Assuming up to 66,672,225 new Shares/ESOS Options available to be granted under the LTIP are granted and exercised/allotted at an issue price of RM0.50 each.
- (2) Assuming all the Warrants are fully exercised based on the Warrants Exercise Price and after accounting for the reversal of warrant reserve.

7.2 Earnings and EPS

The Rights Issue of RPS with Warrants will not have an immediate dilution effect on the consolidated earnings and EPS of our Company as the RPS are not convertible into Omesti Shares but the consolidated EPS of our Company may be proportionately diluted as a result of the increase in the number of issued Omesti Shares when the Warrants are exercised into new Omesti Shares.

The Rights Issue of RPS with Warrants is expected to contribute positively to the future earnings of the Omesti Group due to utilisation of proceeds arising from the Rights Issue of RPS with Warrants to undertake the TM Project which is expected to generate recurring income for the Omesti Group.

In addition, the proceeds raised under the Maximum Scenario will be used to reduce the existing borrowings of the Omesti Group which will give rise to interest savings of RM4.75 million based on the effective interest rate of our Group's borrowings as at the LPD of approximately 10.70% per annum.

For illustrative purposes, based on the latest unaudited consolidated financial statements for the 9 months FPE 31 December 2020, the pro forma effects of the Rights Issue of RPS with Warrants on the earnings and EPS of our Group are as follows:

	9 months FPE 31 December 2020 RM'000	After the Rights Issue of RPS with Warrants	
		Maximum Scenario RM'000	Minimum Scenario RM'000
		PAT attributable to owners of parent	321
Weighted average no. of Shares in issue ('000) ⁽¹⁾	530,934	530,934	530,934
No. of Warrants	-	279,477	116,667
Basic EPS (sen)	0.06	0.06	0.06
Diluted EPS (sen) ⁽²⁾	0.06	0.04	0.05

Notes:

- (1) The weighted average number of shares for the FPE 31 December 2020 is based on the number of outstanding Omesti Shares multiplied by the percentage of the reporting period for which that number of Shares applies to, throughout the financial year.
- (2) Assuming the exercise of all Warrants.

7.3 Convertible securities

As at the LPD, our Company has established a LTIP. However, there are no outstanding ESOS Options granted as at the LPD.

In the event our Company grants any ESOS Options prior to the implementation of the Rights Issue of RPS with Warrants, such options granted may be subject to adjustments on the exercise price and/or number of Omesti Shares to be allotted and issued pursuant to the exercise of ESOS Options in accordance with the provisions of the by-laws governing the ESOS under the LTIP.

Any necessary adjustments arising from the Rights Issue of RPS with Warrants will only be finalised by our Company at a later date. The rights and obligations of the holders of the ESOS Options will remain unchanged, save for the adjustments to the exercise price and number of unexercised ESOS Options.

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7.4 NA and gearing

The pro forma effects of the Rights Issue of RPS with Warrants on the NA and gearing of Omesti based on the latest unaudited consolidated financial statements of Omesti for the 9 months FPE 31 December 2020 ("FPE 31 December 2020") are set out below:

Maximum Scenario

	I	II	III	IV
	(1) After the subsequent event	(2) After full grant and exercise of ESOS Options under LTIP	(3) After the Rights Issue of RPS with Warrants	(4) After full exercise of Warrants
FPE 31 December 2020	RM	RM	RM	RM
Share capital	275,880,957	309,457,789	309,457,789	479,715,113
Reserves	24,851,331	24,851,331	24,851,331	24,851,331
Warrant reserves	-	-	30,518,877	-
Accumulated losses	(98,585,824)	(132,162,656)	(133,122,656)	(133,122,656)
Shareholders' equity	202,146,464	202,146,464	231,705,341	371,443,788
Non-controlling interest	45,583,767	45,583,767	45,583,767	45,583,767
Total equity	247,730,231	247,730,231	277,289,108	417,027,555
Total assets	514,687,882	514,687,882	589,103,694	728,842,141
Other liabilities	266,957,651	266,957,651	222,557,651	222,557,651
RPS	-	-	89,256,935	89,256,935
Total liabilities	266,957,651	266,957,651	311,814,586	311,814,586
No. of issued ordinary shares	531,681,935	598,879,060	598,879,060	878,355,955
NA per Share (RM)	0.38	0.34	0.39	0.42
Total borrowings (RM)	92,411,201	92,411,201	48,011,201	48,011,201
Gearing (times)	0.37	0.37	0.17	0.12

Notes:

- (1) After adjusting of the following new shares granted under the LTIP:
 - (i) 524,900 new shares at an issue price of RM0.4586 each on 13 January 2021.
- (2) Assuming up to 66,672,225 new Shares/ESOS Options available to be granted under the LTIP are granted and exercised/allotted at an issue price of RM0.50 each for which no consideration is required.
- (3) After taking into consideration the following:
 - (i) Assuming all the Entitled Shareholders and/or their renounee(s) fully subscribe for their respective entitlements of 119,775,812 RPS at an issue price of RM1.00 per RPS with Warrants;
 - (ii) Assuming the fair value adjustment on the Warrants of RM0.1092 each resulting in a RM30.52 million warrant reserve;
 - (iii) After repayment of borrowings of RM44.40 million under the Maximum Scenario; and
 - (iv) After deducting the estimated expenses relating to the Rights Issue of RPS with Warrants of RM0.96 million.
- (4) Assuming 279,476,894 Warrants are exercised at the Warrants Exercise Price and after accounting for the reversal of warrant reserve.

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Minimum Scenario

	I	II	III
FPE 31 December 2020	(1) After the subsequent event	(2) After the Rights Issue of RPS with Warrants	(3) After full exercise of Warrants
RM	RM	RM	RM
Share capital	276,121,676	276,121,676	347,195,009
Reserves	24,851,331	24,851,331	24,851,331
Warrant reserves	-	12,740,000	-
Accumulated losses	(98,585,824)	(99,786,543)	(99,786,543)
Shareholders' equity	202,146,464	213,926,464	272,259,797
Non-controlling interest	45,583,767	45,583,767	45,583,767
Total equity	247,730,231	259,510,231	317,843,564
Total assets	514,687,882	563,727,882	622,061,215
Other liabilities	266,957,651	266,957,651	266,957,651
RPS	-	37,260,000	37,260,000
Total liabilities	266,957,651	304,217,651	304,217,651
No. of issued ordinary shares	531,681,935	532,206,835	648,873,502
NA per Share (RM)	0.38	0.40	0.42
Total borrowings (RM)	92,411,201	92,411,201	92,411,201
Gearing (times)	0.37	0.36	0.29

Notes:

(1) After adjusting of the following new shares granted under the LTIP:

(i) 524,900 new shares at an issue price of RM0.4586 each on 13 January 2021.

(2) After taking into consideration the following:

(i) Assuming all the Entitled Shareholders and/or their renouncee(s), under the underwriting arrangements, fully subscribe for their respective entitlements of 50,000,000 RPS at an issue price of RM1.00 per RPS with Warrants;

(ii) Assuming the fair value adjustment on the Warrants of RM0.1092 each resulting in a RM12.74 million warrant reserve; and

(iii) After deducting the estimated expenses relating to the Rights Issue of RPS with Warrants of RM0.96 million.

(3) Assuming 116,666 Warrants are exercised at the Warrants Exercise Price and after accounting for the reversal of warrant reserve.

7.5 Substantial shareholders' shareholdings

The substantial shareholders of Omesti based on the Record of Depositors of our Company as at the LPD and the pro forma effects of the Rights Issue of RPS with Warrants on the shareholdings of the substantial shareholders are as follows:

Maximum Scenario

Substantial shareholders	(I)						(II)								
	As at the LPD			After full grant and exercise of ESOS Options under LTIP*			After (I), and Rights Issue of RPS with Warrants and full exercise of the Warrants			After (I), and Rights Issue of RPS with Warrants and full exercise of the Warrants					
	Direct	Indirect		Direct	Indirect		Direct	Indirect		Direct	Indirect				
No. of Shares	No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares	No. of Shares	%	
Dato' Mah Siew Kwok	95,629,575	2,800,000 ⁽¹⁾	17.97	95,629,575	2,800,000 ⁽¹⁾	15.97	95,629,575	2,800,000 ⁽¹⁾	0.47	140,256,710	4,106,667 ⁽¹⁾	15.97	140,256,710	4,106,667 ⁽¹⁾	0.47
Insas Berhad	-	53,859,500 ⁽²⁾	-	-	53,859,500 ⁽²⁾	-	-	53,859,500 ⁽²⁾	8.99	-	-	-	-	78,993,933 ⁽²⁾	8.99
Dato' Sri Thong Kok Khee	-	53,859,500 ⁽³⁾	-	-	53,859,500 ⁽³⁾	-	-	53,859,500 ⁽³⁾	8.99	-	-	-	-	78,993,933 ⁽³⁾	8.99
H2O Holdings Sdn Bhd	67,467,100	-	12.68	67,467,100	-	11.27	67,467,100	-	-	98,951,747	-	11.27	98,951,747	-	-
Monteiro Gerard Clair	29,836,355	67,467,100 ⁽⁴⁾	5.61	29,836,355	67,467,100 ⁽⁴⁾	4.98	29,836,355	67,467,100 ⁽⁴⁾	11.27	43,759,987	43,759,987	4.98	43,759,987	43,759,987	11.27
Dato' Wong Kit-Leong	-	67,467,100 ⁽⁴⁾	-	-	67,467,100 ⁽⁴⁾	-	-	67,467,100 ⁽⁴⁾	11.27	-	-	-	-	98,951,747 ⁽⁴⁾	11.27
Datuk Raymond Tan	88,000	67,467,100 ⁽⁴⁾	0.02	88,000	67,467,100 ⁽⁴⁾	0.01	88,000	67,467,100 ⁽⁴⁾	11.27	129,067	129,067	0.01	129,067	129,067	11.27

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Minimum Scenario

Substantial shareholders	As at the LPD			(1) After Rights Issue of RPS with Warrants and full exercise of Warrants		
	Direct		Indirect	Direct		Indirect
	No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares
Dato' Mah Siew Kwok	95,629,575	17.97	2,800,000 ⁽¹⁾	141,624,242	21.83	2,800,000 ⁽¹⁾
Insas Berhad	-	-	53,859,500 ⁽²⁾	-	-	78,947,967 ⁽²⁾
Dato' Sri Thong Kok Khee	-	-	53,859,500 ⁽³⁾	-	-	78,947,967 ⁽³⁾
H2O Holdings Sdn Bhd	67,467,100	12.68	-	99,918,400	15.40	-
Monteiro Gerard Clair	29,836,355	5.61	67,467,100 ⁽⁴⁾	42,968,588	6.63	99,918,400 ⁽⁴⁾
Dato' Wong Kit-Leong	-	-	67,467,100 ⁽⁴⁾	-	-	99,918,400 ⁽⁴⁾
Datuk Raymond Tan	88,000	0.02	67,467,100 ⁽⁴⁾	88,000	0.01	99,918,400 ⁽⁴⁾

Notes:

* Assuming none of the substantial shareholders are granted any Shares under the LTIP.

