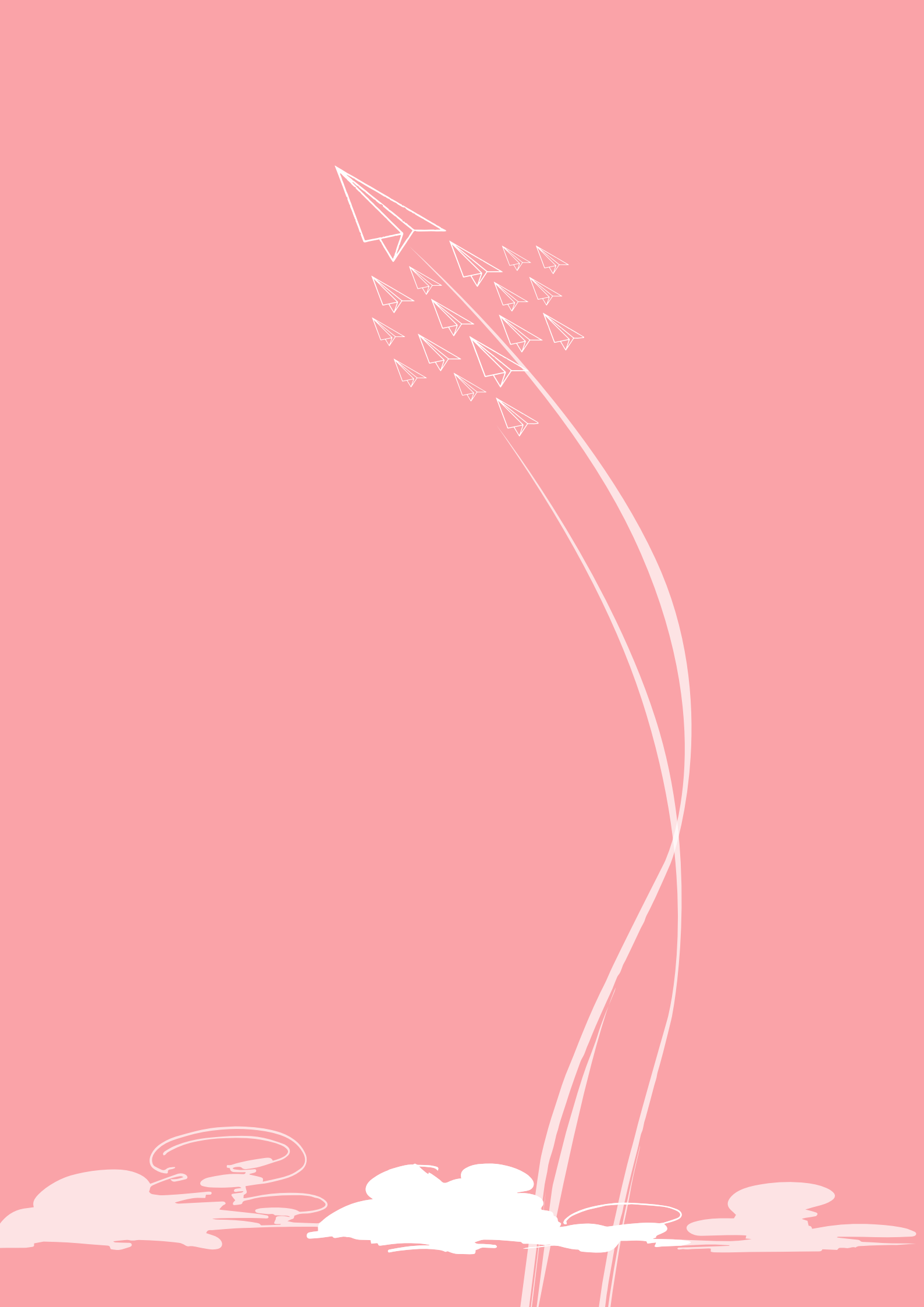


GO FURTHER.



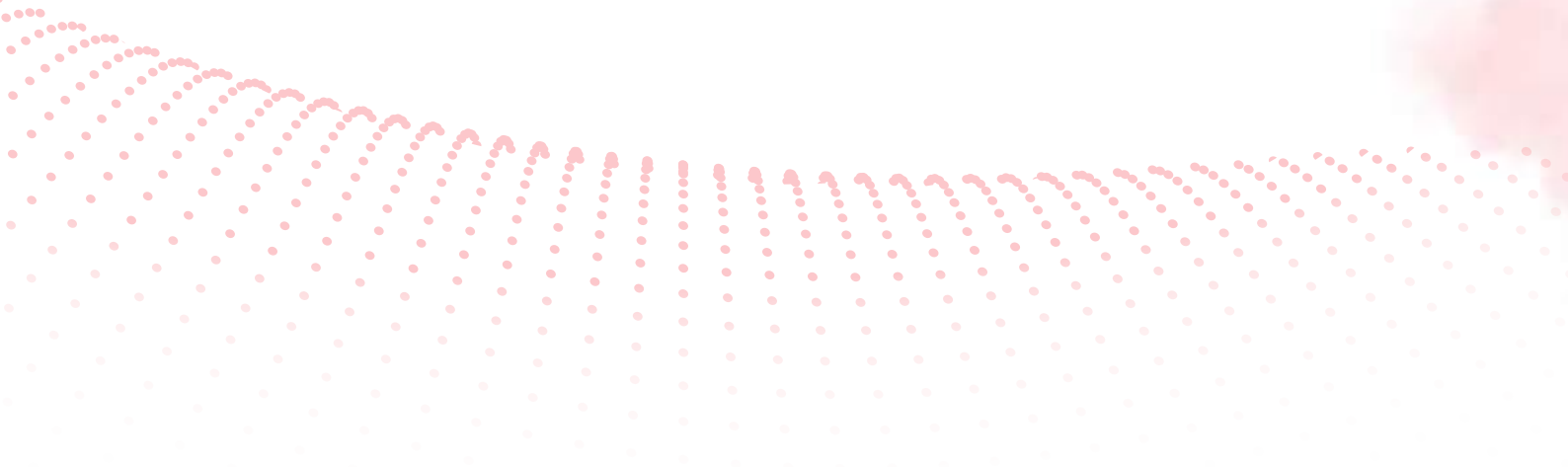
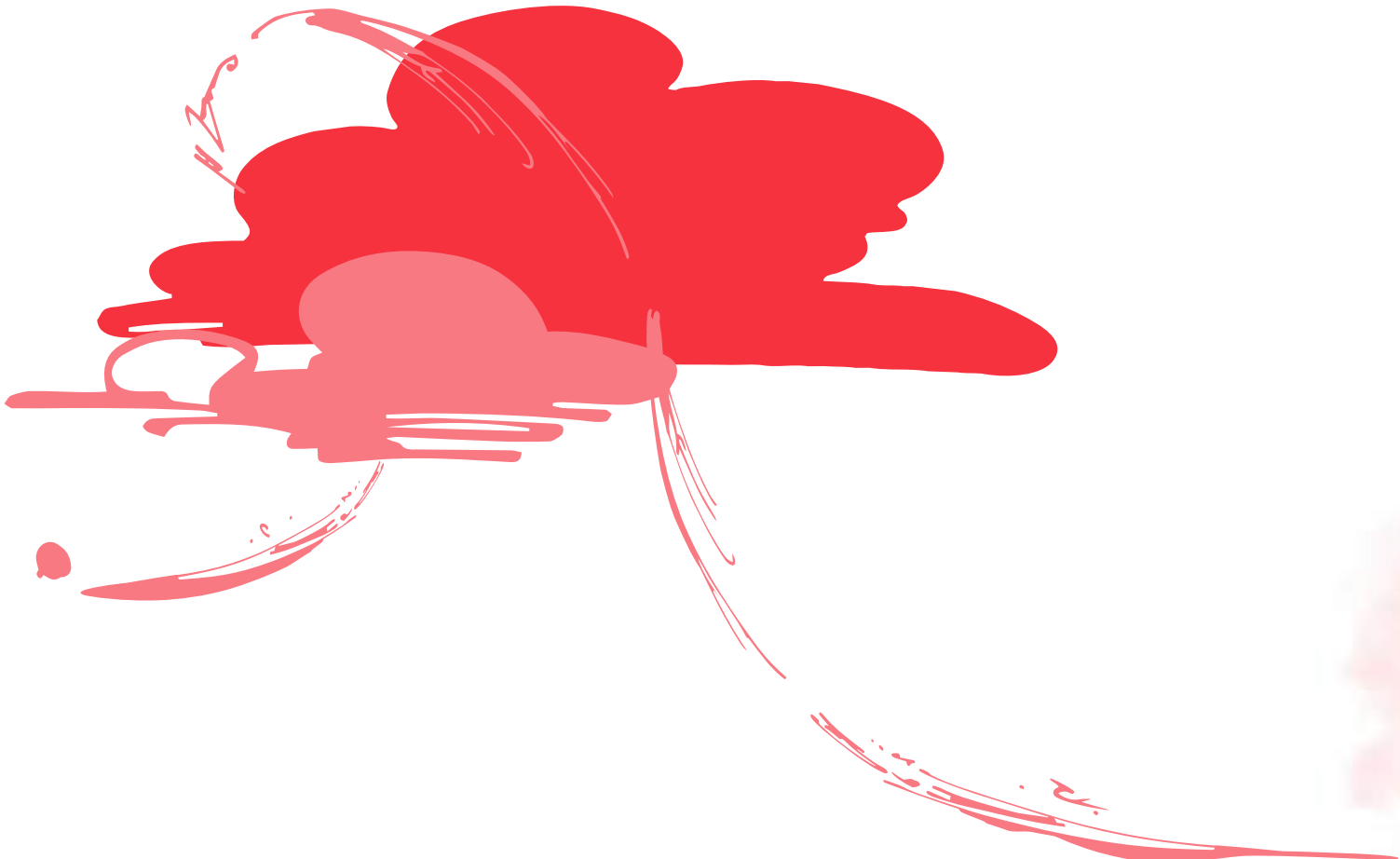


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SOLUTIONS TODAY.
ACCELERATE TOMORROW.



MANAGEMENT DISCUSSION & ANALYSIS

INTRODUCTION

The overriding goal of the Microlink Group (the Group) is to transform and innovate: transformation of people, business and product to set the foundation for the Group to innovate.

The Group's vision is to build business applications and design solutions that bring tangible value and cost optimisation. As such, the focus is firmly on developing and deploying new technologies across the business that bring positive change for its clients and the industry at large.

OVERVIEW OF BUSINESS OPERATIONS

The reorganisation of the Microlink Group operations during FY2016 under four key business pillars has resulted in improved coordination and alignment during the year under review. The Group has focused on raising its profile and brand name in the industry, leveraging the strengths of its parent company Omesti Berhad and of its industry partners, adopting a targeted approach to secure new projects in existing and new market sectors.

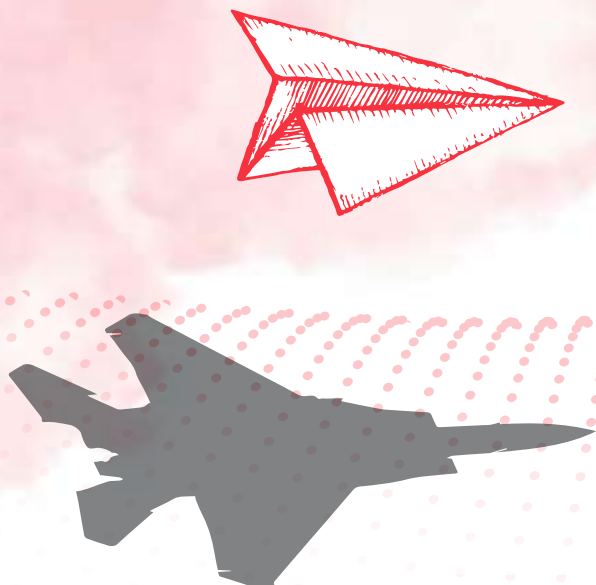
FINANCIAL SERVICES (FSI)

Microlink offers a comprehensive suite of banking solutions which spans core banking for conventional and Islamic sectors, digital banking, fintech platforms, and branchless banking. It is also active in the insurance space with core general insurance solutions and an online insurance portal.

Principal products include:

- OneSolution Conventional & Islamic Core Banking including modules for Islamic Ar-Rahnu, Branchless Banking, Digital Banking, Financing and Loans
- nxgen-GIS - general insurance system

Key customers include established financial institutions in the core conventional and Islamic banking sectors, cooperative banks, regulatory bodies and insurance companies.



ENTERPRISE SOLUTIONS

Microlink continues to focus and push forward aggressively on its agenda to be a leading solutions technology partner in working with non-FSI enterprises to transform their organisations. By leveraging on IoT (Internet of Things), predictive analytics, mobile applications, machine learning, and cloud-based solution play, Microlink helps its customers stay ahead of existing and emerging competitors.

The Enterprise Solutions portfolio includes its proprietary Orion Document Management System, a Smart City Solution for Waste, Water and Energy Management, and Smart Predictive systems for Flood Detection & Monitoring, Escalator/Elevator Predictive Management and other applications. Key customers in the sector include leading manufacturing and IT organisations.

Microlink continues to be a Tier 1 partner for CA and as such will continue to grow and support the customer base in Malaysia.

DISTRIBUTION

The Microlink Distribution portfolio extends to enterprise range servers, storage systems, engineered systems and solutions from leading industry partners, and technical and professional services. The business serves a channel network of more than 250 system integrators, independent solution vendors, managed services providers and cloud services providers.

The portfolio is sourced from four major principals as follows:

ORACLE Suite - provided via Microlink subsidiary Applied Business Systems Sdn Bhd

IBM and Lenovo - provided via Microlink subsidiary First Solution Sdn Bhd

Hitachi Data Systems - provided via Microlink subsidiary Formis Systems & Technology Sdn Bhd

SOLUTION DELIVERY

The Microlink Solution Delivery business focuses on delivery of technical solutions, from project management, design, development, testing, change management and deployment. Its portfolio includes:

- Architecting best-of-breed business applications and systems
- Custom solution development using open source programming languages
- Commercial off-the-shelf product development, including IBM, Microsoft, Oracle and SAP

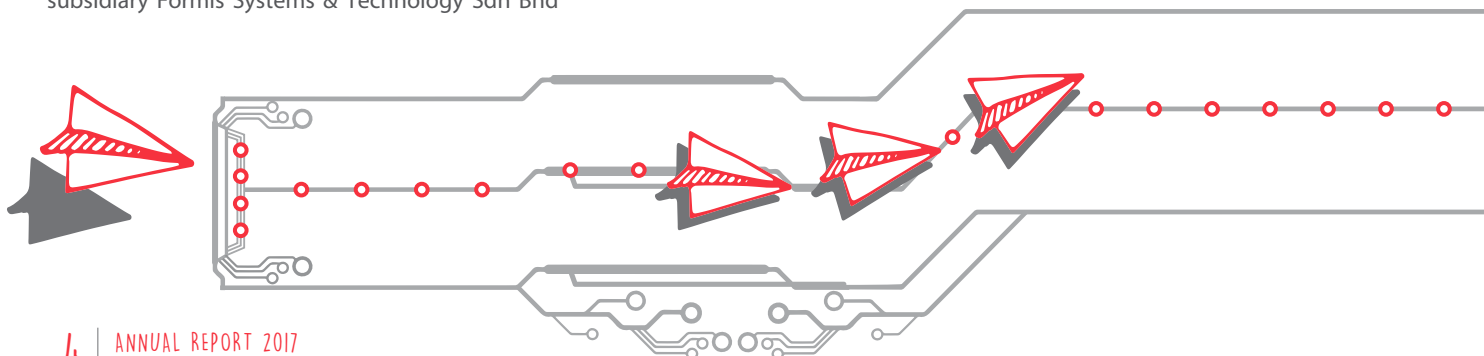
OBJECTIVES & STRATEGIES

FINANCIAL SERVICES (FSI)

Traditional banks are currently faced with many challenges; shrinking profits, ever-expanding and rapidly changing customer expectations, and new generations of fintech companies competing in the industry with lower operational costs and greater agility. As a result, banks are relentlessly seeking ways to improve not only operational efficiencies but also the means to generate new revenues to address these challenges.

