



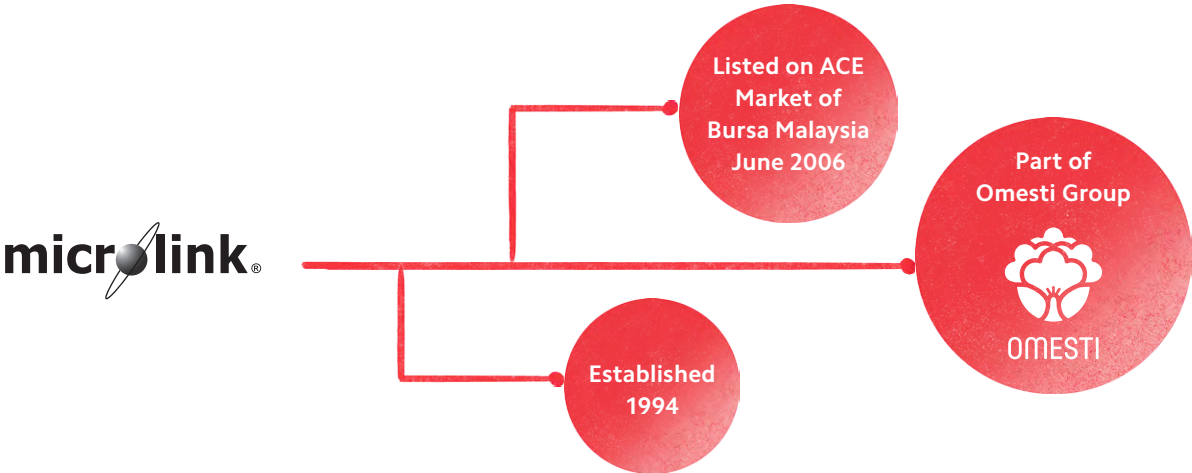
SOLUTIONS
TODAY.
ACCELERATE
TOMORROW.

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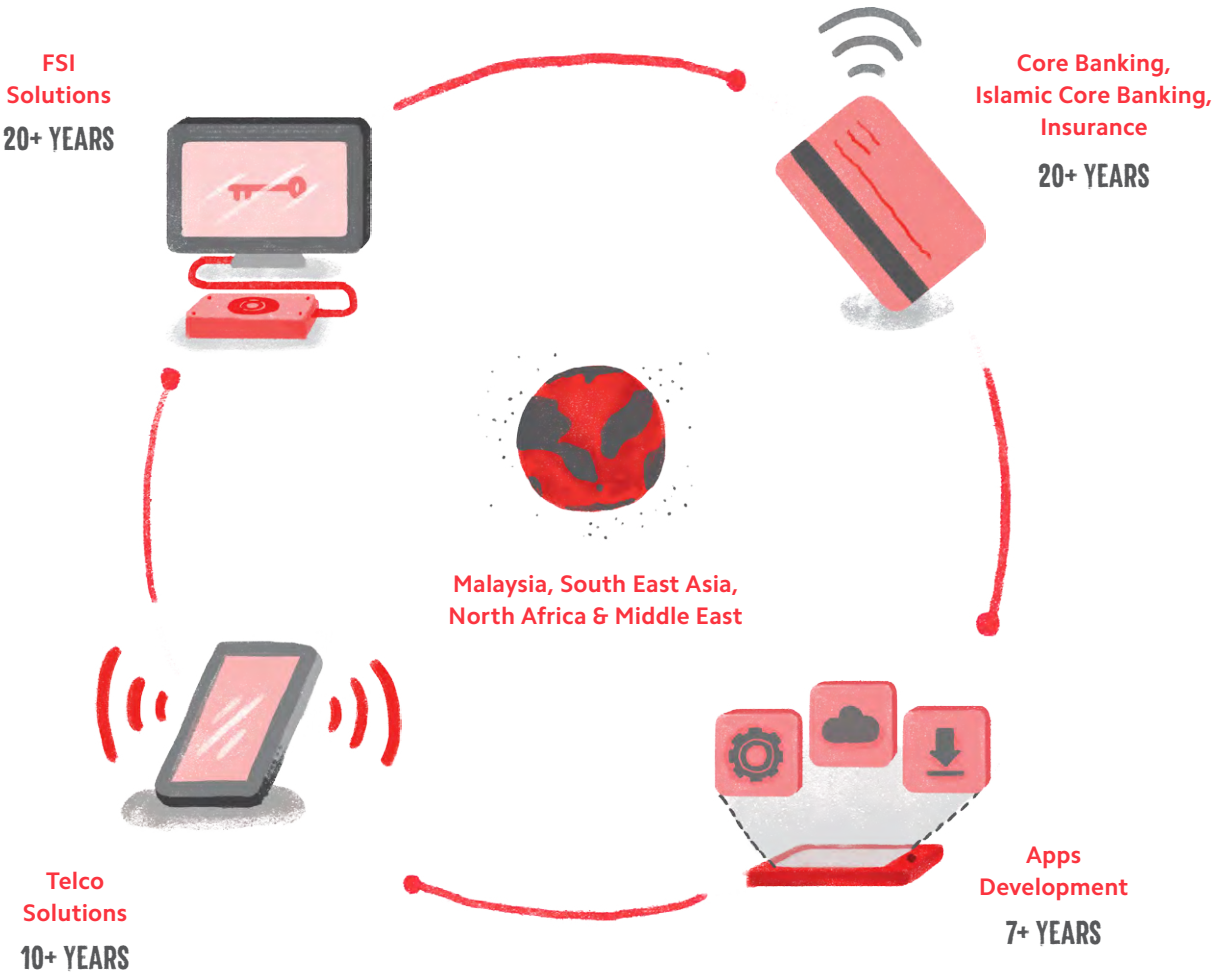
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SOLUTIONS TODAY.
ACCELERATE TOMORROW.