⁽¹⁾ Deemed interest by virtue of spouse's interest in our Company.

⁽²⁾ Deemed interest by virtue of interests held by Insas Plaza Sdn Bhd, Gryphon Asset Management Sdn Bhd, M&A Securities and Montego Assets Limited, which are subsidiaries of Insas Berhad and Winfields Development Pte Ltd, an associated company of Insas Berhad.

⁽³⁾ Deemed interest by virtue of his substantial interest in Insas Berhad.

⁽⁴⁾ Deemed interest by virtue of his substantial interest in H2O Holdings Sdn Bhd.

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8. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

8.1 Working capital and sources of liquidity

Our Group's working capital is funded through cash generated from operating activities, credit extended by suppliers, credit facilities from financial institutions as well as our Group's existing cash and bank balances.

As at the LPD, we hold cash and bank balances of RM16.38 million and deposits with licensed banks of RM0.09 million.

Our Board confirmed that, after taking into consideration the funds generated from our Group's operations, the banking facilities available to our Group as well as the proceeds to be raised from the Rights Issue of RPS with Warrants, our Group will have sufficient working capital available for a period of 12 months from the date of this Abridged Prospectus.

8.2 Borrowings

As at the LPD, our Group's total outstanding borrowings (all of which are interest bearing and denominated in RM) are set out below:

Borrowings	Outstanding amount as at LPD RM'000
Short term borrowing (Secured)	
Term Loan	46,717
Trust Receipt	15,068
Share margin financing	8,936
Long term borrowing (Secured)	
Term Loan	5,724
	76,445

Throughout the FYE 31 March 2020 and up to the LPD, we did not default on payments of either interest or principal sums for any of our borrowings.

8.3 Material commitments

As at the LPD, our Board is not aware of any material capital commitment, incurred or known to be incurred by Omesti Group, which upon becoming due or enforceable, may have a material impact on the financial position or business of our Group.

8.4 Contingent liabilities

As at the LPD, our Board is not aware of any contingent liabilities, incurred or known to be incurred by Omesti Group, which upon becoming enforceable, may have a material impact on the financial position or business of our Group.

8.5 Material transactions

Our Board confirms that save for the Rights Issue of RPS with Warrants, there are no other transactions which may have a material effect on our operations, financial position and results since the latest audited consolidated financial statements of our Group for the FYE 31 March 2020.

9. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION

This Abridged Prospectus and the RSF contain full instructions for the acceptance of and payment for the Allotments as well as the Excess RPS with Warrants Applications and the procedures to be followed if you and/or your renounee(s)/transferee(s) (if applicable) wish to sell or transfer all or any part of your/his rights entitlement. You and/or your renounee(s)/transferee(s) (if applicable) are advised to read this Abridged Prospectus, the RSF and the notes and instructions printed therein carefully. The RSF must not be circulated unless accompanied by this Abridged Prospectus.

9.1 General

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotments, which you are entitled to subscribe for in full or in part under the terms of the Rights Issue of RPS with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and the RSF which is to be used for the acceptance of the Provisional Allotments, and for the application of any Excess RPS with Warrants under excess application, should you wish to do so.

The outcome of the subscription of the Rights Issue of RPS with Warrants shall be announced after the Closing Date.

9.2 NPA

The provisionally allotted RPS with Warrants are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the provisionally allotted RPS with Warrants will be by book entries through CDS Accounts and will be governed by the SICDA and the rules of Bursa Depository. Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making their applications.

9.3 Last date and time of acceptance and payment

The last date and time for acceptance and payment for the RPS with Warrants is on Tuesday, 23 March 2021 at 5.00 p.m., or such later date and time as may be determined and announced by our Board at their absolute discretion.

9.4 Methods of acceptance and application

You may subscribe for the Provisional Allotments as well as apply for Excess RPS with Warrants, if you choose to do so, using either of the following methods:

Method	Category of Entitled Shareholders
RSF	All Entitled Shareholders

9.5 Procedure for full acceptance and payment

Acceptance and payment for the Provisional Allotments allotted to you as an Entitled Shareholder or your renounee(s) (if applicable) must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not conform to the terms of this Abridged Prospectus, NPA or RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR RPS WITH WARRANTS PROVISIONALLY ALLOTTED TO YOU AND/OR YOUR RENOUNCEE(S) (IF APPLICABLE), EXCESS APPLICATION FOR THE RPS WITH WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU OR YOUR RENOUNCEE(S) (IF APPLICABLE) WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR/THEIR ENTITLEMENTS, ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF.

YOU AND/OR YOUR RENOUNCEE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

You or your renounee(s) (if applicable) accepting the provisionally allotted RPS are required to complete Part I(a) and Part II of the RSF in accordance with the notes and instructions provided therein. Each completed RSF together with the relevant payment must be despatched by ORDINARY POST, COURIER or DELIVERED BY HAND using the envelope provided (at your own risk) to our Share Registrar at the following address:

Bina Management (M) Sdn Bhd
Lot 10, The Highway Centre
Jalan 51/205, 46050 Petaling Jaya
Selangor Darul Ehsan
Telephone number: 03-7784 3922

so as to arrive not later than 5.00 p.m. on 23 March 2021 being the last time and date for acceptance and payment, or such extended time and date as may be determined and announced by our Board.

1 RSF can only be used for acceptance of provisionally allotted RPS with Warrants standing to the credit of 1 CDS Account. Separate RSFs must be used for the acceptance of provisionally allotted RPS with Warrants standing to the credit of more than 1 CDS Account. If successful, RPS with Warrants subscribed by you or your renounee(s) (if applicable) will be credited into the respective CDS Accounts where the provisionally allotted RPS with Warrants are standing to the credit.

A reply envelope is enclosed with this Abridged Prospectus. To facilitate the processing of the RSFs by our Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

Successful applicants of the RPS will be given free attached Warrants on the basis of 7 Warrants for every 3 RPS successfully subscribed for. The minimum number of RPS that can be subscribed for or accepted is 1 RPS for every 5 Omesti Shares held. However, you should take note that a trading board lot for the RPS with Warrants will comprise 100 RPS and 100 Warrants respectively. Fractional entitlements arising from the Rights Issue of RPS with Warrants will be disregarded and dealt with by our Board as they may deem fit and expedient and in the best interest of our Company.

If acceptance and payment for the RPS with Warrants provisionally allotted to you and/or your renounee(s) (if applicable) is not received by the Share Registrar on 23 March 2021 by 5.00 p.m., being the last date and time for acceptance and payment, or such extended date and time as may be determined and announced by our Board at their discretion, you and/or your renounee(s) (if applicable) will be deemed to have declined the Provisional Allotments made to you and/or your renounee(s) (if applicable) and it will be cancelled.

Such RPS with Warrants not taken up by you will be allotted to the applicants applying for Excess RPS with Warrants. Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar. Our Board reserves the right not to accept or to accept in part only any application without providing any reasons.

You or your renounee(s) (if applicable) who lose, misplace or for any other reasons require another copy of the RSF may obtain additional copies from your stockbrokers, Bursa Securities' website (<http://www.bursamalaysia.com>), our Share Registrar at the address stated above or our Registered Office.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE IN RM FOR THE FULL AMOUNT IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "OMESTI RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH THE NAME, ADDRESS AND CDS ACCOUNT NUMBER OF THE APPLICANT IN BLOCK LETTERS TO BE RECEIVED BY OUR SHARE REGISTRAR.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE OF RPS WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE ISSUED AND DESPATCHED BY ORDINARY POST TO YOU AT YOUR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITARY WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT ANY APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON.

YOU SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL APPLICATIONS, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE DESPATCHED TO YOU WITHIN 15 MARKET DAYS FROM THE CLOSING DATE BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITARY AT YOUR OWN RISK.

ALL RPS AND WARRANTS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE OF RPS WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING THE RPS AND WARRANTS INTO THE CDS ACCOUNTS OF THE SUCCESSFUL APPLICANTS. NO PHYSICAL SHARE CERTIFICATES WILL BE ISSUED.

9.6 Procedure for part acceptance

If you do not wish to accept the RPS with Warrants provisionally allotted to you in full, you are entitled to accept part of your entitlements that can be subscribed/applied for. The minimum number of RPS that may be subscribed for or accepted is 1 RPS. However, the Warrants will be issued in the proportion of 7 Warrants for every 3 RPS subscribed.

You may refer to the procedures set out in Section 9.5 of this Abridged Prospectus.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

The portion of the Provisional Allotments that have not been accepted will be made available to applicants for excess applications.

9.7 Procedure for sale/transfer of Provisional Allotment of RPS with Warrants

As the Provisional Allotment are prescribed securities, you and/or your renouncee(s) (if applicable) may sell/transfer all or part of your entitlement to the RPS with Warrants to 1 or more person(s) through your stockbrokers without first having to request for a split of the provisionally allotted RPS with Warrants standing to the credit of your CDS Accounts. To sell/transfer of all or part of your entitlement to the RPS with Warrants, you and/or your renouncee(s) (if applicable) may sell such entitlement in the open market or transfer to such persons as may be allowed pursuant to the rules of Bursa Depository. Please refer to Sections 9.5 of this Abridged Prospectus for the procedures of acceptance and payment by way of RSF.

In selling/transferring all or part of your Provisional Allotment, you and/or your renouncee(s) (if applicable) need not deliver any document including the RSF, to the stockbroker. However, you and/or your renouncee(s) (if applicable) must ensure that there is sufficient provisionally allotted RPS with Warrants standing to the credit of your CDS Accounts that are available for settlement of the sale or transfer.

Purchasers or transferees of the Provisional Allotment may obtain a copy of this Abridged Prospectus and the RSF from their stockbrokers or from our Share Registrar, or at our Registered Office. This Abridged Prospectus and RSF are also available on Bursa Securities' website (<http://www.bursamalaysia.com>).