In order to help clients address these challenges, the short-term aims of the Group in the FSI sector are:

- Continue to upgrade and enhance the proprietary Microlink OneSolution offering with the latest technology
- Continue to focus on identifying new opportunities for the SAP Core Islamic Banking solution
- Upgrade the current General Core Insurance Platform to accommodate and stay ahead of the curve



Long-term goals include:

- Regional expansion to new markets, new customers and new territories in Asean, starting with Indonesia where there is a growing need for the tier 2 banks to upgrade their banking system and embark on the Islamic banking path
- Focus on new innovation by introducing new products and solutions to the market, including digital banking and insurance solutions with cognitive capabilities, and tapping on the fintech platforms
- Creating a new business model based on a software-as-a-service offering

ENTERPRISE SOLUTIONS

The pressure on enterprises to lower costs, increase efficiency, be more agile, dynamic and reliable and at the same time personalise products and engagement can be intense. The need to digitally transform businesses becomes top priority. However, there is often a gap between business expectations and IT investment and it has become more prevalent in this “digital transformation” era. Microlink adds value to help enterprises bridge that gap.

Short-Term Goals

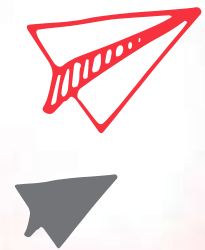
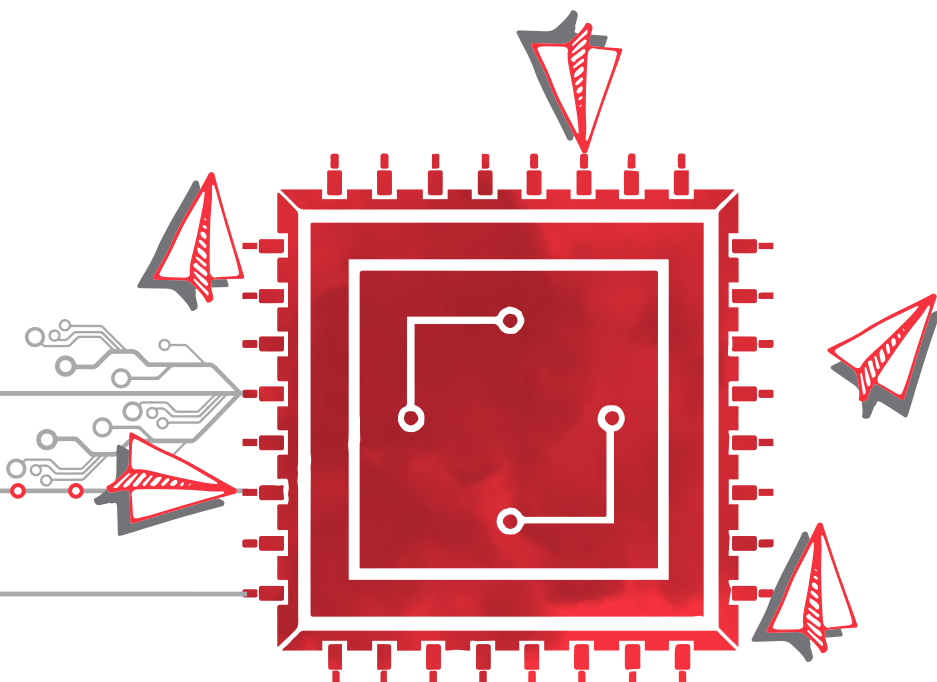
The Group is targeting quick-win projects to kick off cloud solutions, IoT solutions and smart services.

It will continue to build on the success of ORION, its cloud-based document management solution developed on the Microsoft Azure platform. There is a very relevant and synergistic play for this solution with the legal sector and also in industries that require secure, easy access to electronic documents via web and mobile.

The Group is also pushing to secure IoT projects with local government organisations for Smart City Solutions revolving around Waste Management, Water Management and Smart Prevention solutions.

Long-Term Goals

In the longer term, the goal is to build on the momentum and grow new accounts in the government sectors such as city councils for smart initiatives, the property sector for preventive maintenance solutions, the telco space for mobile applications and plantations for soil analytics.



The Group will also continue to build close partnerships and develop solutions with IBM, Microsoft, Oracle and Amazon Web Services (AWS) to leverage new technology areas in the IoT, Data Analytics/Cognitive and cloud space. It will also embrace and continue to build awareness of the SaaS commercial model.

DISTRIBUTION

The emergence of non-traditional born-in-the-cloud companies forces the technology distribution landscape to evolve and adapt quickly. The transition to the cloud is not an easy one, where data domicile challenges continue to worry regulators and governments. Public-private cloud solution is a reality: it is not a stop gap measure, but an end state. In this regard, distributors still have a large role to play in meeting the needs of channel partners and becoming trusted advisors in helping customers select the best-of-breed solution.

The Microlink Group value-adds by enabling its channel partners with the latest technology skills through education and training, offering pre- to post-sales technical support, sharing of best practice and marketing support.

Short-Term Goals:

- To continue efforts to value-add and serve/develop business partners (Systems Integrators (SI)/Independent Software Vendors (ISV) and Managed Service Providers (MSP)/Cloud Services Providers (CSP)) and extend coverage nationwide
- To expand the distribution network outside Klang Valley

Long-Term Goals:

- Align with vendor strategies such as Oracle's mission to be a cloud solutions provider
- Ramp up managed services and professional services on vendor core products for the business partner community
- Bring value to partners in the form of deal management where Microlink will provide facilities for Proof of Concept to help push new markets and establish a footprint.

THE MICROLINK GROUP VALUE—ADDS BY
ENABLING ITS CHANNEL PARTNERS
WITH THE **LATEST TECHNOLOGY**
SKILLS THROUGH EDUCATION,
TRAINING, AND MARKETING SUPPORT.

SOLUTION DELIVERY

Traditional system delivery type work has changed significantly over the past years, whereby agile delivery methodology coupled with a conventional waterfall delivery framework has become a viable delivery path. It offers quick delivery turnaround and allows decision-makers sufficient time to evaluate and proceed. The Microlink Solution Delivery team is focused on providing this blend of delivery.

Short-Term Goal: Maintaining a sizeable system delivery workforce to ensure consistent delivery across all the business segments and industries where the Group participates remains a primary goal.

Long-Term Goals:

- Continue to support existing customers such as U Mobile to enhance, maintain and deliver new initiatives in the mobile application space
- Streamline delivery skillsets, and create a clearer path for the delivery team to focus and build skillsets
- Consolidate the delivery approach and quality provided to the industry

REVIEW OF OPERATING ACTIVITIES

FINANCIAL SERVICES (FSI)

During the year under review, Microlink secured strategic projects to provide core banking and data analytics solutions to new clients in the FSI sector. The Group also continued to service its long-term Tier 1 FSI clients, delivering a range of enhancements to its core banking solution. Support and maintenance service contracts were also secured for FY17/18.

A recent success for the OneSolution Core Banking solution is the project secured with Lembaga Pembiayaan Perumahan Sektor Awam (LPPSA). Valued at RM38 million (including GST), the win is a clear demonstration that the OneSolution platform remains relevant as one of the better products in the market.

While the development of the SAP Core Banking platform remains an important focus, OneSolution will continue to serve tier 2 banks and the co-operative market. The platform is very relevant for the Indonesian market and after a break of some two years, Microlink succeeded in re-entering the territory having formed a strategic partnership with established local entities. Traction is already being achieved to secure new business.

ENTERPRISE SOLUTIONS

Microlink Enterprise Solutions business has pushed forward aggressively with its agenda to establish an IoT, and cloud-based solution play.

The Group's proprietary cloud-based document management solution ORION, which runs off Azure has been rolled out. A number of customers, law firms in particular, are using the solution with several other potential customers currently undergoing Proof of Concept.

Microlink is the chosen solution partner for the IBM Smart City Aspen project at Penang, which represents the company's first IoT play with the IBM BlueMix solution. The company has also participated in several recent tender exercises for state government Smart City initiatives.

DISTRIBUTION

The Distribution business exceeded target in the Hitachi Data System space with new clients secured and a much improved working relationship with the principal.

Targets were also exceeded in the IBM and Lenovo space.



SOLUTION DELIVERY

U Mobile continues to rely on the Solution Delivery team to enhance, maintain and deliver new initiatives in the mobile application space.

In addition to working for external clients, the Solution Delivery team acts as the de facto in-house technology development arm of the OMESTI Group. During the period under review, the team has been heavily deployed on the project to develop and implement the new Digital Court Infrastructure platform on behalf of OMESTI.

PRODUCT DEVELOPMENT

A number of successes in product development have been achieved:

- Islamic Core Banking – enhancements and upgrades to functionality
- Core Filing and Case Management for national digital court infrastructure platform
- Document Management Solution running on Cloud
- Data Analytics
- Financial Reporting System (FRS) for regulatory bodies
- Mobile Applications for telco space

SIGNIFICANT CHANGES

Significant changes during the period under review include:

- The introduction of a new pricing model based on software-as-a-service
- The addition of cloud solutions such as OS365, Azure and AWS into the Group's portfolio
- The reskilling of the team to engage differently be more effective in Cognitive Technology Era
- The fine tuning of the Group's business partner network to seek and work with ISV (solution-driven market place)

KEY RISKS

Competition from local and foreign vendors is creating increasing pressure, as companies not previously considered competitors move out of their traditional comfort zones into segments where Microlink operates. In some instances, this leads to price wars, with the added challenge of communicating to customers the real value of the solution being offered versus the actual cost.

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

The impending detariffication in the insurance sector will completely change the way business is conducted and will require a significant revamp and upgrade of the Microlink general insurance platform in order to remain relevant.

DEVELOPING **RE-USABLE**
SOLUTIONS AND CONSISTENT
INVESTMENT IN **NEW**
TECHNOLOGY TOOLS WILL
ENABLE QUICKER TIME-TO-MARKET.



MANAGEMENT DISCUSSION & ANALYSIS (CONT'D.)

In the Distribution business, one of the principal risks is potential loss of distributorships, as the regional presence of principals increases in the local space due to acquisition and partnerships fostered at global level.

The Solution Delivery team is involved in key transformation projects, such as Islamic core banking implementation and large-scale enterprise architecture platforms. Such turnkey projects are typically complex, high risk and under a stringent timeline. The likelihood of Project Delivery Risk to an organisation such as Microlink, which is running on the leading edge of technology, is therefore to be expected.

A further risk to the Microlink Group business is staff turnover with the loss of highly skilled and competent professionals. There is also a requirement for resources with new skillsets to take on cloud, mobility, analytics and security projects.

MITIGATION

In mitigation of these risks, Microlink is focused on ensuring continued updates to the latest technology available in the market and to create new FSI product offerings, especially for General Insurance.

The new pricing model of providing software-as-a-service will enable a sustainable revenue source to be derived. Additionally, the proprietary nature of the Microlink FSI solutions means that they are agnostic of technology and this enables the company to work with multiple principals including Oracle, HPE, IBM, Redhat and Microsoft.

The Distribution business will continue to forge stronger alliances with its channel partners and vendors to understand and support their strategies and goals.

There will be continued focus on hiring the most appropriate resources to meet the new skillsets requirements, as well as developing the technical skillsets of internal resources. This will be aided by the creation of ample learning and rotation opportunities to cross-train employees in different specialisation, industry domains and functional domains.

A further initiative will be to develop re-usable solutions and consistently invest in new technology tools to enable quicker time-to-market, thus minimising delivery risk.

Concerted efforts are being made to monitor slow paying trade receivables to ensure collectability of the debts.

REVIEW OF FINANCIAL PERFORMANCE

The Microlink Group records its financial performance in line with that of its parent company Omesti Berhad, whereby revenue is divided into and reported across three segments:

- Business Performance Services
- Services & Systems Integration
- Distribution

REVENUE

For the financial year ended 31 March 2017, the Group registered a revenue of RM252.21 million, an increase of 6.73% from RM236.30 million registered a year ago.

The **Business Performance Services** segment's revenue for the financial year increased by 40.60% from RM25.10 million to RM35.29 million, mainly due to higher progressive revenue recognition as compared to a year ago.

The **Distribution** segment recorded an increase of revenue by 3.72% with total revenue registered at RM203.13 million, as compared to RM195.85 million registered in the previous year. The increase was mainly due to higher orders fulfilment.

Total revenue generated from the **Services & System Integration** segment decreased by 10.16% to RM13.79 million in 2017, as compared to RM15.35 million in 2016. This was due largely to lower orders and projects fulfilment.

PROFIT BEFORE TAX

The Group's profit before tax was lower at RM2.52 million as compared to RM3.12 million in the preceding year. This was weighed down primarily by the provision related to the award of the Employee Share Option Scheme, amounting to RM4.35 million, and one-time costs related to human capital restructuring totaling RM1.25 million (2016 – RM1.73 million).

TAXATION

The Group's effective tax rate was higher than the statutory tax rate, mainly due to the fact that profits of certain subsidiaries cannot be set-off against losses of other subsidiaries for tax purposes.

LIQUIDITY & CAPITAL RESOURCES

As at 31 March 2017, the Group's Cash Position amounted to RM16.96 million (31 March 2016 – RM24.74 million). The key items that impacted the Group's cash flow during the period were:

- An amount of RM35.48 million expended on research and development cost, mostly in respect of the Group's new core Islamic banking solution partnership with SAP Global.
- The Group increased its share capital by RM17.76 million (2016 - RM6.90 million) from the issuance of 15.22 million new ordinary shares pursuant to Section 75 of the Companies Act, 2016.

OUTLOOK

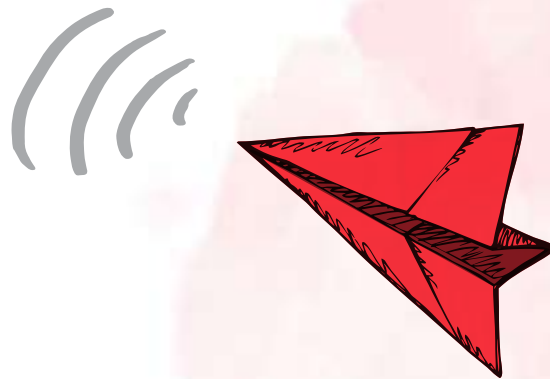
A disruptive market environment such as the technology sector requires continuous transformation in order to address the driving forces of the rapid developments that are happening and enable businesses to stay ahead of the competition. These developments are characterised by an inevitable shift towards the Cognitive Era where Cloud, IoT, Social Mobility, Big Data/Analytics and Security become the norm.

In order to maximise opportunities for the business, the Microlink Group will focus on developing new products/solutions and acquiring content expertise in order to meet its strategic objectives. Among these initiatives are:

- Cloud-based solutions - working with principals and CSP/MSP on Infrastructure-As-A-Service (IAAS), Platform-As-A-Service (PAAS) and Software-As-A-Service (SAAS) pay-on-demand utilisation model.



- IoT Business - driving new concepts and solutions based on customer requirements (back-end infrastructure).
- Big Data/Analytics - Analytics will rapidly expand into the cognitive space where data stored and analysed in an automated function will be used to predict and determine specific outcomes.
- The market for cutting-edge solutions for sectors such as plantations, properties, town councils and manufacturing is strong. Solutions include cloud, mobile, IoT, analytics and security to enable organisations to run smart, to lower the cost of ownership. Microlink is already creating a footprint in the sector.
- Building broader and stronger alliances and partnerships with organisations such as Microsoft, IBM, HPE, Redhat and Oracle to enable Microlink to deliver a range of future-ready technologies to clients. Other major players in the sector include Alibaba Cloud and Huawei Cloud. Partnerships with other system integrators, system implementers and SMEs will also help increase coverage.
- Business opportunities in Indonesia, Cambodia and Vietnam will be pursued through regional expansion.
- Switch from one-time licence to subscription licence model, providing an opex model offering for clients.
- Recognise the need for faster solution deployment with the creation of a relevant application framework eg. a Mobile framework for telco, a Business Logic workflow engine, etc.
- Provide access for new hires to the right channels and opportunities to progress through the organisation while ensuring that long-term employees continue to develop their skillsets and achieve recognition for their efforts.