EXTENSIVE TRACK RECORD



GROUP CHIEF EXECUTIVE OFFICER'S REPORT

BY CHIA YONG WEI

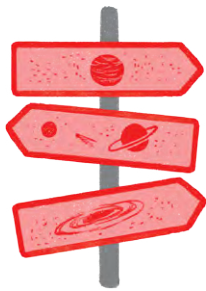
OUTLOOK

In addition to multiple factors affecting the global economy, particularly the dramatic fall in oil prices, along with the continued emergence of technologies that are disrupting conventional business models, organisations across the world have been required to take stock and realign.

In the financial services sector, banks will need to build their digital capabilities to fend off rising competition from technology start-ups and established digital companies, which are now offering financial services from mortgages through to payment systems. The shift towards a more customer-focused digital strategy is inevitable if banks are to continue to attract a growing customer base.

In the insurance sector, a number of forces are converging to create a pressing need for insurers to innovate across their entire value chain. In addition to the general economic environment, these forces include technology, competition, regulatory changes, demographics and urbanisation. In order to meet these challenges, insurers will need to embrace innovation and find new avenues to growth and profitability.

As a leading player in the technology solutions and systems integration space, Microlink has set its course on the pursuit of the extensive opportunities available in the market, both domestically and across the region.



MICROLINK HAS SET ITS
COURSE ON THE PURSUIT OF
**THE EXTENSIVE
OPPORTUNITIES**
AVAILABLE IN THE MARKET.

OPERATIONS REVIEW

Following completion of the transfer during FY2015 of the six companies from our parent OMESTI Berhad (namely, Omesti Innovation Lab (Malaysia) Sdn Bhd, Formis Computer Services Sdn Bhd (FCS), Formis Systems & Technology Sdn Bhd (FST), First Solution Sdn Bhd (First Solution), Applied Business Systems Sdn Bhd (ABS) and Formis Advanced Systems Sdn Bhd), the Microlink Group has implemented a period of consolidation, realignment and streamlining of our offerings. This has included deploying the most appropriate resources required to deliver our reorganised portfolio.

The Group is now focused on four core business segments.

- Financial Services Solutions
- Enterprise Solutions
- Distribution
- Solution Delivery

A shared support services group, encompassing Finance, Human Resources and Accounts, spans these four main business segments, to deliver an integrated service to the Microlink Group.

With a current headcount of more than 250 people, the majority of whom are technically and professionally qualified, the Group now has enhanced ability to provide best-in-class solutions to enterprises, enabling them to improve productivity and accelerate growth.

FINANCIAL SERVICES

The Microlink Group has been an established provider of core banking solutions for conventional and Islamic banking for over 20 years. In Malaysia, Bank Rakyat is one of our key customers, with our core banking solutions also implemented at RHB Bank, Agro Bank and leading co-operative banks such as Bank Persatuan and Koperasi Angkatan Tentera, among others. Internationally, we currently serve clients in Brunei.

Additionally, we have built up an established track record with Bank Negara Malaysia over the last 25 years and have successfully implemented more than ten turnkey solutions and numerous infrastructure projects, both for Bank Negara itself and as part of the compliance requirement for other financial institutions that are required to submit data to Bank Negara.