9.8 Procedure for acceptance by renouncee(s) and/or transferee(s)

Renouncee(s) and/or transferee(s) who wish to accept the provisionally allotted RPS with Warrants must obtain a copy of the RSF from their stockbrokers, our Share Registrar, or at our Registered Office or from the Bursa Securities' website (<http://www.bursamalaysia.com>) and complete the RSF, submit the same together with the remittance in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in Section 9.5 of this Abridged Prospectus also applies to renouncee(s) and/or transferee(s) who wish to accept the provisionally allotted RPS with Warrants.

RENOUNCEE(S) AND/OR TRANSFEREE(S) ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENT OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF CAREFULLY.

9.9 Procedure for excess application

As an Entitled Shareholder, you and/or your renounee(s) and/or transferee(s) (if applicable) may apply for excess RPS with Warrants in addition to the Provisional Allotment by completing Part I(b) of the RSF (in addition to Parts I(a) and II) and forward it (together with a **separate remittance** for the full amount payable in respect of the Excess RPS with Warrants applied for) to our Share Registrar at the address set out above, so as to arrive not later than 5.00 p.m. on 23 March 2021, being the last time and date for acceptance and payment, or such extended time and date as may be determined by our Board.

Payment for the Excess RPS with Warrants applied for should be made in the same manner set out in Section 9.5 of this Abridged Prospectus, except that the Banker's Draft(s), Cashier's Order(s), Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia crossed "**A/C PAYEE ONLY**" and made payable to "**OMESTI EXCESS RIGHTS ISSUE ACCOUNT**" and endorsed on the reverse side with the name, address and CDS Account Number of the applicant in block letters to be received by our Share Registrar.

Our Board reserves the right to allot the Excess RPS with Warrants applied for under Part I(b) of the RSF, in a fair and equitable basis and in such manner as they in their absolute discretion deem fit and expedient in the best interest of our Company and that the intention of our Board as set out below are achieved. It is the intention of our Board to allot the Excess RPS with Warrants in the following priority:

- (i) Firstly, to minimise the incidence of odd lots;
- (ii) Secondly, for allocation to Entitled Shareholders who have applied for Excess RPS with Warrants, on a pro-rata basis and in board lots, calculated based on their respective shareholdings as at the Entitlement Date;
- (iii) Thirdly, for allocation to Entitled Shareholders who have applied for Excess RPS with Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess RPS with Warrants application; and
- (iv) Fourthly, for allocation to transferee(s); and/or renounee(s) who have applied for Excess RPS with Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess RPS with Warrants application.

The Excess RPS and Warrants will firstly be allocated to minimise the odd lots (if any) held by each applicant of Excess RPS with Warrants. Thereafter, the Excess RPS and Warrants will be allocated in the order of (ii) to (iv), and any balance thereafter will be allocated in the same sequence of allocation, i.e. items (ii) to (iv) until all Excess RPS with Warrants are allotted. Nevertheless, our Board reserves the right to allot any Excess RPS with Warrants applied for under Part 1(B) of the RSF in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the priority set out in (i) to (iv) are achieved. Our Board also reserves the right not to accept or to accept any application for Excess RPS with Warrants, in full or in part, without assigning any reason.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RPS WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS

SUCCESSFUL, A NOTICES OF ALLOTMENT WILL BE ISSUED AND DESPATCHED BY ORDINARY POST TO YOU AT YOUR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT ANY APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON.

YOU SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RPS WITH WARRANTS APPLICATIONS, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO YOU WITHIN 15 MARKET DAYS FROM THE CLOSING DATE BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITARY AT YOUR OWN RISK.

9.10 Form of issuance

Bursa Securities has already prescribed our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the RPS with Warrants are prescribed securities and as such, the SICDA and the rules of Bursa Depository shall apply in respect of the dealings in the said securities.

Failure to comply with the specific instructions or inaccuracy in the CDS Account number may result in the application being rejected.

No physical share or warrant certificates will be issued to you under the Rights Issue of RPS with Warrants. Instead, the RPS with Warrants will be credited directly into your CDS Accounts. The notices of allotment will be issued and forwarded to you by ordinary post at your own risk to the address shown in the Record of Depositors within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities.

Any person who intends to subscribe for the RPS with Warrants as a renounee by purchasing the provisional allotment of RPS with Warrants from an Entitled Shareholder will have his RPS with Warrants credited directly as prescribed securities into his CDS Account.

The Excess RPS with Warrants, if allotted to the successful applicant who applies for Excess RPS with Warrants, will be credited directly as prescribed securities into his CDS Account.

9.11 Laws of foreign jurisdictions

This Abridged Prospectus, the NPA and the RSF have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any foreign jurisdiction. The Rights Issue of RPS with Warrants will not be made or offered in any foreign jurisdiction.

Foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) may only accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue of RPS with Warrants only to the extent that it would be lawful to do so.

M&A Securities, our Company, our Board and officers and other experts would not, in connection with the Rights Issue of RPS with Warrants, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) are or may be subject to. Foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to. M&A Securities, our Company, our Board and officers and other experts shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

Accordingly, this Abridged Prospectus together with the accompanying documents will not be sent to the foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) who do not have a registered address in Malaysia. However, such foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) may collect the Abridged Prospectus including the accompanying documents from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the aforesaid documents.

The foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and we shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) for any issue, transfer or other taxes or duties as such person may be required to pay. They will have no claims whatsoever against M&A Securities or us in respect of their rights and entitlements under the Rights Issue of RPS with Warrants. Such foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue of RPS with Warrants.

By signing any of the forms accompanying this Abridged Prospectus, the NPA, and the RSF, the foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) M&A Securities, our Company and our Board and officers and other experts that:

- (i) We would not, by acting on the acceptance or renunciation in connection with the Rights Issue of RPS with Warrants, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) are or may be subject to;
- (ii) They have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation;
- (iii) They are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) They are aware that the RPS with Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) They have respectively received a copy of this Abridged Prospectus and have had access to such financial and other information and have been afforded the opportunity to pose such questions to the representatives of our Company and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the RPS with Warrants; and

- (vi) They have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the RPS with Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the RPS with Warrants.

Persons receiving this Abridged Prospectus, NPA and RSF (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any jurisdiction, where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, NPA and RSF are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant jurisdiction in connection herewith.

Any person who does forward this Abridged Prospectus, NPA and RSF to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the RPS with Warrants from any such application by foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) in any jurisdiction other than Malaysia.

Our Company reserves the right, in its absolute discretion, to treat any acceptance of the RPS with Warrants as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements in Malaysia.

10. TERMS AND CONDITIONS

The issuance of the RPS with Warrants pursuant to the Rights Issue of RPS with Warrants is governed by the terms and conditions as set out in this Abridged Prospectus, the Deed Poll, the NPA and RSF enclosed herewith.

11. FURTHER INFORMATION

You are advised to refer to the ensuing appendices for further information.

Yours faithfully,
for and on behalf of the Board of Directors,
OMESTI BERHAD



DATO' MAH SIEW KWOK
Non-Independent Non-Executive Vice Chairman

INFORMATION ON OUR COMPANY**1. BOARD OF DIRECTORS**

The details of our Board are set out below:

Name (<i>Designation</i>)	Age	Address	Nationality
Dato' Mah Siew Kwok (<i>Non-Independent Non-Executive Vice Chairman</i>)	73	No. 7, Jalan Nusa Taman Bukit Mas 50480 Kuala Lumpur	Malaysian
Monteiro Gerard Clair (<i>Executive Director</i>)	50	No. 26, Jalan Damansara Permai 50490 Kuala Lumpur	Malaysian
Mah Xian-Zhen (<i>Executive Director</i>)	40	No. 7, Jalan Nusa Taman Bukit Mas 50480 Kuala Lumpur	Malaysian
Chia Yong Wei (<i>Executive Director</i>)	45	No. 7, Jelutong Villas Lorong Jelutong Damansara Heights 50490 Kuala Lumpur	Malaysian
Dato' Sri Thong Kok Khee (<i>Non-Independent Non-Executive Director</i>)	67	No. 74, Jalan Setiakasih Damansara Heights 50490 Kuala Lumpur	Malaysian
Dato' Jaganath Derek Steven Sabapathy (<i>Non-Independent Non-Executive Director</i>)	64	No. 98, Lorong Setia Bestari 1 Bukit Damansara 50490 Kuala Lumpur	Malaysian
Tunku Zain Al-'Abidin Ibni Tuanku Muhriz (<i>Independent Non-Executive Director</i>)	39	Istana Munarah Jalan Tun Dr Ismail 70200 Seremban Negeri Sembilan	Malaysian
Dato' Ahmad Nazim Bin Abd Rahman (<i>Independent Non-Executive Director</i>)	46	12K, Sinaran TTDI Taman Tun Dr Ismail 60000 Kuala Lumpur	Malaysian
Tan Wee Hoong (<i>Independent Non-Executive Director</i>)	60	#16-05, Desa Angkasa 12 Jalan Taman U-Thant 55000 Kuala Lumpur	Malaysian
Wan Mai Gan (<i>Independent Non-Executive Director</i>)	57	3 Legenda Puteri 2 Jalan PJU 1A/57A Damansara Legenda 47410 Petaling Jaya Selangor	Malaysian

1.1 Directors' shareholdings

Pro forma effects of the Rights Issue of RPS with Warrants on the shareholdings of the Directors are as follows:

Maximum Scenario

Directors	As at the LPD						After full grant and exercise of ESOS Options under LTIP*						After (I), and Rights Issue of RPS with Warrants and full exercise of the Warrants					
	Direct		Indirect				Direct		Indirect				Direct		Indirect			
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%		
Dato' Mah Siew Kwok	95,629,575	17.97	2,800,000 ⁽¹⁾	0.53	95,629,575	15.97	2,800,000 ⁽¹⁾	0.47	140,256,710	15.97	4,106,667 ⁽¹⁾	0.47	140,256,710	15.97	4,106,667 ⁽¹⁾	0.47		
Dato' Sri Thong Kok Khee	-	-	53,859,500 ⁽²⁾	10.12	-	-	53,859,500 ⁽²⁾	8.99	-	-	-	-	-	-	78,993,933 ⁽²⁾	8.99		
Monteiro Gerard Clair	29,836,355	5.61	67,467,100 ⁽³⁾	12.68	29,836,355	4.98	67,467,100 ⁽³⁾	11.27	43,759,987	4.98	98,951,747 ⁽³⁾	11.27	43,759,987	4.98	98,951,747 ⁽³⁾	11.27		
Mah Xian-Zhen	1,486,955	0.28	9,645,000 ⁽¹⁾	1.81	1,486,955	0.25	9,645,000 ⁽¹⁾	1.61	2,180,867	0.25	14,146,000 ⁽¹⁾	1.61	2,180,867	0.25	14,146,000 ⁽¹⁾	1.61		
Chia Yong Wei	343,600	0.06	60,000 ⁽¹⁾	0.01	343,600	0.06	60,000 ⁽¹⁾	0.01	503,947	0.06	88,000 ⁽¹⁾	0.01	503,947	0.06	88,000 ⁽¹⁾	0.01		
Dato' Jaganath Steven Sabapathy	3,869,800	0.73	-	-	3,869,800	0.65	-	-	5,675,707	0.65	-	-	5,675,707	0.65	-	-		