**BUILDING BROADER AND STRONGER
ALLIANCES TO DELIVER A RANGE OF
FUTURE-READY
TECHNOLOGIES TO CLIENTS.**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Independent Non-Executive Chairman

Tun Arifin bin Zakaria

Executive Director

Monteiro Gerard Clair

Independent Non-Executive Directors

Tai Keat Chai

Martin Chu Leong Meng

Non-Independent Non-Executive Director

Mah Xian-Zhen

GROUP CHIEF EXECUTIVE OFFICER

Chia Yong Wei

BOARD COMMITTEES

EXECUTIVE COMMITTEE

Monteiro Gerard Clair (Chairman)

Mah Xian-Zhen

Chia Yong Wei

AUDIT & RISK MANAGEMENT COMMITTEE

Tai Keat Chai (Chairman)

Martin Chu Leong Meng

Mah Xian-Zhen

NOMINATING COMMITTEE

Martin Chu Leong Meng (Chairman)

Tai Keat Chai

Mah Xian-Zhen

REMUNERATION COMMITTEE

Martin Chu Leong Meng (Chairman)

Tai Keat Chai

Monteiro Gerard Clair

LONG-TERM INCENTIVE PLAN COMMITTEE

Martin Chu Leong Meng (Chairman)

Tai Keat Chai

Monteiro Gerard Clair

COMPANY SECRETARY

Phang Ai Tee

[MAICSA No. 7013346]

REGISTERED OFFICE

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8 Lorong P. Ramlee

50250 Kuala Lumpur

T +603 2078 4488

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161B Jalan Ampang

50450 Kuala Lumpur

T +603 2171 2200

F +603 2171 2240

AUDITORS

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BDO @ Menara CenTARa

360 Jalan Tuanku Abdul Rahman

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T +603 2616 2888

F +603 2616 3190/3191

PRINCIPAL BANKERS

CIMB Bank Berhad

OCBC Bank (Malaysia) Berhad

SHARE REGISTRAR

Bina Management (M) Sdn Bhd

Lot 10 The Highway Centre

Jalan 51/205

46050 Petaling Jaya

Selangor Darul Ehsan

T +603 7784 3922

F +603 7784 1988

STOCK EXCHANGE LISTING

ACE Market

Bursa Malaysia Securities Berhad

Stock Code: 0126

Stock Name: MICROLN

Sector: Technology

WEBSITE ADDRESS

www.microlink.com.my

PROFILE OF GROUP CHIEF EXECUTIVE OFFICER

CHIA YONG WEI

GROUP CHIEF EXECUTIVE OFFICER

- Age 41, Male, Malaysian
- Appointed as Group Chief Executive Officer on 1 April 2016
- Member of Executive Committee

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

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

He holds 85,700 (0.051%) ordinary shares in the Company.

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

He has no family relationship with any Directors and/or other major shareholders of the Company and has no conflict of interest with the Company. He has not been convicted of any offence within the past five years other than traffic offences.



PROFILE OF DIRECTORS

TUN ARIFIN BIN ZAKARIA

INDEPENDENT NON-EXECUTIVE CHAIRMAN

- Age 66, Male, Malaysian
- Appointed to the Board on 6 June 2017

Tun Arifin graduated with LLB (Hons) from the University of Sheffield, UK in 1974 and LLM from the University of College, London in 1979. He was called to the English Bar at Lincoln's Inn in 1979.

Following graduation, his distinguished legal career began when he joined the Malaysian Judicial and Legal Service before being posted as Federal Counsel in the Advisory Division of the Attorney General's Chambers and later as Magistrate, Session Court Judge and Senior Assistant Registrar.

He served in various capacities in the Government of Malaysia, both in the Justice Office and the Legal Department before being appointed as a Judicial Commissioner on 1 March 1992, and Judge of the High Court of Malaya in 1994. In 2002, he was elevated as Judge of the Court of Appeal, in 2005 as Judge of the Federal Court and then on 24 October 2008 as Chief Judge of Malaya. On 14 September 2011, Tun Arifin was elevated as the 13th Chief Justice of Malaysia, where he served until his retirement from office on 31 March 2017.

In June 2012, he also served as Co-Chair of the United Nations Environment Programme (UNEP) World Congress on Justice, Governance and Law for Environmental Sustainability as part of his efforts to improve the status of environmental law in the region.

TAI KEAT CHAI

INDEPENDENT NON-EXECUTIVE DIRECTOR

- Age 63, Male, Malaysian
- Appointed to the Board on 28 August 2013
- Chairman of Audit & Risk Management Committee and Member of Nominating Committee, Remuneration Committee and Long-Term Incentive Plan Committee

Mr Tai brings many years of valuable experience and insight through his work at KPMG, London and PwC in Kuala Lumpur. In 1981, he joined Alliance Investment Bank Berhad where he worked in corporate finance for seven years before venturing into stockbroking, working with SJ Securities Sdn Bhd, AA Anthony Securities Sdn Bhd and Kenanga Investment Bank Berhad.

He is currently a Director of Rex Industry Berhad, Omesti Berhad, Marine & General Berhad (formerly known as Silk Holdings Berhad), MIDF Amanah Asset Management Berhad and several other unlisted companies.

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

MONTEIRO GERARD CLAIR

EXECUTIVE DIRECTOR

- Age 46, Male, Malaysian
- Appointed to the Board on 16 October 2012 as Non-Independent Non-Executive Director
- Re-Designated as Executive Director on 1 April 2016
- Chairman of Executive Committee and Member of Remuneration Committee and Long-Term Incentive Plan Committee

A serial entrepreneur, Mr Monteiro began his career in 1992 as a sales agent for Riken Auto Sdn Bhd (Riken Auto) and was subsequently appointed as a Director. In 1998, he left Riken Auto and set up Optima Auto Sdn Bhd where he served as Managing Director until 2005.

Since then, he has ventured into the property industry and various other investments via several privately held companies including Red Zone Development Sdn Bhd (Red Zone), an investment holding company. He serves as a Director of Red Zone and of various other private companies, including property development company Montprimo Sdn Bhd where he is Executive Vice Chairman. He also currently serves as an Executive Director of Omesti Berhad and a Director of Omesti Holdings Berhad.

In his younger years, Gerard was an accomplished sportsman, representing Malaysia in squash at both junior and senior levels. Crowned National Junior Champion in 1988, he also captained the victorious National Junior Team in the East Asian Junior Squash Championships in 1999.

MARTIN CHU LEONG MENG

INDEPENDENT NON-EXECUTIVE DIRECTOR

- Age 61, Male, Malaysian
- Appointed to the Board on 6 January 2014
- Chairman of Nominating Committee, Remuneration Committee and Long-Term Incentive Plan Committee and Member of Audit & Risk Management Committee

Martin Chu graduated with an MSc in Management Science and a BSc (Hons) in Mechanical Engineering from Imperial College, University of London. His early career was spent with Schlumberger Offshore Services Ltd, in the Netherlands and the UK, as a Senior Field Engineer in wireline logging and production services for offshore oil & gas exploration.

Five years later, he moved into banking where he obtained 26 years of experience in Financial Services, spanning multiple disciplines. Initially with Mitsubishi Bank Ltd in London, specialising in Corporate Finance, Treasury, Property Finance and Corporate Restructuring, he was then appointed as Deputy Chief Executive Officer, Group Management Services Division, of EON Bank Bhd, Kuala Lumpur, a post he held for 15 years.

During this time, he led various corporate exercises including the acquisition of Oriental Bank and Malaysian International Merchant Bank Bhd. In 2000, he was appointed as Executive Director/Acting Chief Executive Officer of Oriental Bank, subsequently leading the merger integration of these two organisations into EON Bank.

From 2008 to 2011, he was Chief Operating Officer of ECM Libra Investment Bank. In 2011, he was reassigned to oversee Treasury & Wealth Management and in 2012, was appointed as Chief Risk Officer. While at ECM Libra, he also sat on the board of Asiasons WFG Ltd, Singapore, as Non-Independent Non-Executive Director from 2009 to 2011.

MAH XIAN-ZHEN

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

- Age 35, Female, Malaysian
- Appointed to the Board on 1 April 2016
- Member of Audit & Risk Management Committee, Nominating Committee and Executive Committee

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

Subsequently she joined Omesti Berhad (Omesti) in October 2009 as Executive Assistant to the Chief Executive Officer before being appointed as an Executive Director of Omesti in September 2011. She is closely involved in developing, organising, implementing and monitoring strategic plans and programmes throughout the organisation.

She currently serves as an Executive Director of Omesti, Director of Omesti Holdings Berhad and Man Yau Holdings Berhad.

Ms Mah is the daughter of Dato' Mah Siew Kwok, a major shareholder of the Company.

NOTES

Save where disclosed above, none of the Directors has:

- any family relationship with any Director and/or major shareholder of the Company;
- any conflict of interest with the Company;
- any conviction for offences within the past 5 years other than traffic offences; and
- any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT

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

Elwin Lim Yew Mun

Chief Executive Officer

– Financial Services Division

- Age 40, Male, Malaysian
- Appointed on 1 November 2016

Qualifications

Bachelor's Degree in Computing, majoring in Information Systems

Working Experience

18 years

Profile

Elwin has developed a successful track record in Project Management, Business Development, System Architecture/Design and Application Software Development. Prior to joining Microlink to head the newly aligned Financial Services Business, he served as Regional Vice-President, Enterprise Solutions for Fusionex International for nine years and prior to that, spent time with KPMG Consulting focusing on IT Strategy, IT Implementation and Project Management.

He brings extensive experience in enterprise solutions, implementing software and hardware systems for the banking, insurance, manufacturing, travel and hospitality sectors, as well as the public sector. Typical projects include mission critical systems for banks, stock exchanges, insurance providers, travel providers, research houses, airlines and entertainment complexes. Elwin also has hands-on experience in providing clients with solutions on Big Data, Mobility, Social and Cloud.

Any directorship in public companies and listed issuers

None

Any family relationship with any director and/or major shareholder of the listed issuer

None

Any conflict of interests that the person has with the listed issuer

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.

None

Mah Chon Cheang

Chief Executive Officer

– Distribution

- Age 49, Male, Malaysian
- Appointed on 1 January 2015

Qualifications

Bachelor of Business Administration

Working Experience

24 years

Profile

Chon Cheang is a seasoned professional with more than 20 years' track record in the IT sector. As CEO for Microlink's Distribution Business, he manages the provision of hardware on behalf of principals IBM, Oracle, EMC and Hitachi, as well as integration of this hardware into clients' existing systems.

His career began with Bass Consulting in Business Development followed by a stint at KN Kenanga as a Dealer Representative. He subsequently spent more than six years with Hewlett-Packard Malaysia as Product Manager for Industry Standard Servers & Storage, spearheading volume servers and driving HP Intel servers to hold the Number 1 slot in IDC market share for more than 24 consecutive quarters. He then joined AVNET as Product Manager before taking up his current role.

Any directorship in public companies and listed issuers

None

Any family relationship with any director and/or major shareholder of the listed issuer

- Nephew of Dato' Mah Siew Kwok, Non-Executive Chairman of OMESTI Berhad, [Holding Company of MSB];
- Cousin to Mah Xian-Zhen, Non-Executive Director of MSB

Any conflict of interests that the person has with the listed issuer

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.

None

BUSINESS STRUCTURE BY SEGMENT

BUSINESS PERFORMANCE SERVICES



OMESTI INNOVATION LAB
Omesti Innovation Lab
(Malaysia) Sdn Bhd



microlink[®]
Microlink Solutions Berhad
Microlink Systems Sdn Bhd
Microlink Innovation Sdn Bhd
Microlink Software Sdn Bhd

SERVICES & SYSTEM INTEGRATION



FORMIS
COMPUTER SERVICES
Formis Computer Services Sdn Bhd

CSA Servis (M) Sdn Bhd

DISTRIBUTION



ABS
Applied Business Systems
Applied Business Systems Sdn Bhd



FIRST
solution
First Solution Sdn Bhd

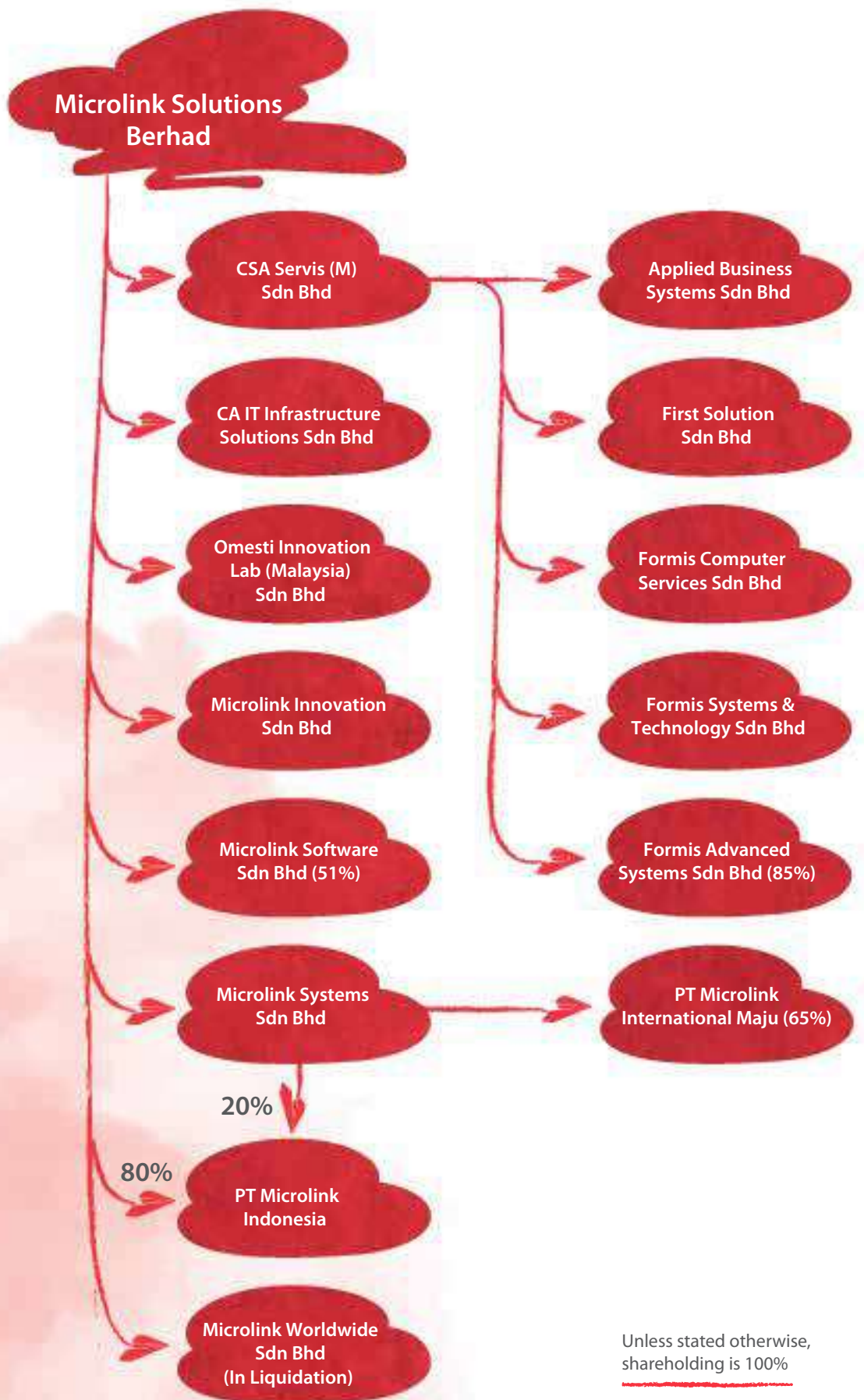


ca
technologies
Country Representative Partner
CA IT Infrastructure Solutions Sdn Bhd