Recognising the trends highlighted above, in the past 12 months, the Group has actively explored opportunities to develop our core banking and Islamic banking solutions, such that they will enable our clients to meet the future requirements of the market and those of their customers.

We are currently working in collaboration with global solutions provider SAP Global to develop a new state-of-the-art core Islamic banking solution. This solution draws on our extensive track record in the sector and our detailed understanding of core Islamic banking and its specific requirements. This Intellectual Property is being embedded into the cutting-edge SAP technology platform to deliver a solution that is fully designed for the Cloud and Mobile era to meet the requirements of future banking, branchless banking and mobile. It will facilitate real-time banking, digital omni-channel delivery and faster go-to-market capabilities.



FULLY DESIGNED FOR THE CLOUD AND MOBILE ERA TO MEET THE REQUIREMENTS OF FUTURE BANKING, BRANCHLESS BANKING AND MOBILE.

The partnership with SAP Global, which was formalised in December 2015, represents a major milestone in the history of the Microlink Group. Microlink was selected by SAP Global on the basis of our local footprint and track record and particularly because of our core Islamic banking technology. It marks the first time SAP Global, the world's largest business software provider, with extensive R&D capacity and resources, has partnered with a Financial Services Industry solutions provider.

In the insurance sector, we serve some of the country's leading insurance providers, with our proprietary solutions for Takaful (Syariah-compliant) insurance being deployed for clients such as RHB Insurance, Prudential BSN Takaful and Amanah Takaful, Berjaya Sompoo and AIA Insurance, among others.

In order to meet the rapidly changing requirements of the market, where legacy systems must quickly be updated to deliver a more agile and customer-focused experience, we are working to develop an enhanced version of our current insurance solution in conjunction with IBM, a highly experienced provider in this field.

ENTERPRISE SOLUTIONS

Our new Enterprise Solutions business segment is focussed on helping enterprises navigate and integrate the options available in the cloud. Recognising industry needs, we have taken strong steps to create new solutions to address gaps in the solutions market. This includes creating subscription-based applications, riding on cloud technology, to enable organisations of all sizes to take advantage of flexible cost structures while adding value.

We are also exploring opportunities in the Analytics and Internet of Things (IOT) sector as organisations look to maximise and leverage the value of data. Specifically, we are collaborating with our principals IBM and Hitachi Data Systems # to develop a waste and water management system that will enable governments and local authorities to better manage resources, a critical issue in countries with growing urbanisation.

Elsewhere, we have developed an Application Programming Interface (API) Management solution which enables our customers to unlock the value of data and grow their business. The solution helps to solve the challenge of integrating systems, adapting services, orchestrating data and rapidly creating modern, enterprise-grade APIs from different sources. During the year under review, this solution was provided to Malaysian telco Maxis and as part of the OMESTI eCOURTS court infrastructure platform.

DISTRIBUTION

Our route to market is via our loyal business partners that have been working closely with us for the past 20 years. These principals include Oracle, IBM, Lenovo, EMC and Hitachi Data Systems. The Microlink team also provides consultation and professional services for our customers.

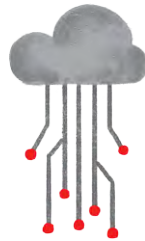
Microlink provides the full suite of Oracle products to a diverse customer base. Additionally, Microlink subsidiary ABS is the only distributor in Malaysia with a PSADD (Public Sector Addendum) agreement, enabling it to undertake Government projects. Some of the major projects secured during the period include contracts with Permodalan Nasional Berhad, Polis Diraja Malaysia and AmBank.

Microlink subsidiary First Solution has continued on its drive to establish a strong footprint as a value added distributor for the full suite of IBM and Lenovo solutions. During the period FY2014/2015, this commitment saw First Solution attain the highest double digit growth for Lenovo Enterprise Server products, a figure which it surpassed during FY2015/2016 to be recognised as Top Lenovo Enterprise Server Distributor for the second year running. Major contracts secured during the period include projects for Pharmaniaga, AM MetLife and Petronas.