Minimum Scenario

Directors	As at the LPD						After Rights Issue of RPS with Warrants and full exercise of Warrants									
	Direct		Indirect				Direct		Indirect							
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%				
Dato' Mah Siew Kwok	95,629,575	17.97	2,800,000 ⁽¹⁾	0.53	141,624,242	21.83	2,800,000 ⁽¹⁾	0.43	141,624,242	21.83	2,800,000 ⁽¹⁾	0.43	141,624,242	21.83	2,800,000 ⁽¹⁾	0.43
Dato' Sri Thong Kok Khee	-	-	53,859,500 ⁽²⁾	10.12	-	-	78,947,967 ⁽²⁾	12.17	-	-	78,947,967 ⁽²⁾	12.17	-	-	78,947,967 ⁽²⁾	12.17
Monteiro Gerard Clair	29,836,355	5.61	67,467,100 ⁽³⁾	12.68	42,968,588	6.62	99,918,400 ⁽³⁾	15.40	42,968,588	6.62	99,918,400 ⁽³⁾	15.40	42,968,588	6.62	99,918,400 ⁽³⁾	15.40
Mah Xian-Zhen	1,486,955	0.28	9,645,000 ⁽¹⁾	1.81	1,486,955	0.23	9,645,000 ⁽¹⁾	1.49	1,486,955	0.23	9,645,000 ⁽¹⁾	1.49	1,486,955	0.23	9,645,000 ⁽¹⁾	1.49
Chia Yong Wei	343,600	0.06	60,000 ⁽¹⁾	0.01	343,600	0.05	60,000 ⁽¹⁾	0.01	343,600	0.05	60,000 ⁽¹⁾	0.01	343,600	0.05	60,000 ⁽¹⁾	0.01
Dato' Jaganath Steven Sabapathy	3,869,800	0.73	-	-	3,869,800	0.60	-	-	3,869,800	0.60	-	-	3,869,800	0.60	-	-

Notes:

- * Assuming none of the Directors are granted any Shares under the LTIP.
- (1) Deemed interest by virtue of spouse's interest in our Company.
- (2) Deemed interest by virtue of his substantial interest in Insas Berhad.
- (3) Deemed interest by virtue of his substantial interest in H2O Holdings Sdn Bhd.

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2. SHARE CAPITAL

As at the LPD, our issued share capital is RM276,121,676 comprising 532,206,835 Omesti Shares.

3. HISTORICAL SHARE PRICE PERFORMANCE

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

	<u>High</u>	<u>Low</u>
	<u>RM</u>	<u>RM</u>
2020		
March	0.680	0.340
April	0.635	0.430
May	0.645	0.550
June	0.595	0.485
July	0.710	0.515
August	0.840	0.640
September	0.660	0.485
October	0.560	0.455
November	0.525	0.455
December	0.545	0.475
2021		
January	0.620	0.485
February	0.640	0.535
The last transacted market price of Omesti Shares immediately prior to the announcement on 3 June 2020		0.565
Last transacted market price on the LPD		0.625
The last transacted market price of Omesti Shares prior to ex-rights date on 4 March 2021		0.550

(Source: M&A Securities)

4. OPTION TO SUBSCRIBE FOR SHARES

As at the date of this Abridged Prospectus, save for the Provisional Allotments and up to 66,672,225 new Shares/ESOS Options that may be granted under the LTIP, no option to subscribe for the Shares has been granted or is entitled to be granted to any person.

5. MATERIAL CONTRACTS

Save as disclosed as below, as at the LPD, to the best knowledge of our Board, neither Omesti nor its subsidiaries have entered into any contracts which are or may be material, not being contracts entered into in the ordinary course of business, during the past 2 years preceding the date of this Abridged Prospectus:

- (i) The Deed Poll;
- (ii) Management agreement dated 4 September 2020 entered into between Ho Hup Construction Company Berhad (as manager) and Omesti Holdings Berhad, a wholly-owned subsidiary of Omesti, whereby the manager is engaged for the provision of interior design and renovation works for 2 levels of office spaces situated at Suite 7.01 and Suite 9.01, "Ho Hup Tower", Tower 2, Plaza Bukit Jalil, No. 1, Persiaran Jalil 1, Bandar Bukit Jalil, 57000 Kuala Lumpur, for a term of 36 months commencing from 4 September 2020 to 3 September 2023, at an agreed service fee of RM3.28 million;
- (iii) Management agreement dated 4 September 2020 entered into between Ho Hup Construction Company Berhad (as manager) and Microlink Solutions Berhad, an indirect subsidiary of Omesti, whereby the manager is engaged for the provision of interior design and renovation works for one level of office space situated at Suite 8.01, "Ho Hup Tower", Tower 2, Plaza Bukit Jalil, No. 1, Persiaran Jalil 1, Bandar Bukit Jalil, 57000 Kuala Lumpur, for a term of 36 months commencing from 4 September 2020 to 3 September 2023, at an agreed service fee of RM1.94 million; and
- (iv) Share purchase agreement dated 12 July 2019 entered into between Man Yau Holdings Berhad, a wholly-owned subsidiary of Omesti (as vendor), Omesti (as vendor's guarantor) and CTOS Holdings Sdn Bhd (as purchaser) for the disposal of Man Yau Holdings Berhad's entire shareholding comprising of 3,000,000 ordinary shares in Formis E Solutions Sdn Bhd to CTOS Holdings Sdn Bhd, for a total cash consideration of RM26.88 million. The transaction was completed on 12 July 2019.

6. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

Save as disclosed below, as at 11 February 2021, to the best knowledge of our Board, neither Omesti nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which may have a material effect on the financial position or business of Omesti Group, and our Board is not aware of any proceedings, pending or threatened, or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Omesti Group:

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

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

- (a) That the Defendants jointly and severally pay the Plaintiff the sum of approximately USD0.8 million;
- (b) Interest at the rate of 1.5% per month on the sums due and owing, amounting to an aggregate sum of USD0.8 million, calculated from the due date, being no later than 30 days after the date of the invoice or the date of issuance of the invoice, until the date of judgment;

- (c) Post-judgment interest at the rate of 5% per annum on the judgment sum from the date of judgment until full and final settlement of the same;
- (d) Costs; and
- (e) Any further and other relief as the Court deems appropriate.

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

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

Subsequently, the Plaintiff filed its reply and defence to counterclaim on 4 September 2020 and the Defendants filed their reply to the Plaintiff's defence to counterclaim on 16 October 2020.

On 20 October 2020, the Defendants received an amended statement of claim dated 13 October 2020 from the Plaintiff. The parties thereafter exhausted their respective amended pleadings on 4 January 2021.

This suit is presently pending a further case management date from the Court.

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

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

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

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

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

FNS maintains the position that it is not in default of the Outsourcing Agreement and intends to take such further actions as are necessary to enforce its rights and to

claim for, amongst other, all costs incurred for the development of CCM's Core Digital Registry Solution and damages arising from the wrongful termination.

On 11 February 2021, FNS filed a writ of summons and statement of claim as plaintiff against CCM as defendant, at the Court for, *inter-alia*, the unlawful termination of the Outsourcing Agreement.

FNS is seeking for, *inter-alia*, the following orders from the Court:

- (a) An order by way of specific performance of the Outsourcing Agreement;
- (b) Damages in lieu of the specific performance to be assessed by the Court;
- (c) Alternatively, damages to be assessed and/or sums to be determined for *quantum meruit*;
- (d) Alternatively, an order that the sum of RM128,178,067.84 be paid by CCM to FNS;
- (e) Further and/or in the alternative, damages to be assessed and/or sums to be determined in relation to the issue of unjust enrichment;
- (f) A declaration that the source code and/or intellectual property and/or confidential information as particularised in the statement of claim is property belonging to FNS;
- (g) An order that CCM deliver up the source code and/or intellectual property and/or confidential information which is in the custody, possession or control of CCM to FNS;
- (h) An injunction to restrain CCM 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 purpose; and
- (i) Damages, whether general and/or aggravated and/or exemplary, to be assessed by the Court.

The solicitors acting for and on behalf of FNS are of the view that the prospects of success of the aforesaid legal action by FNS are reasonable.