FST
FORMIS Systems & Technology
Formis Systems & Technology Sdn Bhd

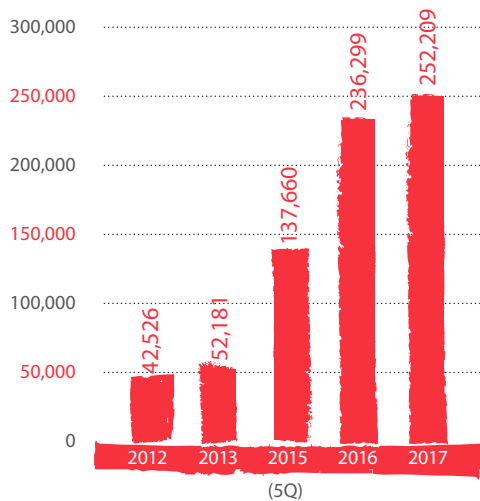
BUSINESS STRUCTURE BY COMPANY



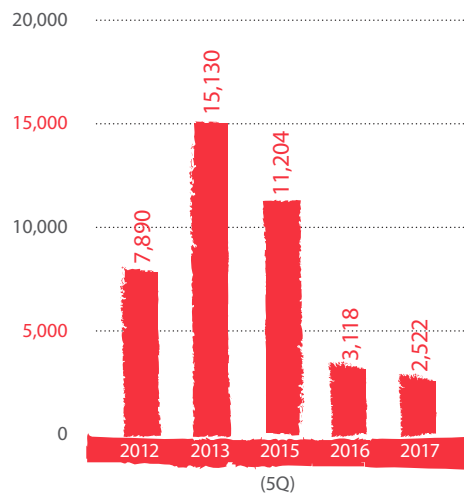
Unless stated otherwise, shareholding is 100%

FINANCIAL HIGHLIGHTS 2012–2017

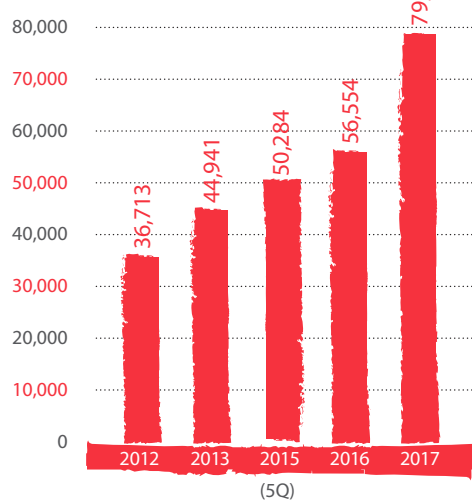
REVENUE (RM'000)



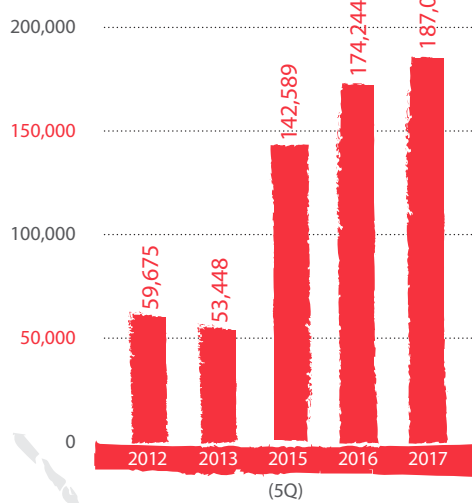
PROFIT BEFORE TAX (RM'000)



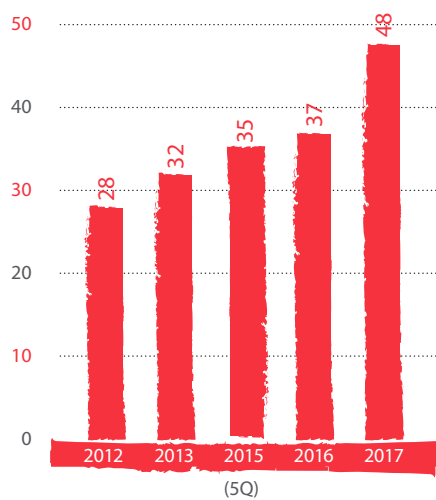
SHAREHOLDERS' EQUITY (RM'000)



TOTAL ASSETS (RM'000)



NET ASSET/SHARE (SEN)



STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (Board) of the Company recognises the importance of practising good corporate governance in directing the business of the Company to enhance business prospects, corporate performance and accountability with the ultimate objective of realising long-term shareholders value and interests of other stakeholders.

The Board is fully committed towards ensuring that the principles and recommendations as set out in the Malaysian Code on Corporate Governance 2012 (MCCG 2012) are applied and practised throughout the Company and its subsidiaries (Group). The Board is pleased to report to the shareholders on the manner in which the Company has applied all the eight (8) principles of the MCCG 2012 and the extent to which it has complied with the recommendations of the MCCG 2012.

THE BOARD

ROLES & RESPONSIBILITIES

The Board recognises its responsibilities in leading, monitoring and governing the entire performance of the Company. There is a clear separation of responsibilities between the Board and the Management. Except for matters reserved for shareholders, the Board is the ultimate decision-maker of the Company and is responsible for the oversight of Management's performance.

The Board has overall responsibility for the strategic direction of and retains full and effective control over the Company of, amongst others, the following six responsibilities:

- Reviewing and adopting a strategic plan for the Group;
- Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Succession planning;
- Developing and implementing an investor relations programme or shareholder communications policy for the Company; and

- Reviewing the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The following matters are reserved for Board approval:

1. Corporate/strategic directions/plans and programmes;
2. Annual budgets, including major capital commitments and capital expenditure budgets;
3. New major ventures;
4. Material acquisitions and disposals of undertakings and properties or any significant Group expenditure;
5. Changes to the management and control structure within the Company and its subsidiaries, including key policies and delegated authority limits;
6. Appointment of Board members and Board Committee members; and
7. Any matters and/or transactions that fall within the ambit of the Board pursuant to the Companies Act, 2016, Listing Requirements of Bursa Malaysia Securities Berhad, Company's Articles of Association, Terms of Reference of the respective Board Committees or any other applicable rule.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D.)

Details of the Board's duties and responsibilities are set out in the Board Charter which is available for reference at the Company's website www.microlink.com.my.

Generally, the Executive Director (ED) is responsible for the day-to-day operations within the limit of authority entrusted to him. The ED is accountable to the Board and ultimately the shareholders. He is primarily responsible for implementing the policies of the Board, overseeing the Company's operations and attainment of the long-term goals and objectives set by the Board. He liaises with the Group Chief Executive Officer (Group CEO) and the CEOs of the operating subsidiaries on a regular basis on business strategies and opportunities to lead the Management to drive the Company forward.

The Board recognises the importance of attracting and retaining key management personnel and as such, has made concerted efforts to identify and groom middle management in all key areas as an integral part of the management succession plan. The plan also includes offering a competitive remuneration package and providing training and career development opportunities for employees in all key functions of the Company's operations.

COMPOSITION & BOARD BALANCE

The Company is led and managed by a well-balanced Board which consists of members with a wide range of diverse backgrounds and specialisations such as business, technical, financial, judiciary and public service. This brings insightful depth and diversity to the leadership and management of an evolutionary business.

The Board currently comprises five (5) members as follows:

- 3 Independent Non-Executive Directors (including the Chairman)
- 1 Executive Director
- 1 Non-Independent Non-Executive Director

The profiles of the Directors are presented on pages 14 to 15 of Volume 1 of this Annual Report.

The composition of the Board ensures that Independent Non-Executive Directors provide an

element of objectivity, independent judgment and checks and balances to the decision-making process of the Board. The Independent Non-Executive Directors also ensure that the Company's development plans and business strategies are fully deliberated upon and all decisions taken are in the best interests of the shareholders, employees, customers and other stakeholders of the Company.

BOARD COMMITTEES

The Board has five (5) standing committees (Board Committees), each operating within defined terms of reference respectively, to assist the Board in discharging its responsibilities. The minutes of proceedings of each Board Committee meeting are circulated to all Board members so that all Directors are aware of the deliberations and resolutions made. Where applicable, Board Committees report their decisions to the Board and present their recommendations for the Board's approval.

The current composition of the Board Committees is set out on page 12 of Volume 1 of this Annual Report.

BOARD CHARTER

The Board has established a Board Charter as a key point of reference to clarify the roles and responsibilities of the Board. The Board Charter is periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. The Board Charter is available for reference at the Company's website www.microlink.com.my.

DIRECTORS' CODE OF ETHICS

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

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

SUSTAINABILITY

The Company acknowledges that sustainability is an important aspect of its business and continues to undertake responsible practices that impact society and the environment in a positive manner and to inculcate a culture of responsibility in all aspects of the business. It therefore adopts a business approach to creating shareholder value by embracing opportunities and managing risks deriving from economics, environment and social developments.

SUPPLY OF INFORMATION & COMPANY SECRETARY

The Directors are provided with full and timely information which enables them to discharge their responsibilities. Prior to each Board Meeting, the agenda together with the detailed reports and supplementary papers are circulated to the Directors in advance. This is to enable the Directors to obtain further explanations, where necessary, to be adequately informed before the meeting.

In carrying out its duties, the Board has full and unrestricted access to all information within the Company, as well as the advice and services of senior management and the Company Secretary.

The Board may consult with the Management and seek additional information where appropriate. Likewise, the Directors have access to independent professional advice whenever such services are needed to assist them in carrying out their duties, at the Company's expense.

The Company Secretary plays an advisory role to the Board on matters pertaining to compliance of procedures, rules and regulatory requirements. The Company Secretary attends all Board and Board Committee Meetings and ensures that all meetings are convened in accordance with Board procedures and Terms of Reference of the relevant Board Committees. Deliberations on issues discussed and decisions made at meetings are properly recorded and kept.

STRENGTHEN COMPOSITION

NOMINATING COMMITTEE

The Nominating Committee (NC) is set up to propose new nominees for the Board and to evaluate each individual Director on an on-going basis. The Company has established formal and transparent procedures for the appointment of new Directors. The NC scrutinises the sourcing and nomination of suitable candidates for appointment and also seeks to ensure an optimal mix of qualification, skill and experience among the Board members.

The Nominating Committee, consisting mainly of Independent Non-Executive Directors, comprises the following members:

- Martin Chu Leong Meng (Chairman)
- Tai Keat Chai
- Mah Xian-Zhen

In evaluating the suitability of candidates, the NC considers the following factors before recommending to the Board for appointment:

- skills, knowledge, expertise and experience;
- time commitment to effectively discharge his/her role as a Director;
- character, integrity and competence; and
- in the case of candidates for the position of Independent Non-Executive Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.

The NC has a formal assessment mechanism to assess the effectiveness of the Board as a whole and the contribution of each individual Director.

The Terms of Reference of the NC are available at the Company's website www.microlink.com.my.

During the financial year under review, the NC met once with all members being present. In discharging its functions and duties, the NC carried out the following activities:

- Reviewed the required mix of skills, experience and other qualities including core competencies;

STATEMENT ON CORPORATE GOVERNANCE (CONT'D.)

- Conducted the Directors' Self-Evaluation for assessment of the effectiveness of the Board as a whole, the Board Committees, the contribution of each individual Director including the Group CEO and independence of Independent Non-Executive Directors; and
- Reviewed the composition of the Board and the Board Committees.

The assessment of the Board and the Board Committees is based on:

- composition
- structure
- adequacy of information and processes
- accountability
- performance
- standard of conduct

The criteria used, amongst others, for an individual Director include:

- abilities, competencies and knowledge
- integrity and personality
- participation at Board and Board Committee Meetings, including the contribution to the business strategies and performance of the Group
- meeting attendance

Based on the annual review and assessment carried out, the NC is satisfied that:

- the Board Committees have carried out their functions in accordance with their respective terms of reference and overall, the members of the Committees have attended to their responsibilities effectively;
- the size and composition of the Board was optimum with a good balance of Executive and Independent Non-Executive Directors;
- the current Board has the right mix of skills and experience which are relevant for the Board to carry out its responsibilities in an effective and competent manner, as well as independently and objectively in the interest of the investors and shareholders of the Company;
- the Directors understand their roles, powers, duties and responsibilities and the activities carried out by the Company; and
- the Independent Directors are independent.

The Board acknowledges the importance of gender diversity as part of good governance practices and to enhance the efficient functioning of the Board. The Board believes the appointment of new members is guided by the skills, experience, competency and knowledge of the individual candidate and it shall review any potential candidate wherever reasonably possible.

In line with the Board Diversity Policy which has been adopted by the Company, gender quota and target will be considered when vacancies arise and suitable candidates are identified. The composition of the Board is currently 80% male and 20% female. In terms of age, 40% are aged between 30-59 and 60% are aged 60 years and above.

RE-ELECTION

In accordance with the Company's Articles of Association, one third of the Directors shall retire from office and be eligible for re-election at each Annual General Meeting (AGM) and all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

The Directors shall have the power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with the Company's Articles of Association. Any Director so appointed shall hold office only until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

REMUNERATION COMMITTEE

The Remuneration Committee (RC) is responsible for recommending to the Board the framework and quantum values for the remuneration package, terms of employment, reward structure and benefits for the ED and Senior Management.

REMUNERATION POLICY & PROCEDURE

The objective of the Company's policy on Directors' remuneration is to attract and retain Directors of the calibre needed to lead the Group successfully.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D.)

The remuneration of the ED is structured so as to link rewards to corporate and individual performance. In the case of the Non-Executive Directors, the level of remuneration reflects the experience, expertise and level of responsibilities undertaken by the particular Non-Executive Director concerned.

The RC reviews and recommends to the Board the remuneration package of the ED. It is the responsibility of the entire Board to approve the remuneration of Non-Executive Directors who abstain from deliberation and decision made in respect of their individual remuneration. The Executive and Non-Executive Directors play no part in decisions on their own remuneration.

When determining the structure of ED's remuneration, the RC takes into account the following criteria:

- individual performance
- skills and knowledge
- involvement in the Group's affairs
- achievement of the Group's internal targets
- performance and profitability of the Group

The RC also considers other factors such as time commitment, duties and responsibilities.

The fees of the Directors are subject to approval of shareholders at the AGM. The Non-Executive Directors are also paid a meeting attendance allowance for each Board meeting, Board Committee meeting and Shareholders' meeting that they attend.

The remuneration packages for the Directors for the financial year ended 31 March 2017 are as follows:

	Executive Director (RM'000)	Non-Executive Directors (RM'000)
Directors' Salaries and Other Emoluments	159.4	45
Directors' Fees	–	236.5

The number of Directors whose remuneration falls into each band of RM50,000 are set out as follows:

	Number of Directors	
	Executive	Non-Executive
RM50,001 – RM100,000	–	2
RM100,001 – RM150,000	–	1
RM150,001 – RM200,000	1	–

REINFORCE INDEPENDENCE

ANNUAL ASSESSMENT OF INDEPENDENCE

The Non-Executive Directors are not employees of the Company and do not participate in the day-to-day management of the Company. Of the three Non-Executive Directors, two are Independent Directors and are able to express their views without any constraints. This strengthens the Board which benefits from the independent views expressed before any decisions are taken. The NC has reviewed the performance of the Independent Directors and is satisfied that they have discharged their responsibilities in an independent manner.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D.)

TENURE OF INDEPENDENT DIRECTORS

The Board notes the recommendations of MCGG 2012 with respect to the tenure of an Independent Director which should not exceed a cumulative term of nine (9) years.

None of the current independent Board members has served the Company for more than nine (9) years. Should the tenure of an Independent Director exceed nine (9) years, shareholders' approval will be sought at a general meeting.

POSITION OF CHAIRMAN, EXECUTIVE DIRECTOR & GROUP CEO

The division of roles and responsibilities of Chairman, ED and Group CEO ensures a balance of power and authority.

The Chairman is responsible for orderly conduct and proceedings of meetings and ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in Board decisions. The ED and Group CEO are responsible for the day-to-day management of the business, as well as the implementation of Board policies and decisions.