ALIGNED FOR THE FUTURE



Financial Services



Enterprise Solutions

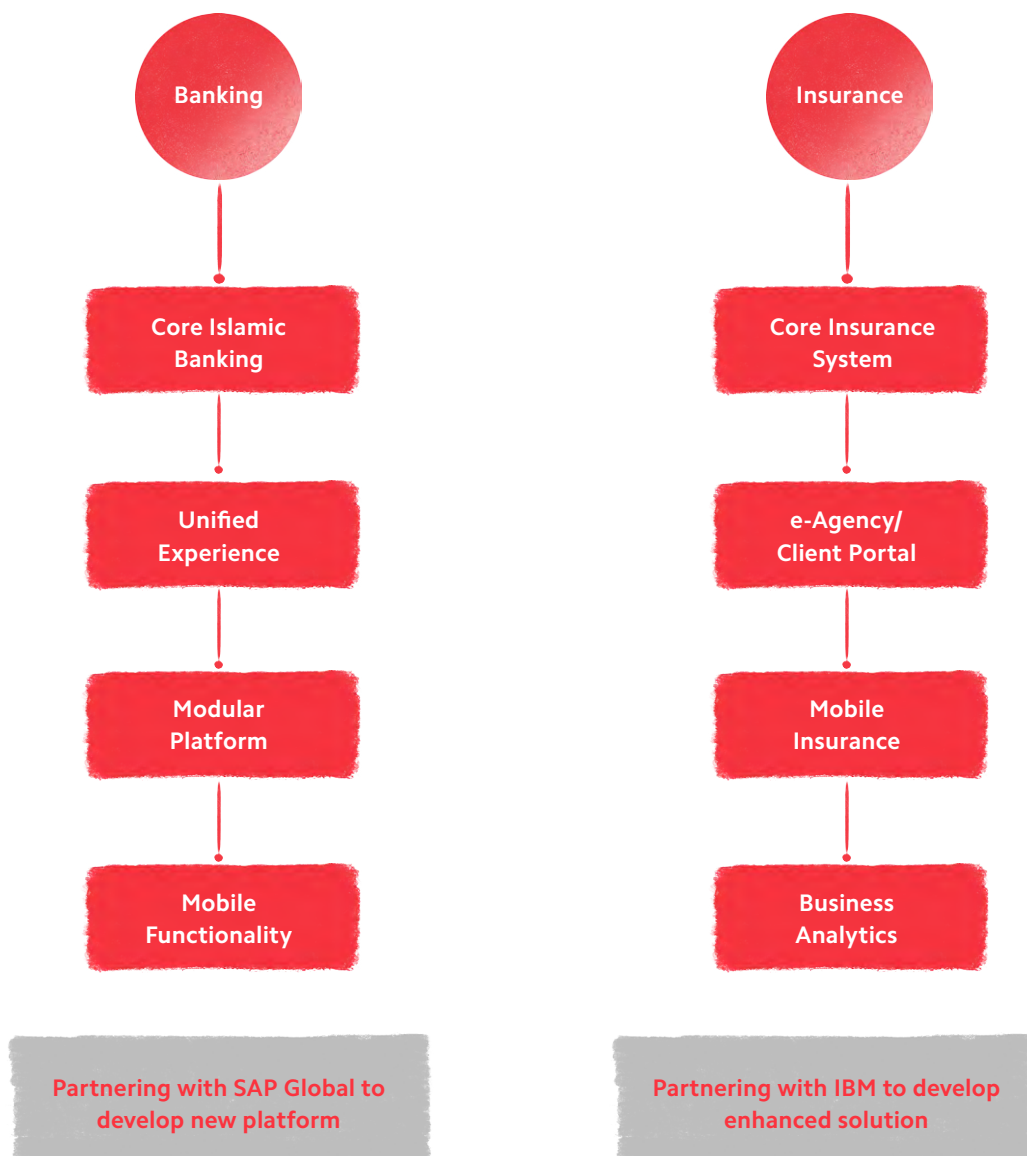


Solution Delivery



Distribution

FINANCIAL SERVICES



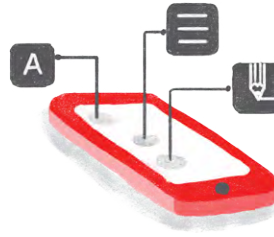
ENTERPRISE SOLUTIONS

INTERNET OF THINGS [IOT]



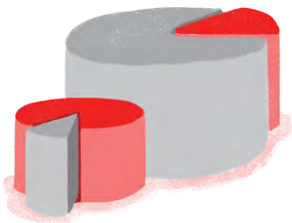
- Smarter cities

MOBILE



- Mobile Apps Development on various mobile platforms
- Manage multi-edge app experiences

ANALYTICS, BIG DATA, COGNITIVE



- Solutions for enterprise reporting, big data analytics and predictive analytics

CLOUD SERVICES



- Solutions on Cloud, Lift & Shift, Migration & Upgrade (SaaS, PaaS, IaaS)
- IBM SoftLayer, Oracle Cloud, Amazon AWS, Microsoft Azure

INTEGRATION ON MULTI CLOUD



- API Management, Cloud Integration with SaaS, PaaS and on-premise services
- API Monetisation

SI & DEVELOPMENT



- Customised FSI Solutions, Portal consolidation, Managed Infrastructure Services, Turnkey projects

POWERED BY



ORACLE®



For Microlink subsidiary FST, which distributes the full suite of EMC and Hitachi Data Systems products, the year has seen key projects secured with Tenaga Nasional Berhad, OCBC and U-Mobile.