7. KEY FINANCIAL INFORMATION

7.1 Historical financial performance

	Audited			Unaudited	
	FYE 2018 RM'000	FYE 2019 RM'000	FYE 2020 RM'000	9 months FPE 31 December 2019 ("FPE 2019") RM'000	9 months FPE 31 December 2020 ("FPE 2020") RM'000
Revenue	345,154	253,050	255,610	177,154	184,148
Cost of sales	(241,284)	(189,879)	(167,608)	(118,943)	(131,759)
GP	103,870	63,171	88,002	58,211	52,389
Other operating income	4,056	3,166	29,692	26,616	10,096
Other operating expenses	(249,608)	(78,607)	(83,533)	(51,830)	(55,883)
Finance costs	(9,668)	(7,984)	(8,497)	(5,834)	(6,971)
Share of profit of associates	4,054	3,345	7,740	4,606	4,340

	Audited			Unaudited	
	FYE 2018	FYE 2019	FYE 2020	9 months FPE 31 December 2019 ("FPE 2019")	9 months FPE 31 December 2020 ("FPE 2020")
	RM'000	RM'000	RM'000	RM'000	RM'000
Share of loss of a jointly-controlled entity (LBT)/ PBT	-	(128)	(22)	(22)	-
Taxation (LAT) /PAT	(147,296)	(17,037)	33,382	31,747	3,971
	(2,104)	(1,085)	(5,039)	(3,321)	(1,009)
	(149,400)	(18,122)	28,343	28,426	2,962
(Loss)/Profit attributable to:					
Owners of the Parent	(129,643)	(18,257)	24,025	25,263	321
Non-controlling interests	(19,757)	135	4,318	3,163	2,641
	(149,400)	(18,122)	28,343	28,426	2,962

7.2 Historical financial position

	Audited			Unaudited	
	FYE 2018	FYE 2019	FYE 2020	FPE 2019	FPE 2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets	176,117	163,095	246,986	157,805	310,144
Current assets	184,884	194,940	171,275	185,266	204,544
Total assets	361,001	358,035	418,261	343,071	514,688
Share capital	230,698	248,723	275,506	249,116	275,881
Reserve	39,032	27,956	24,910	24,224	24,851
Accumulated losses	(124,252)	(135,345)	(107,976)	(106,575)	(98,586)
Total equity attributable to owners of our Company	145,478	141,334	192,440	166,765	202,146
Non-controlling interests	3,726	5,893	10,688	11,092	45,584
Total equity	149,204	147,227	203,128	177,857	247,730
Non-current liabilities	19,160	13,853	17,530	11,238	17,285
Current liabilities	192,637	196,955	197,603	153,976	249,673
Total liabilities	211,797	210,808	215,133	165,214	266,958
Total equity and liabilities	361,001	358,035	418,261	343,071	514,688

7.3 Historical cash flows

	Audited			Unaudited	
	FYE 2018	FYE 2019	FYE 2020	FPE 2019	FPE 2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Net cash from/(used in)					
Operating activities	(17,563)	(10,309)	(10,166)	(7,067)	(5,016)
Investing activities	23,512	1,459	20,433	28,990	(51,193)
Financing activities	(27,278)	4,403	(5,955)	(15,870)	59,714
Net increase/ (decrease) in cash and cash equivalent	(21,329)	(4,447)	4,312	6,053	3,505

	Audited			Unaudited	
	FYE 2018	FYE 2019	FYE 2020	FPE 2019	FPE 2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and cash equivalents at beginning of the year / period	46,953	25,632	21,185	21,677	26,065
Effect of changes in exchange rates	8	(*)	583	(163)	(68)
Cash and cash equivalents at end of the year / period	25,632	21,185	26,080	27,567	29,502

Note:

* Negligible.

Financial commentary for the FYE 2018 compared to financial year ended 31 March 2017 ("FYE 2017")

Our Group recorded revenue of RM345.15 million in FYE 2018 which represents a decrease by RM75.06 million or 17.86% from RM420.21 million in FYE 2017. Our Group recorded lower revenue contribution in all segments, in particular from trading and distribution services segments, which was attributable to the lower order fulfilments arising from the competitive business environment.

Notwithstanding the decrease in revenue, our Group's GP margin increased from 27.25% to 30.09%.

Our Group recorded LAT of RM149.40 million in FYE 2018 which represents an increase of RM134.45 million or 899.33% from RM14.95 million recorded in FYE 2017. The increase in LAT was mainly due to the impairments recorded in FYE 2018 of RM122.69 million (FYE 2017: RM3.80 million). The impairments were mainly from the impairment loss on software development costs (RM39.69 million), on other investments and associate (RM28.32 million) and goodwill, stocks and work-in-progress (RM24.49 million).

In FYE 2018, we recorded a net decrease in cash and cash equivalent of RM21.33 million (FYE 2017: increase of RM4.03 million) mainly attributable to the net cash used in operating activities amounted to RM17.56 million attributable to the LAT recorded in FYE 2018. We recorded net cash used in financing activities of RM27.28 million in FYE 2018 attributable to net repayment of borrowings and hire purchase amounting to RM18.23 million during FYE 2018.

The net decrease in cash and cash equivalent was offset by the net cash from investing activities mainly due to disposal of the equity interests in DGSB of RM28.11 million during FYE 2018.

Resulting from the above, the Group recorded a cash and cash equivalent of RM25.63 million in FYE 2018.

Financial commentary for the FYE 2019 compared to FYE 2018

Our Group recorded revenue of RM253.05 million in FYE 2019 which represents a decrease by RM92.10 million or 26.68% from RM345.15 million in FYE 2018. The decrease in revenue was mainly due to the deconsolidation of Diversified Gateway Solution Berhad ("DGSB") in the preceding financial year after the disposal of the equity interests in DGSB during FYE 2018. In addition, our Group recorded lower order fulfilments from all segments, in particular from the business performance services as well as trading and distribution services segments.

The lower revenue contribution from its business performance services segment was due to the demerger of DGSB from our Group while the lower revenue contribution from trading and distribution services segments was attributable to the lower order fulfilments arising from the competitive business environment and continued economic slowdown.

In line with the decrease in revenue, our Group's GP margin decreased from 30.09% for the FYE 2018 to 24.96% for the FYE 2019 as a result of deconsolidation of DGSB, which recorded GP of approximately 60% for the FYE 2018.

Despite lower revenue recorded, our Group recorded a reduction in LAT of RM18.12 million or 87.87% in FYE 2019 (FYE 2018: RM149.40 million). This was mainly due to lower other operating expenses recorded in FYE 2019 of RM28.47 million (FYE 2018: RM152.06 million) mainly attributable to lesser impairment losses recognised during the FYE 2019 as the provision has been made during the preceding FYE 2018.

In FYE 2019, our Group recorded a net decrease in cash and cash equivalent of RM4.45 million (FYE 2018: decrease of RM21.33 million) mainly attributable to the net cash used in operating activities of RM10.31 million recorded in FYE 2019 attributable to the LAT recorded in FYE 2019. The net decrease in cash and cash equivalent was offset by the net cash from investing activities and financing activities amounting to RM1.46 million and RM4.40 million respectively.

The net cash from investing activities was mainly due to disposals of the equity interests in DGSB of RM8.13 million during the FYE 2019. In addition, the net cash from financing activities was mainly due the net proceeds from shares issued pursuant to private placement of RM16.32 million completed in FYE 2019.

Resulting from the above, our Group recorded a cash and cash equivalent of RM21.19 million in FYE 2019.

Financial commentary for the FYE 2020 compared to FYE 2019

Our Group recorded a marginal increase in revenue of RM2.56 million or 1.01% to RM255.61 million in FYE 2020. The increase in revenue was mainly due to higher revenue contribution from its trading and distribution services segment involving the distribution and reselling of hardware and software and related services. During FYE 2020, our Company had implemented 11 new projects, which led to an increase in revenue. The revenue was mainly contributed by the higher order fulfilments and progress billings from public sector and Government-linked companies projects and major commercial sector.

The GP margin of our Company improved from 24.96% in FYE 2019 to 34.43% in FYE 2020 as a result of cost control strategies implemented throughout our Group during the financial year. During the FYE 2020, our Group recorded other operating income amounting to RM29.69 million, comprising:

- (i) Gain on disposal of Formis E Solutions Sdn Bhd, a wholly-owned subsidiary of Man Yau Holdings Berhad of RM24.62 million; and
- (ii) Reversal of impairment loss on trade receivables of RM4.59 million as our Group managed to collect overdue payments from customers for which the trade receivables were impaired in prior financial years.

Resulting from the above, our Group recorded PAT in FYE 2020 of RM28.34 million as compared to a LAT incurred in FYE 2019 of RM18.12 million. This was mainly due to the increase in other operating income recorded in FYE 2020 of RM29.69 million (FYE 2019: RM3.17 million).

In FYE 2020, our Group recorded a net increase in cash and cash equivalent of RM4.31 million (FYE 2019: decrease of RM21.33 million) mainly attributable to the net cash from investing activities of RM20.43 million recorded in FYE 2020. This was mainly due to disposal of Formis E Solutions Sdn Bhd, a wholly-owned subsidiary of Man Yau Holdings Berhad which resulted in the cash inflow from disposal of subsidiary.

The net increase in cash and cash equivalent was offset by the net cash used in operating activities amounting to RM10.17 million attributable to the increase in trade receivables and other receivables in FYE 2020. In addition, our Group recorded net cash used in financing activities of RM5.96 million, which was mainly due to net repayment of borrowings and hire purchase amounting to RM30.81 million during FYE 2020.

Resulting from the above, the Group recorded a cash and cash equivalent of RM26.08 million in FYE 2020.

Financial commentary for the FPE 2020 compared to FPE 2019

Our Group recorded revenue of RM184.15 million in the FPE 2020 as compared to RM177.15 million recorded in FPE 2019, representing an increase of RM7.00 million or 3.95% mainly due to higher contribution from its trading and distribution services segment. The increase in revenue was mainly as a result of the contribution from the higher order fulfilments and progress billings from public sector and Government-linked companies projects and major commercial sector.

During the FPE 2020, our Group recorded a lower other operating income of RM10.10 million mainly due to absence of gain on disposal of Formis E Solutions Sdn Bhd and reversal of impairment loss recorded in FPE 2019.

Resulting from the above, our Company recorded lower PAT of RM2.96 million or 89.58% in FPE 2020 (FPE 2019: RM28.43 million).

In FPE 2020, our Group recorded a net increase in cash and cash equivalent of RM3.51 million (FPE 2019: increase of RM6.05 million) mainly attributable to the net cash from financing activities of RM59.71 million. This was mainly due to the proceeds received from shares issued pursuant to the private placement in Microlink Solutions Berhad (an indirect subsidiary of Omesti) of RM50.08 million on 23 December 2020.

The net increase in cash and cash equivalent was offset by the net cash used in operating activities amounting to RM5.02 million attributable to increase in other receivables and net cash used in investing activities amounting to RM51.19 million recorded in FPE 2020 mainly due to acquisition of additional shares Microlink Solutions Berhad amounting to RM10.49 million and purchase of software of RM45.64 million.

Resulting from the above, the Group recorded a cash and cash equivalent of RM29.50 million in FPE 2020.

In FPE 2020, our Group recorded net current liabilities position of RM45.13 million (FYE 2020: net current asset position of RM26.33 million). This was attributable to the higher increase in current liabilities by RM52.07 million to RM249.67 million in FPE 2020 (FYE 2020: RM197.60 million) as compared to the increase in current assets by RM33.27 million to RM204.54 million (FYE 2020: RM171.28 million). The increase in current liabilities was attributable to the increase in our borrowings by RM36.16 million to cater to our working capital requirements. In addition, our Group recorded an increase in contract liabilities by RM19.42 million due to project pre-billings, which contributed to the higher current liabilities in FPE 2020.