FOSTER COMMITMENT

TIME COMMITMENT

The Board ordinarily holds five (5) scheduled meetings annually, with additional meetings held between the scheduled meetings as and when necessary.

For this financial year under review, a total of six (6) Board Meetings were held. The attendance record by the current Board is as follows:

Director	Total Meetings Attended
Tun Arifin bin Zakaria*	0/6
Monteiro Gerard Clair	6/6
Tai Keat Chai	6/6
Martin Chu Leong Meng	6/6
Mah Xian-Zhen	6/6

* Tun Arifin bin Zakaria was appointed on 6 June 2017 after FYE 31 March 2017.

All Directors have complied with the minimum 50% attendance requirement at Board Meetings held during FYE 31 March 2017 as stipulated by the ACE Market Listing Requirements (ACE LR) of Bursa Malaysia Securities Berhad (Bursa Securities).

The Board is satisfied with the level of time commitment given by the Directors of the Company towards fulfilling their duties and responsibilities. This is evidenced by the attendance record of the Directors as set out above.

The Directors observe the recommendation of the MCGG 2012 that they are required to notify the Board before accepting any new directorships and to indicate the time expected to be spent on the new appointment. Generally, Directors are at liberty to accept other Board appointments provided such appointments are not in conflict with the business of the Company and do not adversely affect the Director's performance as a member of the Board.

DIRECTORS' TRAINING

The Board fully supports the need for its members to further enhance their skills and knowledge on relevant new laws and regulations and changing commercial risks to keep abreast with the developments in the economy, industry and technology, among others.

All Directors have attended and successfully completed the Mandatory Accreditation Programme (MAP) as prescribed under the ACE LR save for Tun Arifin bin Zakaria who was appointed on 6 June 2017 and who will complete the MAP within four (4) months from the date of his appointment in accordance with the Guidance Note 10 of the ACE LR.

During the financial year under review, the NC reviewed and evaluated the training needs of the Directors. The Company Secretary has periodically informed the Directors of the availability of appropriate courses, conferences and seminars, and the Directors are encouraged to attend such training at the Company's expense.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D.)

The Directors have attended training and will continue to attend other relevant training programmes as may be determined by the Board to keep them abreast of the latest developments in the relevant areas. All Directors receive updates from time to time, on relevant new laws and regulations to enhance their business acumen and skills to meet changing commercial risks and challenges.

The seminars and conferences attended by the Directors during FYE 31 March 2017 were as follows:

Director	Training Attended	Date
Monteiro Gerard Clair	• Prepaid Summit: Middle East and Africa 2016 Conference and Awards	27 April 2016
	• Corporate Registers Forum Hong Kong 2017	6-10 March 2017
Mah Xian-Zhen	• Online Marketing: Finding and Engaging with your Target Market	30 June 2016
	• Advocacy Sessions on Management Discussion & Analysis for CEO & CFO	26 September 2016
	• Search Inside Yourself Programme	24-25 October 2016
	• eCourts 2016 Conference – Las Vegas, USA	12-14 December 2016
	• Companies Act 2016 – Key Changes & Action To Be Taken	11 January 2017
	• Corporate Registers Forum Hong Kong 2017	6-10 March 2017
Tai Keat Chai	• Cost of Capital and Discounts & Premiums	9 May 2016
	• The Velocity of Global Change & Sustainability	10 January 2017
Martin Chu Leong Meng	• Stewardship Matters For Long Term Sustainability	30 March-1 April 2016

In addition, Directors continuously receive briefings and updates on the Group's businesses and operations, risk management activities, corporate governance, finance, new developments in the business environment, new regulations and statutory requirements.

Further, the Company Secretary, Internal Auditors and External Auditors also update the Board of any changes to the relevant guidelines on the regulatory and statutory requirements during the Board Meetings and Audit Committee Meetings.

The Board will continue to evaluate and determine the training needs of its Directors to enhance their skills and knowledge.

UPHOLD INTEGRITY IN FINANCIAL REPORTING

The Board is responsible for presenting a clear, balanced and comprehensive assessment of the Group's financial position, performance and prospects each time it releases its quarterly and audited financial statements to the shareholders, stakeholders and investors. The annual reports are prepared in accordance with the requirements of the Companies Act, 2016, the ACE LR, and the applicable standards approved by Malaysian Accounting Standards Board.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D.)

In addition, the Company has adopted the appropriate accounting policies that have been consistently applied in the preparation of its accounting records to present a true and fair view of its financial performance.

The Board has established an Audit & Risk Management Committee (ARMC), comprising wholly Non-Executive Directors, the majority of whom are Independent Directors. One of the key responsibilities of the ARMC is to ensure that the financial statements of the Company comply with Financial Reporting Standards in Malaysia. Such financial statements comprise the quarterly financial report and the annual statutory financial statements announced to Bursa Securities and Securities Commission.

The Board upholds the integrity of financial reporting by the Company. As such, it has established procedures, via the ARMC, in assessing the suitability and independence of the External Auditors in accordance with the External Auditor Independence Policy. Having satisfied itself with their performance and fulfilment of criteria as set out in the Independence Policy, the ARMC will recommend their re-appointment to the Board, after which the shareholders' approval will be sought at the AGM. The ARMC will review the appointment of External Auditors annually based on its assessment of the Auditors' performance.

In this regard, in May 2017, the ARMC assessed the performance and independence of Messrs BDO (BDO) as External Auditors of the Company and reviewed the level of non-audit services rendered by BDO to the Group for FYE 31 March 2017. The assessment is based on:

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

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

The ARMC was satisfied with BDO's technical competency and audit independence.

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

A summary of the activities of the ARMC during the financial year are set out in the ARMC Report on pages 32 to 33 of Volume 1 of this Annual Report.

RECOGNISE AND MANAGE RISKS

RISK FRAMEWORK

The Board acknowledges its responsibilities for setting up and maintaining an effective system in ensuring a proper risk management environment. In achieving this, the Board has ensured that the system of internal control has taken into account the process of identifying key risks, the likelihood of occurrence and materiality.

The Board believes that the internal control systems and procedures provide reasonable but not absolute assurance that assets are safeguarded, transactions are authorised and recorded properly and that material errors and irregularities are either detected or minimised to prevent recurrence. The Board has in past years formalised a structured risk management framework to identify, evaluate, control, monitor and report the principal business risks faced by the Company on an ongoing basis.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D.)

Further details on the key features of the risk management framework are set out in the Statement on Risk Management & Internal Control on pages 29 to 31 of Volume 1 of this Annual Report.

INTERNAL AUDIT FUNCTION

The Company has outsourced the internal audit function to an independent professional firm of auditors. The outsourced Internal Auditors perform their functions with impartiality, proficiency and due professional care. They undertake regular monitoring of the Company's key controls and procedures, which is an integral part of the Company's system of internal control.

The internal audit reports are presented to the ARMC for review and deliberation. The ARMC is briefed on the progress made in respect of each recommendation, and of each corrective measure taken as recommended by the audit findings. The Internal Auditors report directly to the ARMC to ensure independence.

Details of the Company's internal control systems and the state of internal controls are further elaborated under the Statement on Risk Management & Internal Control, which has been reviewed by the Company's External Auditors, provided separately on pages 29 to 31 of Volume 1 of this Annual Report.

ENSURE TIMELY & HIGH QUALITY DISCLOSURE

The Board recognises the importance to have timely and equal dissemination of relevant information on the Company's performance and other developments via an appropriate channel of communication.

Shareholders, investors and analysts are kept abreast of the major developments of the Company through the various means of communications as follows:

- Quarterly financial statements and annual report
- Announcements on major developments made to Bursa Securities
- Company's general meetings
- Company's website www.microlink.com.my

As part of the Company's continuing disclosure obligation under the ACE LR of Bursa Securities, the Company aims to ensure timely announcements are made through Bursa Securities and the Company website. This serves to enable investors to make informed investment decisions.

STRENGTHEN RELATIONSHIP BETWEEN COMPANY & SHAREHOLDERS

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

The Notice of AGM and annual report are sent to the shareholders within the period prescribed by the Company's Articles of Association. In addition, the Notice of AGM is advertised in the media. Any items of special business included in the Notice of AGM are accompanied by a full explanation of the effects of the proposed special business.

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

COMPLIANCE STATEMENT

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

This Statement was approved by the Board of Directors on 4 July 2017.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

INTRODUCTION

The Board of Directors of Microlink Solutions Berhad (Board) acknowledges its responsibilities in establishing a sound risk management framework and internal control system, as well as reviewing its adequacy and effectiveness throughout Microlink Solutions Berhad and its subsidiaries (the Group).

This Statement on Risk Management & Internal Control is prepared pursuant to chapter 15.26(b) of the Bursa Malaysia Securities Berhad (Bursa Securities) ACE Market Listing Requirements and with reference to the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITIES

The Board recognises that a sound system of risk management and internal control is an integral part of good corporate governance. The Board is committed and affirms its overall responsibility to maintain both a sound system of risk management and internal control and the proper management of risks throughout the operations of the Group to ensure shareholders' interests and the Group's assets are safeguarded.

Due to limitations inherent in any system of internal control and risk management, such system put in place by the Management is only designed to manage rather than eliminate risks of failure to achieve business objectives and corporate objectives. Accordingly, the system can only provide reasonable but not absolute assurance against material misstatements, losses or fraud. Due to the ever-changing business environment and conditions, the effectiveness of an internal control and risk management system may vary over time.

RISK MANAGEMENT

The Board acknowledges that all areas of the Group's activities involve some degree of risk and recognises that effective risk management is part of good business management practice for the successful achievement of the Group's business

objectives. The oversight of this critical area is carried out by the Audit & Risk Management Committee (ARMC) comprising the Board Members.

The Group has established a Risk Management Framework to proactively identify, evaluate and manage key risks to an optimal level.

Risks are identified by each key business function/activity, assessing the probability and impact of their occurrence, and are evaluated as Low, Medium, High or Significant. The level of residual risk is determined after identifying and evaluating the effectiveness of existing controls and any mitigating measures.

There are two main risks which the Group identifies and the key focus of accountability is as follows:

Strategic risks are risks primarily caused by events that are external to the Group, but have a significant impact on its strategic decisions or activities. Accountability for managing strategic risks is the responsibility of the Board, Group Chief Executive Officer and the Heads of Department. The advantage of managing this risk effectively is that the Group will be able to forecast and quickly adapt to the changing demands that are placed upon the Group.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL (CONT'D.)

Operational risks are inherent risks in the on-going activities within the different business functions of the Group. Examples of operational risks include credit, technology and competency risks.

Accountability for managing operational risks rests specifically with the Heads of Department.

As part of the Group's effort to instil a proactive risk management culture and ownership, the Group has in the year under review undertaken the following initiatives:

- On a day-to-day basis, the respective Heads of Department and key management staff are responsible for managing the risks of their departments. Periodic management meetings are held to address significant issues faced by the Group in order to ensure that significant risks are closely monitored and appropriately addressed. Significant risks of the Group are highlighted to the Board on an exception basis.
- Internal audits are being carried out to ensure the mitigating measures identified are continuously implemented.

OTHER KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

The Group has put in place the following:

- An organisation structure with well-defined delegation of authority, segregation of duties and lines of responsibility;
- Systematic procedures in Capability Maturity Model Integration (CMMi) to facilitate process improvement and quality control;
- Strategic plans and annual budgets are prepared by respective Heads of Department and approved by the Board;
- Timely financial reporting in providing relevant financial information for Management review. Announcement of financial information is further subject to review by the ARMC prior to the Board's approval. In addition, statutory auditors' advice is sought as and when required;

- Monthly variance analysis between actual performance and approved budgeted numbers is conducted. Comprehensive management accounts and reports are prepared and explanations of major variances are presented in the Executive Committee Meetings (EXCO) which were held six times during this year;
- Board meetings are scheduled regularly. Board papers are distributed to the members of the Board ahead of the meetings and Board members have access to all relevant information. Decisions are made by the Board only after the requisite information is presented and deliberated;
- The Executive Director adopts a hands-on approach in running the business and operations of the Group and he reports to the Board on significant changes in the business and external environment, which affect the operations of the Group at large;
- An experienced and dedicated team of personnel across key functional units;
- Established internal policies and procedures for key business units within the Group; and
- Comprehensive guidelines for the employment and retention of employees are in place, including a staff handbook. Training is provided internally to ensure that employees are well-informed and equipped with all the necessary knowledge, skills and abilities to carry out their responsibilities effectively.

INTERNAL AUDIT

The Group's internal control systems are continually being reviewed and enhanced to ensure that changes in the Group's business and operating environment are adequately managed. The Board, through the ARMC, currently obtains regular assurance on the adequacy and effectiveness of the internal control system through independent reviews performed by the internal audit function which is outsourced to a professional services firm. The Internal Auditors report directly to the ARMC with the principal responsibility for performing regular and systematic reviews of the system of internal control.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL (CONT'D.)

During the year under review, the internal audit function conducted reviews in accordance with the risk based internal audit plan approved by the ARMC. Based on the internal audit reviews carried out, the results, including findings of the internal audit and recommended corrective actions, were presented to the ARMC at the scheduled meetings. In addition, follow-up review was conducted to ensure recommendations for improvement on the internal control system are being satisfactorily implemented.

Based on the internal audit review conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

The costs incurred in maintaining the outsourced internal audit function for the financial period from 1 April 2016 to 31 March 2017 amounted to RM36,000.00.

COMMENTARY ON ADEQUACY & EFFECTIVENESS

The Board is of the view that the systems of risk management and internal controls described above have been in place for the year under review and up to the approval of this statement for inclusion in the Annual Report.

In making this statement, the Board has received assurance from Group Chief Executive Officer that the risk management and internal control systems are operating adequately and effectively in all material aspects for the reporting.

The Board is committed towards operating a sound system of internal control and effective risk management practices throughout the Group and is of the view that there were no significant weaknesses in the risk management and internal control systems of the Group which had resulted in material losses, contingencies or uncertainties requiring disclosure in the Annual Report.

Nevertheless, the Board is cognisant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the Group's system of internal control and risk management.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement on Risk Management & Internal Control, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management & Internal Control intended to be included in the Annual Report for the FYE 31 March 2017 has not been prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement on Risk Management & Internal Control factually inaccurate.

The limited assurance review was performed in accordance with the Recommended Practice Guide (RPG) 5 [Revised 2015] issued by the Malaysian Institute of Accountants which does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

CONCLUSION

There was no major internal control weakness identified that may result in any material loss or uncertainty that would require disclosure in the Annual Report. The Group will continue to take measures to strengthen the internal control and risk management environment.

This statement is made in accordance with approval from the Board of Directors dated 4th July 2017.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

The Audit & Risk Management Committee (ARMC) comprises the following three directors:

- Tai Keat Chai (Chairman)
- Independent Non-Executive Director
- Martin Chu Leong Meng
- Independent Non-Executive Director
- Mah Xian-Zhen
- Non-Independent Non-Executive Director

TERMS OF REFERENCE

In performing its duties and discharging its responsibilities, the ARMC is guided by its Terms of Reference. The Terms of Reference of the ARMC are available for reference at the Company's website www.microlink.com.my.

MEETINGS

The ARMC held a total of five (5) meetings during the financial year ended (FYE) 31 March 2017. The attendance record of the respective members is as follows:

Committee Member	Total Meetings Attended
Tai Keat Chai	5/5
Martin Chu Leong Meng	5/5
Mah Xian-Zhen	5/5

SUMMARY OF ACTIVITIES

During FYE 31 March 2017, the ARMC carried out the following activities:

Financial Results

- Reviewed and recommended the quarterly financial results and the annual audited financial statements of the Company and the Group to the Board for consideration and approval prior release to Bursa Malaysia Securities Berhad (Bursa Securities) and Securities Commission (SC).

Related Party Transactions

- Reviewed related party transactions within the Company or the Group, including any transaction, mandate, procedure or course of conduct that raises questions of Management integrity.