SOLUTION DELIVERY

The primary role of the Solution Delivery team is to develop new software applications, mobile apps and other related solutions on behalf of the Group. With a current headcount of over 120 people, the skillset spans a wide range of programming knowledge and capabilities from Cobol right through to HTML5. One of the key outcomes of combining the Group's technical resources under one aligned team in this way is the ability to maximise synergies and ensure consistency in delivery, not only for our in-house requirements, but equally for our external customers.



ONE OF THE KEY OUTCOMES IS THE ABILITY TO MAXIMISE SYNERGIES AND ENSURE CONSISTENCY IN DELIVERY.

For U-Mobile, Microlink has delivered a Self-Care and Loyalty App which serves as a mechanism to create additional channels for revenue generation and increased operational effectiveness via top-up, bill payment and subscription.

For JF Apex, the team developed a 360° securities trading dashboard, helping the client to manage its enterprise data. With the data analytics in place, a campaign management system was also deployed, enabling executable actions to be taken to increase trading revenues.

The Solutions Delivery team is also closely involved in supporting our parent company in the development and delivery of the second phase of the OMESTI eCOURTS platform, the integrated electronic courts infrastructure system being deployed across West Malaysia.

FINANCIAL PERFORMANCE

For the period under review, the Group recorded revenues of RM236.3 million, up by 71.6 percent from RM137.7 million the preceding year. Profit before Tax however was lower at RM3.1 million as compared to RM11.2 million in the preceding year. This was due to a combination of changes in product mix, giving rise to lower overall margins, as well as the one-time costs related to human capital restructuring. This restructuring will better position the Group's operational efficiency moving forward.

**THE GROUP RECORDED
REVENUES OF
RM236.3 MILLION
UP BY 71.6%
FROM THE PRECEDING YEAR.**

FUTURE PIPELINE

The Board remains cautiously optimistic on the prospects for the Group on several counts. The clearly redefined core business segments and expanded capability provide a firm foundation from which to address the requirements of our client base in meeting their current and future challenges. This newly aligned business portfolio, combined with our enhanced systems integration expertise, will enable us to further diversify into new sectors including cloud computing, data analytics and value-added integration solutions.

There are also substantial prospects for new business in Indonesia, the world's largest Muslim population, where there is strong interest in our proprietary core Islamic banking platform and Takaful insurance solutions.

Our new core Islamic banking solution, developed in conjunction with SAP Global, has particular potential as banking institutions around the region and beyond move to update legacy infrastructure and capture future market opportunities.

This potential, together with our landmark partnership with SAP Global, will enable us to pursue much larger scale opportunities than were previously possible due to capacity. In addition, the value add derived from our established distribution businesses will continue to contribute to topline revenues.

CORPORATE EXERCISES

During the period under review, the following corporate exercises were carried out. On 27 April 2015, Microlink completed a private placement of 13,800,000 shares. Separately, on 20 May 2015, Microlink acquired the remaining 40,000 ordinary shares of RM1.00 each, representing 40 percent of the issued and paid-up share capital of Microlink Innovation Sdn Bhd, for a total cash consideration of RM300,451.00 (Acquisition). Following the completion of the Acquisition, Microlink Innovation became a wholly-owned subsidiary of Microlink.

CARE IN THE COMMUNITY

The Microlink Group values diversity and full inclusion at the workplace. Appointments, promotions and other employee-related decisions are made on the basis of suitability of skills, experience and performance. As such, our employee population comprises a well-balanced team that is results-oriented and focused on achieving the highest standards of excellence for the Group. We also place high importance on supporting our employees in pursuing their career goals and in achieving a balanced lifestyle.



WE PLACE HIGH IMPORTANCE ON SUPPORTING OUR EMPLOYEES IN PURSUING THEIR CAREER GOALS AND IN ACHIEVING A BALANCED LIFESTYLE.