8. WRITTEN CONSENTS

The written consents of the Principal Adviser, Company Secretary, Share Registrar, IMR and the Solicitors for the Rights Issue of RPS with Warrants for the inclusion in this Abridged Prospectus of their names in the form and context in which they appear have been given before issuance of this Abridged Prospectus and have not subsequently been withdrawn.

The written consent of the Reporting Accountants for the inclusion in this Abridged Prospectus of their names and letter relating to the pro forma consolidated statement of financial position of our Group as at 31 December 2020, in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not subsequently been withdrawn.

8.1 DECLARATIONS

Insas Plaza Sdn Bhd, Gryphon Asset Management Sdn Bhd, Montego Assets Limited and Winfields Development Pte Ltd, which are subsidiaries/associated company of Insas Berhad are also the Undertaking Shareholders.

Proceeds from the Rights Issue of RPS with Warrants shall be utilised to repay borrowings from Insas Credit Leasing Sdn Bhd as set out in Section 4.1 Note (2). Insas Credit Leasing Sdn Bhd is a wholly-owned subsidiary of Insas Berhad.

M&A Securities is a wholly-owned subsidiary of Insas Berhad. As such, the abovementioned companies are related to M&A Securities. M&A Securities is of the view that the relationship above does not give rise to a situation of conflict of interest in M&A Securities' role as the Principal Adviser to our Company based on the following:

- (i) M&A Securities is a stockbroking firm licensed to undertake the provision of corporate finance services and its appointment as the Principal Adviser is in its ordinary course of business;
- (ii) The role of M&A Securities is governed by agreement, which clearly set out the rights, duties and responsibilities of M&A Securities in its capacity as the Principal Adviser;
- (iii) There is no direct interest to be derived from M&A Securities' appointment as Principal Adviser to our Company and neither is M&A Securities interested nor affected by the outcome of the Rights Issue of RPS with Warrants; and
- (iv) The Rights Issue of RPS with Warrants is to all shareholders of our Company on a pro-rata basis, in proportion to the shareholders' shareholdings, affecting all shareholders equally.

9. DOCUMENTS 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 during normal business hours from Monday to Friday (except public holidays) for a period of 6 months from the date of this Abridged Prospectus:

- (i) Constitution of our Company;
- (ii) The IMR Report;

- (iii) Letters of consent as referred to in Section 8 of this Appendix;
- (iv) Letters of Undertakings as referred to in Section 2.6 of this Abridged Prospectus;
- (v) The Deed Poll;
- (vi) Pro forma consolidated statement of financial position of Omesti Group as at 31 December 2020 together with the Reporting Accountants' report thereon, as set out in **Appendix II** of this Abridged Prospectus; and
- (vii) Material contracts as referred to in Section 5 of this Appendix.

10. RESPONSIBILITY STATEMENT

This Abridged Prospectus together with its accompanying documents have been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, which the omission of which would make any statement herein false or misleading.

M&A Securities, being the Principal Adviser for the Rights Issue of RPS with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning this Rights Issue of RPS with Warrants.

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PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON

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 360 Jalan Tuanku Abdul Rahman
 50100 Kuala Lumpur
 Malaysia

The Board of Directors
Omesti Berhad
 Ho Hup Tower - Aurora Place
 2-07-01 Level 7, Plaza Bukit Jalil
 No. 1, Persiaran Jalil 1
 Bandar Bukit Jalil
 57000 Kuala Lumpur

Date: 2 March 2021

Dear Sirs,

**OMESTI BERHAD (“OMESTI” OR “THE COMPANY”) AND ITS SUBSIDIARIES
 REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL
 POSITION AS AT 31 DECEMBER 2020**

We have completed our assurance engagement to report on the compilation of pro forma consolidated statements of financial position of Omesti and its subsidiaries (“Omesti Group” or “the Group”) as at 31 December 2020 and its related notes prepared by the Directors of Omesti.

The pro forma consolidated statements of financial position of the Group and its related notes as at 31 December 2020, as set out in Appendix A for which we have stamped for the purposes of identification, have been compiled by the Directors of the Company for inclusion in the Abridged Prospectus to be issued in connection with the Company’s renounceable rights issue of up to 119,775,812 new redeemable preference shares (“RPS”) in Omesti at an issue price of RM1.00 per RPS (“RPS Issue Price”) together with up to 279,476,894 free detachable warrants (“Warrants”) on the basis of 1 RPS for every 5 existing ordinary shares in Omesti (“Omesti Shares” or “Shares”) held and 7 Warrants for every 3 RPS subscribed at an entitlement date to be determined by the Board at a later date (“Entitlement Date”) (“Rights Issue of RPS with Warrants”).

The applicable criteria on the basis of which the Directors of Omesti have compiled the pro forma consolidated statements of financial position are described in the notes to the pro forma consolidated statements of financial position.

The pro forma consolidated statements of financial position have been compiled by the Directors of Omesti for illustrative purposes only, to show the effects of the Rights Issue of RPS with Warrants on the unaudited consolidated statements of financial position of the Group as at 31 December 2020 had the Rights Issue of RPS with Warrants been effected on that date. As part of this process, information about the consolidated statements of financial position of the Group has been extracted by the Directors of Omesti from the unaudited consolidated financial statements of the Group for the financial period ended 31 December 2020.

Directors’ Responsibilities

The Directors of Omesti are responsible for preparing the pro forma consolidated statements of financial position on the basis set out in the notes to the pro forma consolidated statements of financial position.



**OMESTI BERHAD (“OMESTI” OR “THE COMPANY”) AND ITS SUBSIDIARIES
REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL
POSITION AS AT 31 DECEMBER 2020 (continued)**

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the By-Laws (on Professional Ethics, Conduct and Practice) issued by the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies *International Standard on Quality Control (“ISQC”) 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities

Our responsibility is to express an opinion about whether the pro forma consolidated statements of financial position have been compiled, in all material respects, by the Directors of Omesti on the basis set out in the notes to the pro forma consolidated statements of financial position in Appendix A.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors of Omesti have compiled, in all material respects, the pro forma consolidated statements of financial position on the basis set out in the notes to the pro forma consolidated statements of financial position.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated statements of financial position.

The purpose of the pro forma consolidated statements of financial position included in the Abridged Prospectus of the Company is solely to illustrate the impact of significant events or transactions on unadjusted financial information of the entity as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.



**OMESTI BERHAD (“OMESTI” OR “THE COMPANY”) AND ITS SUBSIDIARIES
REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL
POSITION AS AT 31 DECEMBER 2020 (continued)**

Our Responsibilities (continued)

A reasonable assurance engagement to report on whether the pro forma consolidated statements of financial position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors of Omesti in the compilation of the pro forma consolidated statements of financial position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma consolidated statements of financial position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the pro forma consolidated statements of financial position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statements of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma consolidated statements of financial position have been properly compiled, in all material respects, on the basis set out in the notes to the pro forma consolidated statements of financial position.

Other Matter

This report is issued solely for the purpose of inclusion in the Abridged Prospectus in connection with the abovementioned Rights Issue of RPS with Warrants and should not be used or relied upon for any other purpose. We accept no duty of responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any transaction other than the Rights Issue of RPS with Warrants.

BDO PLT
LLP0018825-LCA & AF 0206
Chartered Accountants
Kuala Lumpur, Malaysia

Koo Swee Lin
03281/08/2022 J
Chartered Accountant

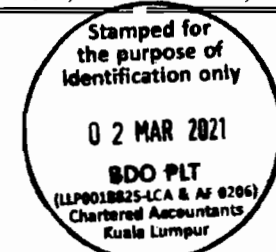
Appendix A

OMESTI BERHAD (“OMESTI” OR THE “COMPANY”)
Pro forma Consolidated Statements of Financial Position as at 31 December 2020

The pro forma consolidated statements of financial position of Omesti and its subsidiaries (“**Omesti Group**” or the “**Group**”), for which the Directors of Omesti are solely responsible, are set out below purely to illustrate the effects of the transactions described in the notes to the pro forma consolidated statements of financial position (“**Notes**”), assuming that these transactions were completed on 31 December 2020. Please read the pro forma consolidated statements of financial position together with the Notes.

Minimum Scenario*

			Pro forma I	Pro forma II
	Unaudited as at 31 December 2020 @	After adjustments for completed events up to the LPD	After the Rights Issue	After (I) and assuming full exercise of Warrants
Note	RM'000	RM'000	RM'000	RM'000
ASSETS				
Non-current assets				
Goodwill on consolidation	38,027	38,027	38,027	38,027
Other intangible assets	124,644	124,644	124,644	124,644
Investments in associates	101,763	101,763	101,763	101,763
Investments in jointly-controlled entities	-	-	-	-
Other investments	605	605	605	605
Other receivables, deposits and prepayments	230	230	230	230
Deferred tax assets	3,815	3,815	3,815	3,815
Property, plant and equipment	40,088	40,088	40,088	40,088
Investment property	972	972	972	972
	310,144	310,144	310,144	310,144
Current assets				
Inventories and contract costs	16,415	16,415	16,415	16,415
Other investments	112	112	112	112
Trade receivables	69,898	69,898	69,898	69,898
Other receivables, deposits and prepayments	67,077	67,077	67,077	67,077
Contract assets	7,495	7,495	7,495	7,495
Amounts owing by associates	24	24	24	24
Amount owing by a jointly-controlled entity	401	401	401	401
Current tax assets	3,195	3,195	3,195	3,195
Cash and bank balances	39,927	39,927	88,967	147,300
	204,544	204,544	253,584	311,917
TOTAL ASSETS	514,688	514,688	563,728	622,061



Appendix A

OMESTI BERHAD (“OMESTI” OR THE “COMPANY”)
Pro forma Consolidated Statements of Financial Position as at 31 December 2020

The pro forma consolidated statements of financial position of Omesti Group, for which the Directors of Omesti are solely responsible, are set out below purely to illustrate the effects of the transactions described in the Notes, assuming that these transactions were completed on 31 December 2020. Please read the pro forma consolidated statements of financial position together with the Notes (continued).