Internal Audit

- Reviewed the proposed re-appointment of Audex Governance Sdn Bhd as Internal Auditors;
- Reviewed the Internal Audit Report and recommendations for corrective action plans submitted by the Internal Auditors and received regular updates on the implementation by the Group; and
- Reviewed the Internal Audit Plan of the Group.

Other Matters

- Reviewed and approved the Statement by the ARMC for inclusion into the circular to shareholders in relation to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature;
- Reviewed the Statement on Risk Management & Internal Control and ARMC Report for inclusion in the Company's Annual Report;
- Reviewed the unaudited quarterly reports of the Company and the Group before recommending to the Board for their approval and release to Bursa Securities and SC;
- Reviewed with the External Auditors the Audit Review Memorandum of the Group;



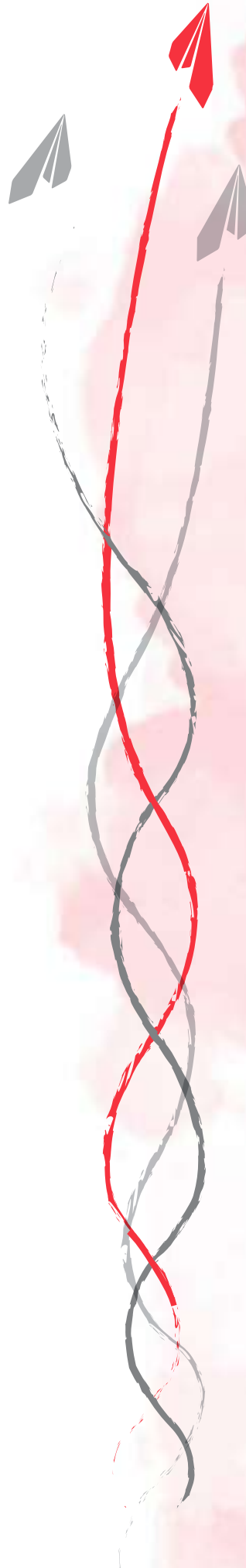
- Reviewed with the External Auditors the Company's Audited Financial Statements for FYE 31 March 2017 before recommending to the Board for their approval and release to Bursa Securities and SC;
- Reviewed and recommended to the Board on the re-appointment of the External Auditors; and
- Reviewed and assessed the performance and independence of External Auditors.

INTERNAL AUDIT FUNCTION

The Board recognises the importance of a sound system of internal control to safeguard shareholders' investments and the Company's assets. The internal audit (IA) function in the Company is outsourced to an independent professional firm of auditors to assist in identifying, evaluating, monitoring and managing the significant risks. This ensures proper risk management, adequacy and integrity of the internal control systems in line with the requirements of the Statement on Internal Control - Guidance for Directors of Public Listed Companies. The Internal Auditors report directly to the ARMC.

A summary of work of the IA function during FYE 31 March 2017 is as follows:

- Conducted scheduled IA engagements, focusing primarily on the effectiveness of internal controls and recommending improvements where necessary. Reviewed the system of internal controls and business processes based on the approved Group IA Plan by adopting a risk-based approach and recommended improvements to the existing system of controls.
- Presented the IA Report, which included audit findings, audit recommendations and management's response and also recommended corrective measures proposed by the Internal Auditors to the ARMC.
- Conducted follow-up reviews to assess if appropriate action had been taken to address issues highlighted in previous audit reports.



STATEMENT ON DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

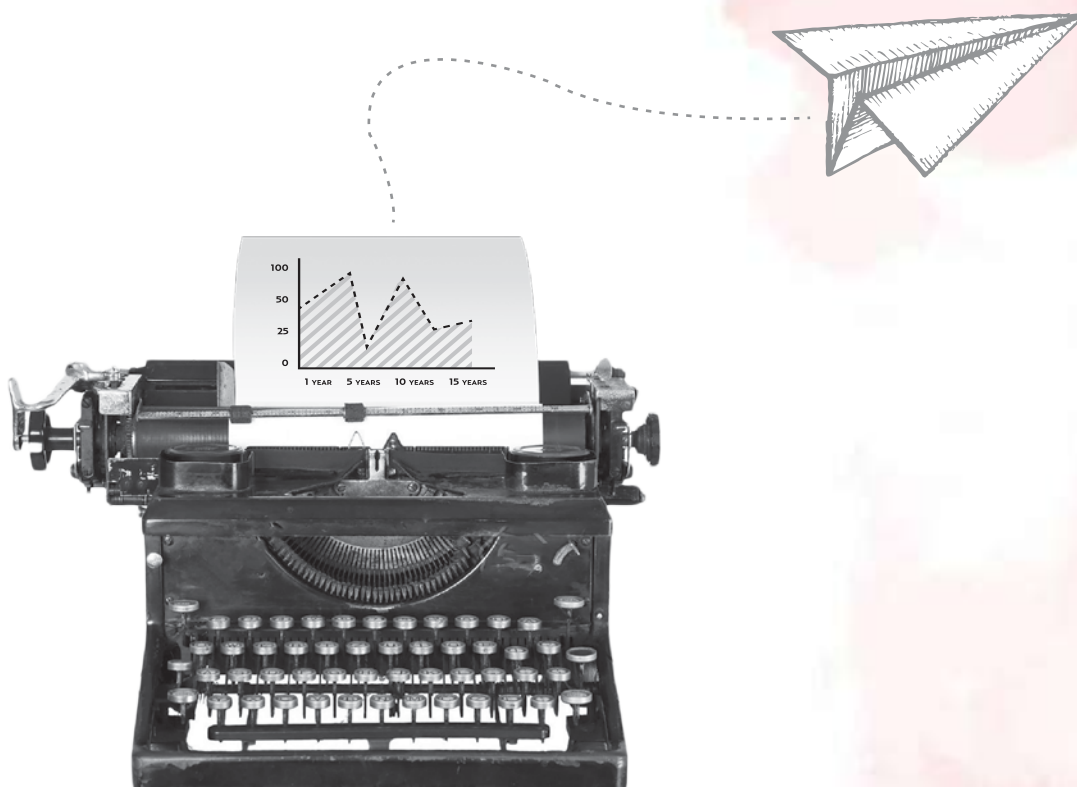
The Directors are responsible for ensuring that the annual audited financial statements of the Group and of the Company are drawn up in accordance with the provisions of the Companies Act, 2016, the ACE Market Listing Requirements (ACE LR) and the requirements of the applicable approved Financial Reporting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

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

In preparing the audited financial statements of the Group and of the Company for the financial year ended 31 March 2017, the Directors have ensured that appropriate and relevant accounting policies have been adopted and consistently applied, reasonable and prudent judgments and estimates have been exercised and going concern basis adopted.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act, 2016, the ACE LR and the requirements of the applicable approved Financial Reporting Standards issued by the MASB.

The Directors have overall responsibility for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.



ANALYSIS OF SHAREHOLDINGS

As At 30 June 2017

ORDINARY SHARES

Issued and Paid-up Share Capital	: 167,368,100 Ordinary Shares
Class of Shares	: Ordinary Shares
Voting Rights	: One (1) vote per Ordinary Share on a poll
Number of Shareholders	: 4,551

DISTRIBUTION OF ORDINARY SHAREHOLDERS

According to statistical summary of the Record of Depositors as at 30 June 2017

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Less than 100 shares	3,299	72.50	31,323	0.02
100 to 1,000 shares	584	12.83	167,719	0.10
1,001 to 10,000 shares	370	8.13	2,018,271	1.20
10,001 to 100,000 shares	214	4.70	7,098,040	4.24
100,001 to less than 5% of issued shares	82	1.80	63,258,047	37.80
5% and above of issued shares	2	0.04	94,794,700	56.64
Total	4,551	100.00	167,368,100	100.00

LIST OF THIRTY LARGEST ORDINARY SHAREHOLDERS

According to the Record of Depositors as at 30 June 2017

Name	No. of Shares Held	%
1 Affin Hwang Nominees (Tempatan) Sdn Bhd HDM Capital Sdn Bhd for Omesti Holdings Berhad	70,000,000	41.82
2 M & A Nominee (Tempatan) Sdn Bhd Insas Credit & Leasing Sdn Bhd for Omesti Holdings Berhad	24,794,700	14.82
3 Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Seow Voon Ping	6,215,200	3.71
4 Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kok Tiu Wan	4,610,000	2.75
5 Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Siew Booy (D18)	4,369,545	2.61
6 HSBC Nominees (Tempatan) Sdn Bhd Exempt An for Credit Suisse AG (SG-CLT-T-OS PR)	3,850,213	2.30
7 Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Gan Kong Hiok (001)	3,307,000	1.98
8 Cartaban Nominees (Tempatan) Sdn Bhd Standard Chartered Bank Singapore for BMO Spore Branch Local Client	2,788,700	1.67
9 RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Jaganath Derek Steven Sabapathy	2,420,500	1.45
10 AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Omesti Holdings Berhad	2,257,393	1.35

ANALYSIS OF SHAREHOLDINGS (CONT'D.)

As At 30 June 2017

LIST OF THIRTY LARGEST ORDINARY SHAREHOLDERS (CONT'D.)

According to the Record of Depositors as at 30 June 2017

Name	No. of Shares Held	%
11 Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Citaglobal Sdn Bhd	2,230,000	1.33
12 HSBC Nominees (Asing) Sdn Bhd Exempt An for Credit Suisse (SG BR-TST-ASING)	2,194,831	1.31
13 CimSec Nominees (Tempatan) Sdn Bhd CIMB Bank for Tan Siew Booy (MY0267)	2,033,734	1.22
14 Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Koh Kin Lip (8058900)	2,000,000	1.19
15 AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Monteiro Gerard Clair	1,688,795	1.01
16 Lim Tien Sim	1,527,100	0.91
17 DB (Malaysia) Nominee (Asing) Sdn Bhd Exempt An for Bank of Singapore Limited	1,251,600	0.75
18 Lim Lucy @ Lim Kim Chee	1,223,000	0.73
19 Citigroup Nominees (Tempatan) Sdn Bhd Universal Trustee (Malaysia) Berhad for CIMB Islamic Small Cap Fund	1,036,000	0.62
20 CimSec Nominees (Tempatan) Sdn Bhd CIMB Bank for Koh Kin Lip (MY0502)	1,000,000	0.60
21 Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohamad Norza Bin Zakaria	1,000,000	0.60
22 Maybank Nominees (Tempatan) Sdn Bhd Maybank Private Wealth Management for Mohamed Nazim Bin Abdul Razak (PW-M00363) (408782)	1,000,000	0.60
23 M & A Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Ahmad Aminnurdin Bin Dinyati (M&A)	897,900	0.54
24 HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for CIMB-Principal Asean Total Return Fund	780,800	0.47
25 Yap Eng Huai	777,060	0.46
26 M & A Nominee (Tempatan) Sdn Bhd Insas Credit & Leasing Sdn Bhd for Red Zone Development Sdn Bhd	662,737	0.40
27 DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank of New York Mellon for SLG International Opportunities, L.P.	626,100	0.37
28 AmSec Nominees (Tempatan) Sdn Bhd KGI Securities (Singapore) Pte. Ltd. for Alwin Kumar Magimay (46129)	558,500	0.33
29 CimSec Nominees (Tempatan) Sdn Bhd CIMB Bank for Rickoh Corporation Sdn Bhd (MY0507)	500,000	0.30
30 Norzaity Binti Othman	500,000	0.30
Total	148,101,408	88.50

ANALYSIS OF SHAREHOLDINGS (CONT'D.)

As At 30 June 2017

SUBSTANTIAL ORDINARY SHAREHOLDERS

According to the Register of Substantial Shareholders as at 30 June 2017

Name	No. of Shares Held			
	Direct Interest	%	Deemed Interest	%
1 Omesti Holdings Berhad (OHB)	97,052,093	57.99	–	–
2 Omesti Berhad (Omesti)	–	–	97,052,093 ⁽¹⁾	57.99
3 Dato' Mah Siew Kwok	1,271,536	0.76	97,052,093 ⁽²⁾	57.99

DIRECTORS' INTERESTS IN ORDINARY SHARES IN THE COMPANY

According to the Register of Directors' Shareholdings as at 30 June 2017

MICROLINK SOLUTIONS BERHAD	No. of Shares Held			
	Direct Interest	%	Deemed Interest	%
1 Tun Arifin bin Zakaria	–	–	–	–
2 Monteiro Gerard Clair	1,690,147	1.01	–	–
3 Tai Keat Chai	–	–	–	–
4 Martin Chu Leong Meng	–	–	–	–
5 Mah Xian-Zhen	118,666	0.07	–	–

DIRECTORS' INTERESTS IN THE RELATED COMPANY

As at 30 June 2017

Omesti – Ordinary Shares	No. of Ordinary Shares Held			
	Direct Interest	%	Deemed Interest	%
1 Monteiro Gerard Clair	7,673,100	1.78	68,431,300 ⁽³⁾	15.90
2 Mah Xian-Zhen	9,263,800	2.15	–	–

Omesti – Warrants 2013/2018	No. of Warrants 2013/2018 Held			
	Direct Interest	%	Deemed Interest	%
1 Monteiro Gerard Clair	71,000	0.09	20,188,300 ⁽³⁾	24.28

NOTES:

- (1) Deemed interest by virtue of OHB being a wholly-owned subsidiary of Omesti pursuant to Section 8 of the Companies Act, 2016 (the Act).
- (2) Deemed interest by virtue of his substantial interest in Omesti, the holding company of OHB pursuant to Section 8 of the Act.
- (3) Deemed interest by virtue of his substantial interest in Red Zone Development Sdn Bhd which in turn owns 15.90% equity interest in Omesti, the holding company of OHB pursuant to Section 8 of the Act.

ANALYSIS OF SHAREHOLDINGS (CONT'D.)

As At 30 June 2017

REDEEMABLE PREFERENCE SHARES (RPS)

Issued RPS Capital	: RM271,930.44 divided into 27,193,044 RPS
Class of Shares	: RPS
Voting Rights	: The RPS holder shall not have the right to vote or to move or second any resolution at any general meeting of the Company except on any proposal that adversely affects the rights of the RPS as follows: (a) capital reduction of the Company; (b) winding up or liquidation of the Company; (c) variation of rights attached to the RPS; and (d) issuance of further shares ranking in priority to or pari passu with the RPS (unless consented to in writing by 75% of the RPS holder).

In any such case, a holder shall have one (1) vote for each RPS held. Any holder may demand a poll at a general meeting of the Company on a resolution on which that holder may vote.

Number of Shareholders : 1

DISTRIBUTION OF RPS HOLDERS

According to statistical summary of the Register of RPS Holders as at 30 June 2017

Size of Holdings	No. of RPS Holders	% of RPS Holders	No. of RPS Held	% of Issued Capital
Less than 100 RPS	–	–	–	–
100 to 1,000 RPS	–	–	–	–
1,001 to 10,000 RPS	–	–	–	–
10,001 to 100,000 RPS	–	–	–	–
100,001 to less than 5% of issued RPS	–	–	–	–
5% and above of issued RPS	1	100.00	27,193,044	100.00
Total	1	100.00	27,193,044	100.00

LIST OF RPS HOLDERS

According to the Register of RPS Holders as at 30 June 2017

Name	No. of RPS Held	%
1 Omesti	27,193,044	100.00

ANALYSIS OF SHAREHOLDINGS (CONT'D.)

As At 30 June 2017

SUBSTANTIAL RPS HOLDERS

According to the Register of Substantial RPS Holders as at 30 June 2017

Name	No. of RPS Held			
	Direct Interest	%	Deemed Interest	%
1 Omesti	27,193,044	100.00	–	–
2 Dato' Mah Siew Kwok	–	–	27,193,044 ⁽¹⁾	100.00

DIRECTORS' INTERESTS IN RPS IN THE COMPANY

According to the Register of Directors' RPS Holdings as at 30 June 2017

MICROLINK SOLUTIONS BERHAD	No. of RPS Held			
	Direct Interest	%	Deemed Interest	%
1 Tun Arifin bin Zakaria	–	–	–	–
2 Monteiro Gerard Clair	–	–	27,193,044 ⁽²⁾	100.00
3 Tai Keat Chai	–	–	–	–
4 Martin Chu Leong Meng	–	–	–	–
5 Mah Xian-Zhen	–	–	–	–

NOTES:

⁽¹⁾ Deemed interest by virtue of his substantial interest in Omesti pursuant to Section 8 of the Act.