The proportion of male to female staff is 57% to 43% respectively, comprising 28% Malay, 62% Chinese, 8% Indian and 2% others. In terms of age, there is a balanced spread as follows: 25% in the 20 to 30 bracket, 47% aged 31 to 40, 21% aged 41 to 50 and 7% aged 51 to 60.

As we continue to transition and transform our newly aligned business, we will focus on simplifying the way we run our operations by standardising processes and policies, the way we reward our people, including commission and incentive plans, pre-sales solution mapping and delivery processes.

During the year, Microlink employees took part in a number of activities organised to help the underprivileged or less fortunate in the community. In May 2016, a team of six colleagues entered the 16th edition of The Edge-Bursa Malaysia Kuala Lumpur Rat Race, postponed from the original date in September 2015 due to the high levels of haze in the capital.

The Microlink team joined 500 fellow executives from over 50 local, regional and international firms, including their chief executives, to run in scorching afternoon heat. The event helped to raise over RM1.3 million distributed in support of training & education and English & financial literacy programmes for underprivileged students in selected secondary schools.

APPRECIATION

I would like to place on record our appreciation to outgoing Microlink Chief Executive Officer Peter Yong Kar Seng, who retired on 31 March 2016. Appointed as Director & CEO in 2004, he has since led the Group to become a leading player in core Islamic banking solutions and related services.

Additionally, I would like to welcome Gerard Monteiro as Executive Director of Microlink Group and Ms Mah Xian-Zhen who has been appointed to the Board as a Non-Independent Non-Executive Director, with effect from 1 April 2016.

Lastly, I would like to express my sincere gratitude to our employees, the Management and our Board of Directors for their loyal commitment and contribution during the period under review. I would also like to thank our valued customers, suppliers, business associates and bankers for their continued support.

CHIA YONG WEI

Group Chief Executive Officer

SOLUTION DELIVERY

DIVERSE
SKILLSSET

LEVERAGING
SYNERGIES

DELIVERY
CONSISTENCY



Mobile
Platforms



System
Interfaces



Application
Development



Business
Process Analysis

DISTRIBUTION

PARTNERED WITH LEADING
INDUSTRY PRINCIPALS

HITACHI
DATA SYSTEMS

IBM

ORACLE®

EMC²
where information lives™

lenovo

"CLOUD COMPUTING IS CHANGING THE GAME;
BUSINESS MODELS ARE BEING DISRUPTED."

ADDING VALUE
WITH SYSTEMS
INTEGRATION
EXPERTISE

AWARD
WINNING
PERFORMANCE

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Lim Shook Nyee

[MAICSA No. 7007640]