Minimum Scenario*

			Pro forma I	Pro forma II
	Unaudited as at 31 December 2020 @	After adjustments for completed events up to the LPD	After the Rights Issue	After (I) and assuming full exercise of Warrants
Note	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	4	275,881	276,122	347,196
Reserves	4	24,851	24,851	24,851
Warrant reserve	4	-	12,740	-
Accumulated losses	4	(98,586)	(99,787)	(99,787)
		202,146	213,926	272,260
Non-controlling interests		45,584	45,584	45,584
TOTAL EQUITY		247,730	259,510	317,844
LIABILITIES				
Non-current liabilities				
Borrowings		-	-	-
Lease liabilities		12,724	12,724	12,724
RPS		-	37,260	37,260
Provisions		4,413	4,413	4,413
Other payables, deposits and accruals		146	146	146
Deferred tax liabilities		2	2	2
		17,285	54,545	54,545
Current liabilities				
Trade payables		22,092	22,092	22,092
Other payables, deposits and accruals		76,045	76,045	76,045
Contract liabilities		49,221	49,221	49,221
Amounts owing to associates		312	312	312
Amount owing to a jointly-controlled entity		34	34	34
Borrowings		68,856	68,856	68,856
Lease liabilities		31,603	31,603	31,603
Current tax payable		1,510	1,510	1,510
		249,673	249,673	249,673
TOTAL LIABILITIES		266,958	304,218	304,218
TOTAL EQUITY AND LIABILITIES		514,688	563,728	622,061

Stamped for
the purpose of
identification only

02 MAR 2021

BDO PLT
(LLP0018825-LCA & AF 0706)
Chartered Accountants
Kuala Lumpur

Appendix A

OMESTI BERHAD (“OMESTI” OR THE “COMPANY”)
Pro forma Consolidated Statements of Financial Position as at 31 December 2020

The pro forma consolidated statements of financial position of Omesti Group, for which the Directors of Omesti are solely responsible, are set out below purely to illustrate the effects of the transactions described in the Notes, assuming that these transactions were completed on 31 December 2020. Please read the pro forma consolidated statements of financial position together with the Notes (continued).

Minimum Scenario*

			Pro forma I	Pro forma II
	Unaudited as at 31 December 2020 @	After adjustments for completed events up to the LPD	After the Rights Issue	After (I) and assuming full exercise of Warrants
Note	RM'000	RM'000	RM'000	RM'000
Number of shares in issue ('000)	531,682	532,207	532,207	648,874
Net assets attributable to ordinary equity holders of the Company per share (RM)	0.38	0.38	0.40	0.42
Total borrowings# (RM'000)	92,411	92,411	92,411	92,411
Gearing (times)	0.37	0.37	0.36	0.29

* Prepared in accordance with Part B of Appendix 6C of the Listing Requirements of Bursa Malaysia Securities Berhad

Include lease liabilities owing to financial institutions

@ Based on the announced unaudited quarterly financial results for the period ended 31 December 2020 and in accordance with Chapter 5 of the Prospectus Guidelines (Para 5.13) of Securities Commission Malaysia



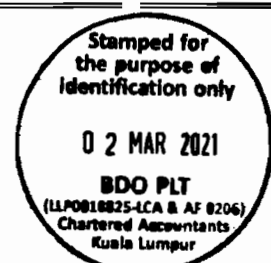
Appendix A

OMESTI BERHAD (“OMESTI” OR THE “COMPANY”)
Pro forma Consolidated Statements of Financial Position as at 31 December 2020

The pro forma consolidated statements of financial position of Omesti Group, for which the Directors of Omesti are solely responsible, are set out below purely to illustrate the effects of the transactions described in the Notes, assuming that these transactions were completed on 31 December 2020. Please read the pro forma consolidated statements of financial position together with the Notes (continued).

Maximum Scenario*

	Unaudited as at 31 December 2020 @	After adjustments for completed events up to the LPD	Pro forma I After full grant and exercise of ESOS Options under LTIP	Pro forma II After (I) and the Rights Issue	Pro forma III After (II) and assuming full exercise of Warrants
Note	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Goodwill on consolidation	38,027	38,027	38,027	38,027	38,027
Other intangible assets	124,644	124,644	124,644	124,644	124,644
Investments in associates	101,763	101,763	101,763	101,763	101,763
Investments in jointly-controlled entities	-	-	-	-	-
Other investments	605	605	605	605	605
Other receivables, deposits and prepayments	230	230	230	230	230
Deferred tax assets	3,815	3,815	3,815	3,815	3,815
Property, plant and equipment	40,088	40,088	40,088	40,088	40,088
Investment property	972	972	972	972	972
	310,144	310,144	310,144	310,144	310,144
Current assets					
Inventories and contract costs	16,415	16,415	16,415	16,415	16,415
Other investments	112	112	112	112	112
Trade receivables	69,898	69,898	69,898	69,898	69,898
Other receivables, deposits and prepayments	67,077	67,077	67,077	67,077	67,077
Contract assets	7,495	7,495	7,495	7,495	7,495
Amounts owing by associates	24	24	24	24	24
Amount owing by a jointly-controlled entity	401	401	401	401	401
Current tax assets	3,195	3,195	3,195	3,195	3,195
Cash and bank balances	39,927	39,927	39,927	114,343	254,081
	204,544	204,544	204,544	278,960	418,698
TOTAL ASSETS	514,688	514,688	514,688	589,104	728,842



Appendix A

OMESTI BERHAD (“OMESTI” OR THE “COMPANY”)
Pro forma Consolidated Statements of Financial Position as at 31 December 2020

The pro forma consolidated statements of financial position of Omesti Group, for which the Directors of Omesti are solely responsible, are set out below purely to illustrate the effects of the transactions described in the Notes, assuming that these transactions were completed on 31 December 2020. Please read the pro forma consolidated statements of financial position together with the Notes (continued).

Maximum Scenario*

		Unaudited as at 31 December 2020 @	After adjustments for completed events up to the LPD	Pro forma I After full grant and exercise of ESOS Options under LTIP	Pro forma II After (I) and the Rights Issue	Pro forma III After (II) and assuming full exercise of Warrants
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES						
Equity attributable to owners of the parent						
Share capital	4	275,881	276,122	309,458	309,458	479,716
Reserves	4	24,851	24,851	24,851	24,851	24,851
Warrant reserve	4	-	-	-	30,519	-
Accumulated losses	4	(98,586)	(98,827)	(132,163)	(133,123)	(133,123)
		202,146	202,146	202,146	231,705	371,444
Non-controlling interests		45,584	45,584	45,584	45,584	45,584
TOTAL EQUITY		247,730	247,730	247,730	277,289	417,028
LIABILITIES						
Non-current liabilities						
Borrowings		-	-	-	-	-
Lease liabilities		12,724	12,724	12,724	12,724	12,724
RPS		-	-	-	89,257	89,257
Provisions		4,413	4,413	4,413	4,413	4,413
Other payables, deposits and accruals		146	146	146	146	146
Deferred tax liabilities		2	2	2	2	2
		17,285	17,285	17,285	106,542	106,542
Current liabilities						
Trade payables		22,092	22,092	22,092	22,092	22,092
Other payables, deposits and accruals		76,045	76,045	76,045	76,045	76,045
Contract liabilities		49,221	49,221	49,221	49,221	49,221
Amounts owing to associates		312	312	312	312	312
Amount owing to a jointly-controlled entity		34	34	34	34	34
Borrowings		68,856	68,856	68,856	24,456	24,456
Lease liabilities		31,603	31,603	31,603	31,603	31,603
Current tax payable		1,510	1,510	1,510	1,510	1,510
		249,673	249,673	249,673	205,273	205,273
TOTAL LIABILITIES		266,958	266,958	266,958	311,815	311,815
TOTAL EQUITY AND LIABILITIES		514,688	514,688	514,688	589,104	728,842



Appendix A

**OMESTI BERHAD (“OMESTI” OR THE “COMPANY”)
Pro forma Consolidated Statements of Financial Position as at 31 December 2020**

The pro forma consolidated statements of financial position of Omesti Group, for which the Directors of Omesti are solely responsible, are set out below purely to illustrate the effects of the transactions described in the Notes, assuming that these transactions were completed on 31 December 2020. Please read the pro forma consolidated statements of financial position together with the Notes (continued).

Maximum Scenario*

		After	Pro forma I	Pro forma II	Pro forma III
	Unaudited	adjustments	After full	After (I)	After (II) and
	as at	for completed	grant and	and the	assuming full
	31 December	events up to the	exercise of	Rights Issue	exercise of
	2020 [@]	LPD	ESOS Options		Warrants
Note	RM'000	RM'000	under LTIP	RM'000	RM'000
			RM'000		
Number of shares in issue ('000)	531,682	532,207	598,879	598,879	878,356
Net assets attributable to ordinary equity holders of the Company per share (RM)	0.38	0.38	0.34	0.39	0.42
Total borrowings# (RM'000)	92,411	92,411	92,411	48,011	48,011
Gearing (times)	0.37	0.37	0.37	0.17	0.12

* Prepared in accordance with Part B of Appendix 6C of the Listing Requirements of Bursa Malaysia Securities Berhad

Include lease liabilities owing to financial institutions

[@] Based on the announced unaudited quarterly financial results for the period ended 31 December 2020 and in accordance with Chapter 5 of the Prospectus Guidelines (Para 5.13) of Securities Commission Malaysia



Appendix A

OMESTI BERHAD
(Incorporated in Malaysia)**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
AS AT 31 December 2020**1. Basis of Preparation**

The pro forma consolidated statements of financial position as at 31 December 2020, for which the Directors of Omesti are solely responsible, were prepared to illustrate the effects of the proposal mentioned below on the unaudited consolidated statements of financial position of the Group as at 31 December 2020 on the assumption that such proposal was effected on 31 December 2020, and should be read in conjunction with the Notes in this section.

The pro forma consolidated statements of financial position as at 31 December 2020 together with the Notes were prepared in a manner consistent with both the format of the financial statements and accounting policies adopted by the Group for its unaudited consolidated financial statements for the financial period ended 31 December 2020, which were prepared in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

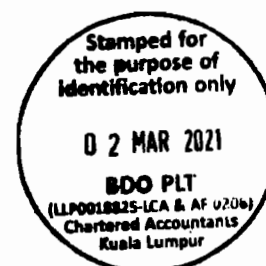
The Company is undertaking a renounceable rights issue of up to 119,775,812 new redeemable preference shares ("RPS") in Omesti at an issue price of RM1.00 per RPS ("RPS Issue Price") together with up to 279,476,894 free detachable warrants ("Warrants") on the basis of 1 RPS for every 5 existing ordinary shares in Omesti ("Omesti Shares" or "Shares") held and 7 Warrants for every 3 RPS subscribed at an entitlement date to be determined by the Board at a later date ("Entitlement Date") ("Proposed Rights Issue of RPS with Warrants").