⁽²⁾ Deemed interest by virtue of his substantial interest in RZD, which in turn owns 15.90% equity interest in Omesti, the holding company of OHB pursuant to Section 8 of the Act.

OTHER COMPLIANCE INFORMATION

LONG TERM INCENTIVE PLAN (LTIP)

The LTIP comprises Employees' Share Option Scheme (ESOS) and Employees' Share Grant Plan (ESGP) and it is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting (EGM) held on 17 October 2014 (LTIP Award). The LTIP was implemented on 27 October 2014 and is in force for a duration of five (5) years from the date of implementation (Scheme).

During the financial year under review, the Company had granted a total of 17,340,000 ESOS to eligible Directors and employees of the Company and subsidiaries. These ESOS shall be in force for a period of three (3) years from the date of offer respectively.

The number of Option Shares granted to the Directors is disclosed on page 3 of Volume 2 of this Annual Report.

Brief details on the number of ESOS granted, vested and outstanding since the commencement of the LTIP on 27 October 2014 and during FYE 31 March 2017 are set out below:

As at 27 October 2014 to 31 March 2017	Total	Directors	Senior Management	Other Entitled Employees
Employees' Share Option Scheme (ESOS)				
Number of Options granted	17,340,000	2,800,200	3,632,400	10,907,400
Number of Options exercised	–	–	–	–
Number of Options lapsed	4,961,600	–	909,600	4,052,000
Number of Options outstanding as at 31 March 2017				
	12,378,400	2,800,200	2,722,800	6,855,400

The new ordinary shares to be issued pursuant to the exercise of ESOS shall upon allotment and issues rank pari-passu in all respects with the existing ordinary shares of the Company.

MAXIMUM ALLOWABLE ALLOCATION OF THE LTIP

Based on the LTIP By-Laws, the aggregate number of shares comprised in the LTIP awards to be awarded to an eligible person in accordance with the By-Laws of the LTIP, shall be determined at the discretion of the LTIP Committee, subject to the following:

- i. The aggregate maximum number of new shares which may be made available under the Scheme shall not in aggregate exceed twenty percent (20%) of the issued and paid-up share capital of the Company (excluding treasury shares, if any) at any point in time during the duration of the Scheme.
- ii. In the event the maximum number of new shares granted under the Scheme exceeds in aggregate twenty percent (20%) of the issued and paid-up share capital of the Company (excluding treasury shares, if any) as a result of the Company purchasing its own shares pursuant to Section 127 of the Companies Act, 2016 or the Company undertaking any corporate proposal and thereby diminishing the issued and paid-up share capital of the Company, then such LTIP Awards granted prior to the adjustment of the issued and paid-up share capital (excluding treasury shares, if any) shall remain valid and exercisable in accordance with the By-Laws. However, in such a situation no further LTIP Awards shall be made by the LTIP Committee unless the total number of shares to be issued under the Scheme falls below twenty percent (20%) of the issued and paid-up share capital of the Company (excluding treasury shares, if any) at any point of time during the duration of the Scheme as provided in the By-Law.
- iii. The Company will keep available sufficient unissued shares to satisfy all outstanding LTIP Awards throughout the duration of the Scheme.

OTHER COMPLIANCE INFORMATION (CONT'D.)

For FYE 31 March 2017 and since the commencement of the LTIP, the actual percentage of ESOS granted to the Directors and senior management of the Group was 16.15% and 20.95% respectively of the total ESOS granted.

NON-STATUTORY AUDIT FEES

The audit fees and non-statutory audit fee are RM199,923 and RM6,000 respectively and were paid/payable to the External Auditors for FYE 31 March 2017.

MATERIAL CONTRACTS

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and its subsidiaries involving the interest of its Directors or Major Shareholders of the Group and of the Company which were still subsisting as at the end of the financial year under review or which were entered into since the end of the previous financial year.

RECURRENT RELATED PARTY TRANSACTIONS

At the Annual General Meeting (AGM) of Microlink Solutions Berhad (MSB) held on 8 September 2016, the Company had obtained the approval of the shareholders for the shareholders' mandate to allow the Company and its subsidiaries (MSB Group) to enter into recurrent related party transactions of a revenue or trading nature, which are necessary for its day-to-day operations and in the ordinary course of its business, with related parties (Recurrent Transactions).

The said mandate is effective from 8 September 2016 until the conclusion of the forthcoming AGM of the Company.

In accordance with Paragraph 3.1.5 of the Guidance Note 8 of the ACE Market Listing Requirements, details of the Recurrent Transactions conducted during FYE 31 March 2017 pursuant to the said shareholders' mandate are as follows:

Companies within MSB Group transacting with Related Parties	Nature of Transactions	Related Party	Interested Directors / Major Shareholders	Aggregate Value of Transactions during FYE 31 March 17 (RM)
MSB Group	Provision of corporate secretarial, accounting and payroll services by Continuous Network Services Sdn Bhd (CNS) to MSB Group	CNS ⁽⁵⁾	Interested Director <ul style="list-style-type: none">- Monteiro Gerard Clair (MGC) ^{(1) (11)}- Mah Xian-Zhen (MXZ) ⁽⁹⁾ Interested Major Shareholders <ul style="list-style-type: none">- Omesti Holdings Berhad (OHB) ⁽²⁾- Omesti ⁽⁸⁾- Dato' Wong Kit-Leong (Dato' Wong) ^{(1) (11)}- Datuk Raymond Tan (Datuk Raymond) ^{(1) (11)}- Dato' Mah Siew Kwok (Dato' Mah) ⁽³⁾- Red Zone Development Sdn Bhd (RZD) ^{(4) (11)}	87,823.00

OTHER COMPLIANCE INFORMATION (CONT'D.)

Companies within MSB Group transacting with Related Parties	Nature of Transactions	Related Party	Interested Directors / Major Shareholders	Aggregate Value of Transactions during FYE 31 March 17 (RM)
MSB Group	Supply of network and software solutions, licences, network infrastructure, computer hardware and software and maintenance services by Omesti Group to MSB Group	Omesti Berhad (Omesti) and its subsidiary companies (Omesti Group) ⁽⁸⁾	Interested Director – MGC ^{(1) (11)} – MXZ ⁽⁹⁾	1,516,374.40
	Supply of network and software solutions, licences, network infrastructure, computer hardware and software and maintenance services by MSB Group to Omesti Group		Interested Major Shareholders – OHB ⁽²⁾ – Omesti ⁽⁸⁾ – Dato' Wong ^{(1) (11)} – Datuk Raymond ^{(1) (11)} – Dato' Mah ⁽³⁾ – RZD ^{(4) (11)}	7,608,547.29
	Provision of network connectivity and bandwidth services and project management services in relation to telecommunications by Omesti Group to MSB Group		171,269.80	
	Provision of administrative and management support, training and other related services by Omesti Group to MSB Group		372,637.80	
	Supply of network and software solutions, network security, storage and network management solutions inclusive of technical/maintenance services by DGSB Group to MSB Group	Diversified Gateway Solutions Berhad and its subsidiary companies (DGSB Group) ⁽⁶⁾	5,130.00	
	Supply of computer hardware, software and services by MSB Group to DGSB Group	68,166.11		

OTHER COMPLIANCE INFORMATION (CONT'D.)

Companies within MSB Group transacting with Related Parties	Nature of Transactions	Related Party	Interested Directors / Major Shareholders	Aggregate Value of Transactions during FYE 31 March 17 (RM)
MSB Group	Supply of software solutions, computer hardware and services in relation to human capital management by MIHCM Asia to MSB Group	MIHCM Asia Sdn Bhd (MIHCM Asia) ⁽⁷⁾	Interested Director - MGC ^{(1) (11)} - MXZ ⁽⁹⁾ Interested Major Shareholders - OHB ⁽²⁾ - Omesti ⁽⁸⁾ - Dato' Wong ^{(1) (11)} - Datuk Raymond ^{(1) (11)} - Dato' Mah ⁽³⁾ - RZD ^{(4) (11)}	-
	Renting of office spaces and procurement of other related services such as general maintenance services from Ho Hup Group ^(@)	Ho Hup Group ⁽¹⁰⁾		-

@ The tenure of the office spaces will be for a rental period of not more than three (3) years and rental payment will be on a monthly basis. The Address and build-up area in sq ft cannot be determined as of now as the property is currently under construction and is expected to be ready for occupancy in year 2017/2018.

Notes:

- (1) MGC, Dato' Wong and Datuk Raymond are deemed Major Shareholders of Omesti by virtue of their substantial interest in RZD, which in turn owns 15.91% equity interest in Omesti as at 31 March 2017. By virtue of their deemed interests in Omesti, they are deemed interested in the shares of Omesti's subsidiary companies to the extent Omesti has an interest. Their direct and indirect interests in Omesti and MSB as at 31 March 2017 are as set out below:

Name	Omesti		MSB	
	% of Interest		% of Interest	
	Direct	Indirect	Direct	Indirect
MGC	1.74	15.91	0.95	_(11)
Dato' Wong	-	15.91	-	_(11)
Datuk Raymond	-	15.91	0.14	_(11)

- (2) OHB is a wholly-owned subsidiary of Omesti.
- (3) Dato' Mah is a Major Shareholder of Omesti. By virtue of his interests in Omesti, Dato' Mah is deemed interested in the shares of Omesti's subsidiary companies to the extent Omesti has an interest. Dato' Mah's direct and indirect interests in Omesti, MSB, DGSB and Ho Hup as at 31 March 2017 are as set out below:

Name of Company	% of Interest	
	Direct	Indirect
Omesti	20.66	-
MSB	0.76	57.99 ^(a)
DGSB	0.65	54.47 ^(a)
Ho Hup	1.90	14.23 ^(b)

(a) Deemed interest by virtue of his substantial interest in Omesti, the holding company of OHB pursuant to Section 8(4) of the Companies Act, 2016 (Act).

(b) Deemed interest by virtue of his substantial interest in Omesti pursuant to Section 8(4) of the Act and shareholdings held by his spouse and daughter pursuant to Section 59(11)(c) of the Act.

OTHER COMPLIANCE INFORMATION (CONT'D.)

- (4) RZD is a Major Shareholder of Omesti. By virtue of its interests in Omesti, RZD is deemed interested in the shares of Omesti's subsidiary companies to the extent Omesti has an interest. RZD's direct and indirect interests in Omesti and MSB as at 31 March 2017 are as set out below:

Name of Company	% of Interest	
	Direct	Indirect
Omesti	15.91	-
MSB	0.40	_(11)

- (5) CNS is a wholly-owned subsidiary of Omesti. CNS is principally involved in the provision of corporate secretarial, accounting and payroll services.
- (6) DGSB is a 54.47% owned subsidiary of OHB as at 31 March 2017. DGSB Group is principally engaged in the business of investment holding whilst its subsidiary companies are involved in the provision of integrated business solutions based on SAP software and in the business of providing networking solutions and management services to both telecommunication and enterprise organizations as well as in the provision of distribution and maintenance of computer networking, network security storage and network management. Omesti is the common major shareholder in both DGSB and MSB.
- (7) MIHCM Asia is a 33.33% associated Company of Continuous Network Advisers Sdn Bhd, which in turn is a wholly-owned subsidiary of Omesti as at 31 March 2017. MIHCM Asia is principally engaged in the distribution, marketing, implementing and maintenance of human capital management software solutions and services in Asia.
- (8) Omesti is the holding company of OHB as at 31 March 2017. Omesti is principally engaged in investment holding activities and the provision of management services, and through its subsidiaries, are engaged in the following:
- distribution and provision of maintenance for hardware and software;
 - provision of a comprehensive range of tele/data communication and networking solutions and services;
 - provision of legal, financial and commercial software products as well as services to develop and implement platform-independent software solutions;
 - provision of integrated business solutions based on SAP software and customised solutions which include, building automation and management, media publication and broadcasting solutions; and
 - provision of customised systems integration of hardware platforms, continuous maintenance and after sales support services.
- (9) MXZ is a daughter of Dato' Mah. MXZ's direct and indirect interests in Omesti, and MSB as at the LPD are as set out below:

Name of Company	% of Interest	
	Direct	Indirect
Omesti	2.13	-
MSB	0.07	-

- (10) Ho Hup Group is a related party to MSB Group through a common ultimate Major Shareholder, Omesti. As at the LPD, Ho Hup is a 13.88% associated company of OHB. Ho Hup Group is principally involved in foundation engineering, civil engineering, building contracting works and hire of plant and machinery.
- (11) Cessation of deemed interest in the Company on 8th February 2017 pursuant to Section 8(4)(c) of the Companies Act, 2016.

NOTICE OF 14TH ANNUAL GENERAL MEETING

MICROLINK SOLUTIONS BERHAD

(Company No. 620782-P)

(Incorporated in Malaysia)



NOTICE IS HEREBY GIVEN THAT the 14th Annual General Meeting of the Company will be held at Banquet Hall, The Royal Selangor Golf Club, Jalan Kelab Golf, Off Jalan Tun Razak, 55000 Kuala Lumpur, on Thursday, 14 September 2017 at 2.30pm for the following purposes:

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 March 2017 together with the Reports of the Directors and Auditors thereon. (Please refer to Explanatory Note)
2. To approve the payment of Directors' Fees amounting to RM236,500 for the financial year ended 31 March 2017. Resolution 1
3. To approve the payment of Directors' Fees and benefits of up to RM651,000 for the period from 1 April 2017 until the next AGM of the Company. Resolution 2
4. To re-elect Monteiro Gerard Clair who retires pursuant to Article 70 of the Company's Articles of Association and being eligible, has offered himself for re-election. Resolution 3
5. To re-elect Tun Arifin bin Zakaria who retires pursuant to Article 75 of the Company's Articles of Association and being eligible, has offered himself for re-election. Resolution 4
6. To re-appoint Messrs BDO as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. Resolution 5

AS SPECIAL BUSINESS:

7. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:
AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 Resolution 6
"THAT subject always to the Companies Act, 2016 and the approvals of the relevant authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act, 2016 to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next AGM of the Company."
8. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE Resolution 7
"THAT the Company and/or its subsidiaries be and is/are hereby authorised to enter into recurrent related party transactions from time to time with Related Parties who may be a Director, a major shareholder of the Company and/or its subsidiaries or a person connected with such a Director or major shareholder, as specified in Section 2.3 of the Circular to Shareholders dated 31 July 2017 subject to the following:

NOTICE OF 14TH ANNUAL GENERAL MEETING (CONT'D.)

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

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

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

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

PROPOSED ALLOCATION OF LTIP OPTIONS TO THE ELIGIBLE NON-EXECUTIVE DIRECTOR OF THE COMPANY - TUN ARIFIN BIN ZAKARIA PURSUANT TO THE LONG TERM INCENTIVE PLAN (LTIP OR SCHEME) OF THE COMPANY

Resolution 8

"THAT conditional upon the approval from the shareholders of the Company and all other relevant authorities (if required) being obtained, the Board (save for the director which the LTIP options are to be granted to) be and is hereby authorised to, at any time and from time to time subject always to such terms and conditions and/or adjustments which may be made in accordance with the provision of the By-Laws governing the Scheme, to offer and grant to Tun Arifin bin Zakaria, being the Independent Non-Executive Chairman of the Company, the LTIP options which gives the right to subscribe for new shares of the Company at a prescribed subscription price upon the vesting of the LTIP options under the Scheme."

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

By Order of the Board

PHANG AI TEE [MAICSA No. 7013346]
Company Secretary

Kuala Lumpur
31 July 2017

NOTICE OF 14TH ANNUAL GENERAL MEETING (CONT'D.)