REGISTERED OFFICE

16th Floor, KH Tower

8 Lorong P. Ramlee

50250 Kuala Lumpur

T +603 2078 4488

F +603 2070 6893

HEAD OFFICE

6th Floor, Menara Atlan

161B Jalan Ampang

50450 Kuala Lumpur

T +603 2171 2200

F +603 2171 2240

AUDITORS

BDO

Level 8

BDO @ Menara CentARA

360 Jalan Tuanku

Abdul Rahman

50100 Kuala Lumpur

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

WEBSITE ADDRESS

www.microlink.com.my

PROFILE OF GROUP CHIEF EXECUTIVE OFFICER

CHIA YONG WEI

- AGE 40, MALE, MALAYSIAN
- APPOINTED AS GROUP CHIEF EXECUTIVE OFFICER ON 1 APRIL 2016
- MEMBER OF EXECUTIVE COMMITTEE

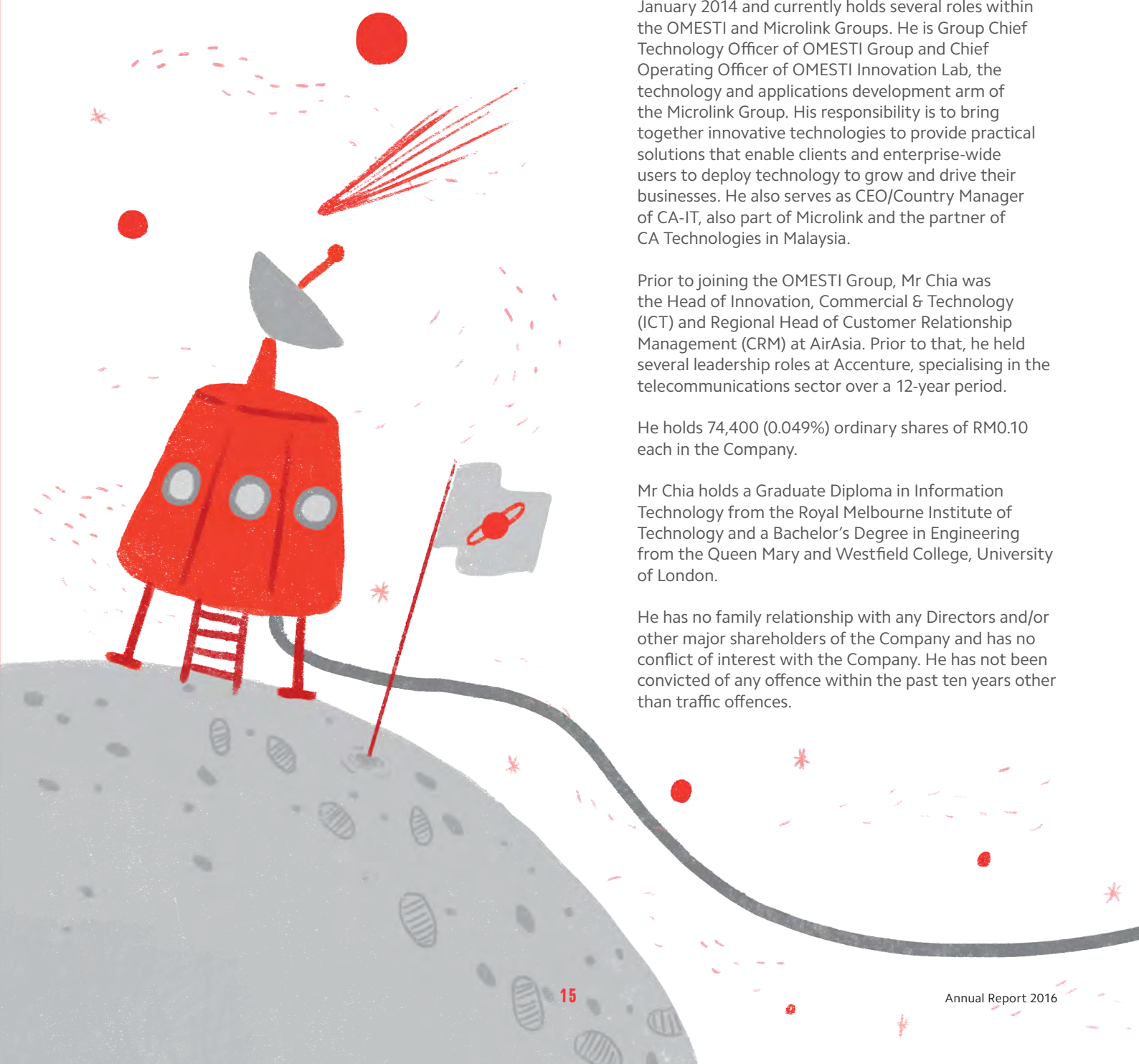
Mr Chia joined the OMESTI Group of Companies in January 2014 and currently holds several roles within the OMESTI and Microlink Groups. He is Group Chief Technology Officer of OMESTI Group and Chief Operating Officer of OMESTI Innovation Lab, the technology and applications development arm of the Microlink Group. His responsibility is to bring together innovative technologies to provide practical solutions that enable clients and enterprise-wide users to deploy technology to grow and drive their businesses. He also serves as CEO/Country Manager of CA-IT, also part of Microlink and the partner of CA Technologies in Malaysia.

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

He holds 74,400 (0.049%) ordinary shares of RM0.10 each 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 ten years other than traffic offences.



PROFILE OF DIRECTORS



MONTEIRO GERARD CLAIR

EXECUTIVE DIRECTOR

- AGE 45, 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 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, 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.



TAI KEAT CHAI

INDEPENDENT NON-EXECUTIVE DIRECTOR

- AGE 62, 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, Silk Holdings Berhad, MIDF Amanah Investment Bank 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.





**INDEPENDENT
NON-EXECUTIVE DIRECTOR**

- AGE 60, 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.

NOTES

- Save as disclosed above, none of the Directors has any family relationship with any other Directors and/or other major shareholders of the Company.
- None of the Directors has any conflict of interest with the Company and has not been convicted of any offence within the past ten years other than traffic offences.
- Details of Directors' attendances at the Board meetings are set out in the Statement on Corporate Governance.