Adjustments for certain completed events after 31 December 2020 but before the implementation of the Rights Issue have been illustrated in the pro forma consolidated statements of financial position, as described below.

Adjustments for significant event after 31 December 2020

The unaudited consolidated statements of financial position as at 31 December 2020 of the Group have been adjusted for the following transaction that occurred subsequent to 31 December 2020 up to the latest practicable date prior to the printing of the Abridged Prospectus of 9 February 2021 ("LPD"):

- (i) Allotment of 524,900 new Omesti shares pursuant to the Company's Long Term Incentive Plan ("LTIP") for a value of RM240,719.14 at no consideration issued on 13 January 2021.



Appendix A

OMESTI BERHAD
(Incorporated in Malaysia)**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
AS AT 31 December 2020**1. Basis of Preparation (continued)**

The pro forma consolidated statements of financial position have been prepared for illustrative purposes only. Such information, because of its nature, does not give a true picture of the effects of the Rights Issue on the financial position of the Group, had the transactions or events occurred on 31 December 2020. Further, such information does not purport to predict the Group's future financial position.

The pro forma consolidated statements of financial position of the Group are presented in 2 scenarios and were prepared for illustrative purposes assuming assumptions that the Rights Issue was effected on that date, as follows:

Minimum Scenario

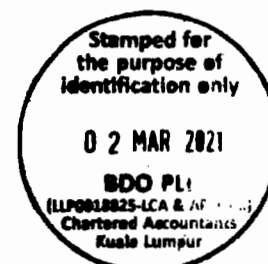
The minimum scenario assumes the following:

- (a) none of the other Entitled Shareholders subscribe for the Proposed Rights Issue of RPS with Warrants;
- (b) none of the outstanding employees' share option scheme ("ESOS") Options granted under long term incentive plan ("LTIP") are exercised on or prior to the Entitlement Date; and
- (c) the Rights Issue is undertaken on the minimum subscription level basis, based upon the irrevocable and unconditional written undertaking provided by the major shareholders of Omesti, to subscribe for its entitlement under the Rights Issue based on its shareholding in Omesti and to apply for excess RPS under the Rights Issue where required, in aggregate amounting to not less than RM50 million.

Maximum Scenario

The maximum scenario assumes the following:

- (a) all outstanding ESOS Options allowed to be granted under LTIP are granted and exercised resulting in the issuance of 66,672,225 new Omesti Shares at an exercise price of RM0.50 each on or prior to the Entitlement Date for which no consideration is required; and
- (b) all entitled shareholders whose names appear in the record of depositors of Omesti on the Entitlement Date will subscribe in full for their respective entitlements under the Rights Issue of RPS with Warrants.



Appendix A

OMESTI BERHAD
(Incorporated in Malaysia)**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
AS AT 31 December 2020**1. Basis of Preparation (continued)**

Based on the Issue Price and the Minimum Scenario and Maximum Scenario, the Rights Issue is expected to raise gross proceeds to be used in the following manner:

Purpose	Maximum Scenario RM'000	Minimum Scenario RM'000
Funding for the TM Project	56,580	49,040
Repayment of borrowings	44,400	-
Working capital	17,835	-
Estimated expenses for the Proposed Rights Issue of RPS with Warrants	960	960
	<u>119,775</u>	<u>50,000</u>

2. Effects of the Rights Issue on the pro forma consolidated statements of financial position

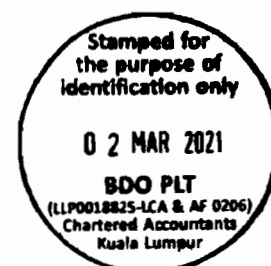
For illustrative purposes only, the pro forma effects of the Rights Issue are illustrated based on the following assumptions:

- (i) as at the LPD, Omesti has 532,206,835 Omesti Shares in issue.
- (ii) the Issue Price of RM1.00 per RPS with Warrants;
- (iii) an entitlement basis for the Rights Issue of 1 RPS for every 5 existing Omesti Share held, together with 7 Warrants for every 3 RPS subscribed; and
- (iv) The Warrants Exercise Price is fixed at RM0.50 per Warrant.

2.1 Minimum Scenario**Pro forma I**

Pro forma I is arrived at after incorporating the effects of the Rights Issue as follows:

- (i) The issuance and subscription of 50,000,000 RPS at the issue price of RM1.00 each and the issuance of 116,666,666 Warrants at a fair value of RM0.1092 each resulting in a RM12,740,000 warrant reserve.
- (ii) After deducting the estimated expenses relating to the Proposed Rights Issue of RPS with Warrants of RM960,000.



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**OMESTI BERHAD
(Incorporated in Malaysia)****NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 December 2020****2.1 Minimum Scenario (continued)****Pro forma II**

Pro forma II is arrived at after Pro forma I and incorporating the effects assuming full exercise of Warrants as follows:

- (i) The full exercise of the 116,666,666 Warrants at an exercise price of RM0.50 per Warrant and the reversal of warrant reserve upon exercise of the Warrants.

2.2 Maximum Scenario**Pro forma I**

Pro forma I is arrived at after incorporating the effects of the full grant and exercise of ESOS Options under LTIP as follows:

- (i) All outstanding ESOS Options allowed to be granted under LTIP are granted and exercised resulting in the issuance of 66,672,225 new OMESTI Shares at an exercise price of RM0.50 each on or prior to the Entitlement Date for which no consideration is required.

Pro forma II

Pro forma II is arrived at after Pro forma I and incorporating the effects of the Rights Issue as follows:

- (i) The issuance and subscription of 119,775,812 RPS at the issue price of RM1.00 each and the issuance of 279,476,894 Warrants at a fair value of RM0.1092 each resulting in a RM 30,518,877 warrant reserve.
- (ii) After deducting the estimated expenses relating to the Proposed Rights Issue of RPS with Warrants of RM960,000.
- (iii) After repayment of borrowings of RM44,400,000.

Pro forma III

Pro forma III is arrived at after Pro forma II and incorporating the effects assuming full exercise of Warrants as follows:

- (i) The full exercise of the 279,476,894 Warrants at an exercise price of RM0.50 per Warrant and the reversal of warrant reserve upon exercise of the Warrants.



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OMESTI BERHAD
(Incorporated in Malaysia)**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
AS AT 31 December 2020**3. Cash and bank balances**

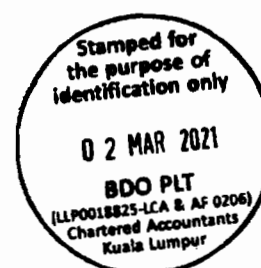
The movements in the cash and bank balances of the Group are as follows:

Minimum Scenario

	Cash and bank balances RM'000
As per unaudited consolidated financial statements as at 31 December 2020	39,927
Effects of the adjustments for completed significant events	-
After completed events	39,927
Proceeds from the Rights Issue	50,000
Estimated expenses in relation to the Rights Issue	(960)
As per pro forma I	88,967
Proceeds from full exercise of Warrants	58,333
As per pro forma II	147,300

Maximum Scenario

	Cash and bank balances RM'000
As per unaudited consolidated financial statements as at 31 December 2020	39,927
Effects of the adjustments for completed significant events	-
After completed events	39,927
Exercise of ESOS Options	-
As per pro forma I	39,927
Proceeds from the Rights Issue	119,776
Estimated expenses in relation to the Rights Issue	(960)
Further repayment of borrowings	(44,400)
As per pro forma II	114,343
Proceeds from full exercise of Warrants	139,738
As per pro forma III	254,081



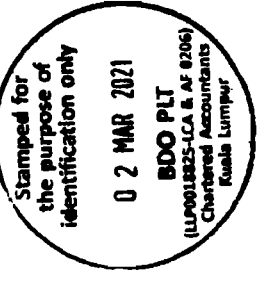
Appendix A

OMESTI BERHAD
(Incorporated in Malaysia)**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020****4. Share capital and reserves**

The movements of the share capital and reserves of Omesti are as follows:

Minimum Scenario

	Number of ordinary shares '000	Share capital RM'000	Capital reserve RM'000	Warrant reserve RM'000	Exchange translation reserve RM'000	Accumulated losses RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
Unaudited as at 31 December 2020	531,682	275,881	24,663	-	188	(98,586)	202,146	45,584	247,730
Adjustments for the completed significant events	525	241	-	-	-	(241)	-	-	-
Adjusted consolidated statements of financial position	532,207	276,122	24,663	-	188	(98,827)	202,146	45,584	247,730
Proceeds from the Rights Issue	-	-	-	12,740	-	-	12,740	-	12,740
Estimated expenses in relation to the Rights Issue	-	-	-	-	-	(960)	(960)	-	(960)
Pro forma I	532,207	276,122	24,663	12,740	188	(99,787)	213,926	45,584	259,510
Proceeds from full exercise of Warrants	116,667	71,074	-	(12,740)	-	-	58,334	-	58,334
Pro forma II	648,874	347,196	24,663	-	188	(99,787)	272,260	45,584	317,844



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OMESTI BERHAD
(Incorporated in Malaysia)

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 December 2020

4. Share capital and reserves (continued)

The movements of the share capital and reserves of Omesti are as follows (continued):

Maximum Scenario

	Number of ordinary shares '000	Share capital RM'000	Capital reserve RM'000	Warrant reserve RM'000	Exchange translation reserve RM'000	Accumulated losses RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
Unaudited as at 31 December 2020	531,682	275,881	24,663	-	188	(98,586)	202,146	45,584	247,730
Adjustments for the completed significant events	525	241	-	-	-	(241)	-	-	-
Adjusted consolidated statements of financial position	532,207	276,122	24,663	-	188	(98,827)	202,146	45,584	247,730
Full grant and exercise of ESOS Options under LTIP	66,672	33,336	-	-	-	(33,336)	-	-	-
Pro forma I	598,879	309,458	24,663	-	188	(132,163)	202,146	45,584	247,730
Proceeds from the Rights Issue	-	-	-	30,519	-	-	30,519	-	30,519
Estimated expenses in relation to the Rights Issue	-	-	-	-	-	(960)	(960)	-	(960)
Pro forma II	598,879	309,458	24,663	30,519	188	(133,123)	231,705	45,584	277,289
Proceeds from full exercise of Warrants	279,477	170,258	-	(30,519)	-	-	139,739	-	139,739
Pro forma III	878,356	479,716	24,663	-	188	(133,123)	371,444	45,584	417,028

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identification only

02 MAR 2021

BDO PLT
(LLP001825-LCA & AF 0206)
Chartered Accountants
Kuala Lumpur