NOTES:

- i) A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a General Meeting of the Company shall have the same rights as the member to speak at the General Meeting.
- ii) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (Omnibus Account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 (SICDA) which is exempted from compliance with provisions of subsection 25A(1) of SICDA.
- iii) A member may appoint more than two (2) proxies to attend at the same meeting. Where a member appoints two (2) or more proxies, the member shall specify the proportion of his shareholding to be represented by each proxy.
- iv) The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- v) Only members whose names appear in the Record of Depositors on 6 September 2017 shall be entitled to attend, speak and vote at the AGM.
- vi) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, shall be deposited at 16th Floor, KH Tower, 8 Lorong P. Ramlee, 50250 Kuala Lumpur not less than 48 hours before the time fixed for holding the Meeting or adjourned Meeting at which the person named in the instrument proposed to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking of the poll and in default the instrument of proxy shall not be treated as valid.
- vii) The resolutions set out in the Notice of 14th AGM will be put to vote by poll in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Securities.

EXPLANATORY NOTES

- Agenda 1** **Audited Financial Statements for the financial year ended 31 March 2017**
The audited financial statements are for discussion only under Agenda 1, as they do not require shareholders' approval under the provisions of Section 340(1)(a) of the Companies Act, 2016. Hence, they will not be put for voting.
- Resolution 1** **Directors' Fees**
- Resolution 2** **Directors' Fees and Benefits**
Section 230 of the Companies Act, 2016 which came into effect on 31 January 2017, provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.
- The proposed Resolution 1, if passed, will authorise the payment of Directors' Fees in respect of financial year ended 31 March 2017 amounting to RM236,500. (2016: RM236,500)
- The proposed Resolution 2, if passed, will authorise the payment of Directors' Fees on a quarterly basis in arrears and benefits comprising meeting attendance allowance payable to the Directors for the current financial year ending 31 March 2018 until the conclusion of the next AGM of the Company. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next AGM of the Company.
- The total estimated amount of benefits payable is calculated based on the number of scheduled Board and Board Committees' meetings and the composition of Board and Board Committees remained unchanged. One (1) additional meeting is provided for each of the Board and Board Committees in the event that there are any emergency matters which require meetings to be held for such purposes.
- The Board is of the view that it is just and equitable for these Directors' Fees and benefits to be paid quarterly and as and when incurred respectively, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the said period.
- Resolution 6** **Authority to Allot Shares**
Further information in relation to the general mandate for issue of securities is set out in the Statement Accompanying Notice of 14th AGM.
- Resolution 7** **Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**
Further information on the Recurrent Related Party Transactions is set out in the Circular to Shareholders dated 31 July 2017 which is dispatched together with the Company's Annual Report 2017.
- Resolution 8** **Proposed Allocation of LTIP options to Tun Arifin bin Zakaria**
Further information on the proposed allocation of LTIP options to Tun Arifin bin Zakaria is set out in the Circular to Shareholders dated 31 July 2017 which is dispatched together with the Company's Annual Report 2017.

STATEMENT ACCOMPANYING NOTICE OF 14TH ANNUAL GENERAL MEETING

(PURSUANT TO RULE 8.29(2) OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

A. Details of the individuals who are standing for re-election as Directors

The profile of Tun Arifin bin Zakaria, who is standing for re-election pursuant to Article 75 of the Company's Articles of Association under Agenda 5 of the Notice of the 14th Annual General Meeting (AGM), is set out on page 14 of Volume 1 of this Annual Report.

B. Statement relating to general mandate for issue of securities in accordance with Rule 6.04(3) of the ACE Market Listing Requirements

The resolution in relation to the authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016, is a renewal of the general mandate for the issue of new ordinary shares in the Company which was approved at the last AGM of the Company held on 8 September 2016.

Under the previous mandate, 15,215,200 new ordinary shares were issued at the issue price of RM1.20 per placement share and cash proceeds of RM18,258,240 were raised. The summary of the utilisation of the proceeds is as follows:

Type of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Excess/ (Deficit) RM'000
Repayment of bank borrowings	3,000	3,000	0
Working capital for general business purposes	14,756	14,756	0
Expenses for the Private Placement	502	502	0
Total	18,258	18,258	0

The resolution, if passed, would provide flexibility to the Directors to undertake fund-raising activities, including but not limited to placement of shares for the funding of the Company's future investment projects, working capital and/or acquisitions, by the issuance of shares in the Company to such persons at any time, as the Directors consider it to be in the best interests of the Company. Any delay arising from and cost involved in convening a general meeting to approve such issuance of shares should be eliminated.

This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

PRIVACY NOTICE

Dear Sirs/Madams,

This privacy notice for personal data ("**Privacy Notice**") is issued to all shareholders of Microlink Solutions Berhad ("**Company**", "**we**", "**us**" or "**our**"), pursuant to the statutory requirements of the Personal Data Protection Act 2010 ("**PDPA**").

During the course of your dealings with us, we will collect and process your personal data (including any personal data previously collected from you) for purposes, including, to communicate with you, provide administrative assistance to you in the course of you being our shareholder, respond to your enquiries or input, invite you to meetings and events, provide you with notices, documents, information and/or updates relating to us and any matters relating to your involvement in the Board of Directors, for publication and dissemination of your personal data in any circulars, reports, minutes, websites, newsletters, bulletins, brochures, pamphlets or any other materials which may be published and circulated internally or to the general public, to comply with our legal and regulatory obligations (including monitor and where necessary make disclosure of matters relating to your involvement in any shares, debentures, participatory interests, rights, options, transactions and contracts) and other purposes required to operate and maintain our business as set out in our Privacy Policy (collectively referred to as "**Purposes**").

We will not disclose any of your personal data to any third party without your consent except to the Company's group of companies (including the Company's subsidiaries, related and/or associated companies), our professional advisers, vendors, suppliers, agents, contractors, service providers, business partners, insurance companies, banks and financial institutions, any governmental agencies, regulatory authorities and/or statutory bodies, within or outside Malaysia, where necessary, for the Purposes mentioned above, to any party who undertakes to keep your personal data confidential, to any person as set out in our Privacy Policy, or to whom we are compelled or required under the law to disclose to. A copy of our Privacy Policy is available on our website at www.microlink.com.my/PP.asp.

It is necessary for us to collect and process your personal data. If you do not provide us with your personal data, or do not consent to this Privacy Notice, we will not be able to effectively provide services to you in connection with or incidental to your role as our shareholder or process your personal data for any of the Purposes, if at all.

We are committed to ensuring that your personal data is stored securely. You have the right to request for access to, request for a copy of and request to update or correct, your personal data held by us. You also have the right at any time to request us to limit the processing and use of your personal data, subject to our right to rely on any statutory exemptions and/or exceptions to collect, use and disclose your personal data.

Your written requests or queries should be addressed to:

Personal Data Protection Officer

Address: 16th Floor KH Tower, 8 Lorong P Ramlee, 50250 Kuala Lumpur

Tel: +603 2078 4488

Fax: +603 2070 6893

Email: pdpa@omesti.com

By providing your personal data to us, you consent to us processing your personal data in accordance with this Privacy Notice, and you confirm that all personal data provided by you is accurate and complete, and that none of it is misleading or out of date. You will promptly update us in the event of any change to your personal data.

To the extent that you have provided (or will provide) personal data about your family members, spouse, other dependents (if you are an individual), directors, shareholders, employees, representatives, agents (if you are a corporate entity/an organisation) and/or other individuals, you confirm that you have explained (or will explain) to them that their personal data will be provided to, and processed by, us and you represent and warrant that you have obtained their consent to the processing (including disclosure and transfer) of their personal data in accordance with this Privacy Notice.

In respect of minors (i.e. individuals under 18 years of age) or individuals not legally competent to give consent, you confirm that you are the parent or guardian or person who has parental responsibility over them or the person appointed by court to manage their affairs or that they have appointed you to act for them, to consent on their behalf to the processing (including disclosure and transfer) of their personal data in accordance with this Privacy Notice.

We reserve the right to update and amend this Privacy Notice or our Privacy Policy from time to time. We will notify you of any amendments to this Privacy Notice or our Privacy Policy via announcements on our website or other appropriate means. If we amend this Privacy Notice or our Privacy Policy, the amendment will only apply to personal data collected after we have posted the revised Privacy Notice or Privacy Policy.

In accordance with Section 7(3) of the PDPA, this Privacy Notice is issued in both English and Bahasa Malaysia. In the event of any inconsistencies or discrepancies between the English version and the Bahasa Malaysia version, the English version shall prevail.

NOTIS PRIVASI

Kepada tuan-tuan dan puan-puan,

Notis privasi untuk data peribadi ini ("**Notis Privasi**") diberikan kepada semua pemegang saham Microlink Solutions Berhad ("**Syarikat**", "**kita**" atau "**kami**"), selaras dengan obligasi statutori di bawah Akta Perlindungan Data Peribadi 2010 ("**PDPA**").

Sepanjang masa urusan anda dengan kami, kami akan mengumpul dan memproses data peribadi anda (termasuk data peribadi yang telah dikumpulkan sebelum ini) untuk tujuan berkomunikasi dengan anda, memberi bantuan pentadbiran kepada anda, memberi maklum balas terhadap pertanyaan atau input anda, menjemput anda ke mesyuarat dan acara kami, memberi anda notis, dokumen, maklumat dan/atau isu-isu terkini berkaitan dengan kami dan perkara-perkara berhubungan dengan penglibatan anda di Lembaga Pengarah, untuk penerbitan dan pendedahan data peribadi anda di pekeliling, laporan, minit, laman web, surat berita, buletin, brosur, risalah atau media lain yang mungkin diterbitkan dan diedarkan di dalam organisasi kami atau kepada orang awam, untuk memenuhi kewajipan kami dalam mematuhi undang-undang dan peraturan-peraturan (termasuk memantau dan membuat pendedahan tentang perkara-perkara yang berkaitan dengan penglibatan anda dalam apa-apa saham, debentur, kepentingan penyertaan, hak, opsi, urus niaga dan kontrak), serta tujuan-tujuan lain yang kami perlukan untuk mengendalikan dan mengekalkan perniagaan kami sepertimana yang tertera dalam Polisi Privasi kami (secara kolektifnya dirujuk sebagai "**Tujuan-Tujuan**").

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

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

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

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

Pegawai Perlindungan Data Peribadi

Alamat: 16th Floor KH Tower, 8 Lorong P Ramlee, 50250 Kuala Lumpur

Telefon: +603 2078 4488

Faks: +603 2070 6893

E-mel: pdpa@omesti.com

Dengan memberikan data peribadi anda kepada kami, anda bersetuju untuk kami memproses data peribadi anda sepertimana yang tertera dalam Notis Privasi ini, dan anda mengesahkan bahawa semua data peribadi yang diberikan oleh anda adalah betul dan lengkap, dan tiada data peribadi yang mengelirukan atau yang belum dikemaskinikan. Anda mesti, dengan segera, mengemaskini data peribadi anda sekiranya terdapat apa-apa perubahan kepada data peribadi yang anda beri kepada kami.

Setakat mana yang anda telah memberikan (atau akan memberikan) data peribadi tentang ahli keluarga, pasangan, tanggungan anda (jikalau anda ialah seorang individu), pengarah, pemegang saham, wakil, ejen (jikalau anda ialah sebuah entiti korporat/ organisasi) dan/atau individu lain, anda mengesahkan bahawa anda telah menjelaskan (atau akan menjelaskan) kepada mereka bahawa data peribadi mereka akan didedahkan kepada, dan akan diproses oleh, kami dan anda menyata dan menjamin bahawa anda telah diberi kuasa untuk mendedahkan data peribadi mereka kepada kami dan anda telah memperolehi persetujuan daripada mereka berkenaan dengan pemrosesan (termasuk pendedahan dan pemindahan) data peribadi mereka sepertimana yang tertera dalam Notis Privasi ini.

Berkenaan dengan individu yang belum mencapai usia dewasa (iaitu individu di bawah umur 18 tahun) atau individu yang tidak mempunyai kompeten untuk memberi persetujuan, anda mengesahkan bahawa anda ialah ibu bapa atau penjaga atau orang yang mempunyai kewajipan terhadap mereka atau orang yang dilantik oleh mahkamah untuk menguruskan urusan mereka atau mereka telah melantik anda untuk mewakili mereka, untuk memberi persetujuan bagi pihak mereka berkenaan dengan pemrosesan (termasuk pendedahan dan pemindahan) data peribadi mereka sepertimana yang tertera dalam Notis Privasi ini.

Kami berhak untuk mengemaskini dan meminda Notis Privasi ini atau Polisi Privasi kami dari semasa ke semasa. Sebarang perubahan atau pemindahan kepada Notis Privasi ini atau Polisi Privasi kami akan dimaklumkan melalui pengumuman di laman web kami atau melalui cara yang bersesuaian. Jika kami meminda Notis Privasi ini atau Polisi Privasi kami, pindaan itu hanya akan berkuat-kuasa untuk data peribadi yang dikumpul selepas kami memaparkan Notis Privasi atau Polisi Privasi kami yang terpinda.

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

FORM OF PROXY

MICROLINK SOLUTIONS BERHAD

(Company No. 620782-P)

(Incorporated in Malaysia)



I/We, _____ NRIC No: _____

of _____

being a member/members of MICROLINK SOLUTIONS BERHAD, hereby appoint _____

_____ NRIC No: _____

of _____

or failing him/her, _____ NRIC No: _____

of _____

or failing whom, THE CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us and on my/our behalf at the 14th Annual General Meeting of the Company, to be held at Banquet Hall, The Royal Selangor Golf Club, Jalan Kelab Golf, Off Jalan Tun Razak, 55000 Kuala Lumpur, on Thursday, 14 September 2017 at 2.30pm and at any adjournment thereof in the manner as indicated below:-

RESOLUTION	FOR	AGAINST
RESOLUTION 1		
RESOLUTION 2		
RESOLUTION 3		
RESOLUTION 4		
RESOLUTION 5		
RESOLUTION 6		
RESOLUTION 7		
RESOLUTION 8		

(Please indicate with an X in the spaces provided above how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any Resolution, the proxy may vote as he or she thinks fit, or at his or her discretion, abstain from voting)

Signed this _____ day of _____ 2017

Number of Ordinary Shares Held

Signature of Shareholder(s)

Notes:

- A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a General Meeting of the Company shall have the same rights as the member to speak at the General Meeting.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (Omnibus Account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 (SICDA) which is exempted from compliance with provisions of subsection 25A(1) of SICDA.
- A member may appoint more than two (2) proxies to attend at the same meeting. Where a member appoints two (2) or more proxies, the member shall specify the proportion of his shareholding to be represented by each proxy.
- The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- Only members whose names appear in the Record of Depositors on 6 September 2017 shall be entitled to attend, speak and vote at the Annual General Meeting.
- The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, shall be deposited at 16th Floor, KH Tower, 8 Lorong P. Ramlee, 50250 Kuala Lumpur not less than 48 hours before the time fixed for holding the Meeting or adjourned Meeting at which the person named in the instrument proposed to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking of the poll and in default the instrument of proxy shall not be treated as valid.
- The resolutions set out in the Notice of 14th Annual General Meeting will be put to vote by poll in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Securities.

Fold this flap for sealing

AFFIX
STAMP
HERE

To: The COMPANY SECRETARY
MICROLINK SOLUTIONS BERHAD
16th Floor, KH Tower,
8 Lorong P. Ramlee,
50250 Kuala Lumpur

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CONTACT DETAILS OF SUBSIDIARIES

APPLIED BUSINESS SYSTEMS SDN BHD

(Co No 188269-D)

13th Floor, Menara SMI,
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50250 Kuala Lumpur, Malaysia.
T +603 2781 0888
F +603 2078 5496

CA IT INFRASTRUCTURE SOLUTIONS SDN BHD

(Co No 972041-X)

CSA SERVIS (M) SDN BHD

(Co No 232732-T)

MICROLINK INNOVATION SDN BHD

(Co No 839837-A)

MICROLINK SOFTWARE SDN BHD

(Co No 824378-V)

MICROLINK SYSTEMS SDN BHD

(Co No 309131-H)

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FORMIS COMPUTER SERVICES SDN BHD

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FORMIS SYSTEMS & TECHNOLOGY SDN BHD

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