**NON-INDEPENDENT
NON-EXECUTIVE DIRECTOR**

- AGE 34, FEMALE, MALAYSIAN
- APPOINTED TO THE BOARD ON 1 APRIL 2016
- MEMBER OF AUDIT & RISK MANAGEMENT COMMITTEE, NOMINATING COMMITTEE AND EXECUTIVE COMMITTEE

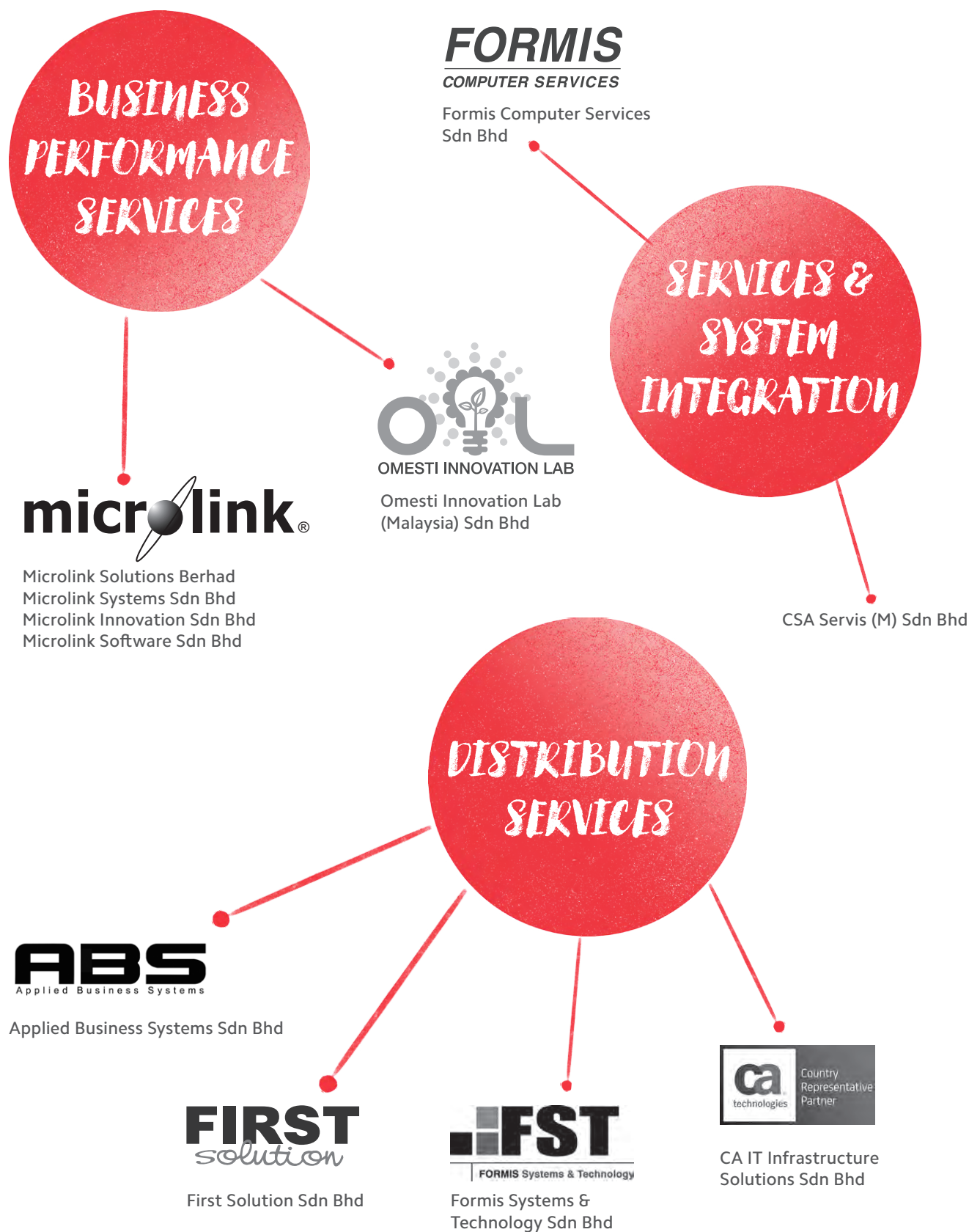
Graduating with a Bachelor of Arts from Wellesley College, MA, USA, followed by a Graduate Diploma in Law, she then attended the Bar Vocational Course in London. In 2009, she obtained an Executive Diploma in Islamic Law (Islamic Banking) from International Islamic University, Malaysia. On completing 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 Bar, and remained with the firm as a Legal Assistant until June 2009, focusing on corporate and commercial litigation.

Ms Mah 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.

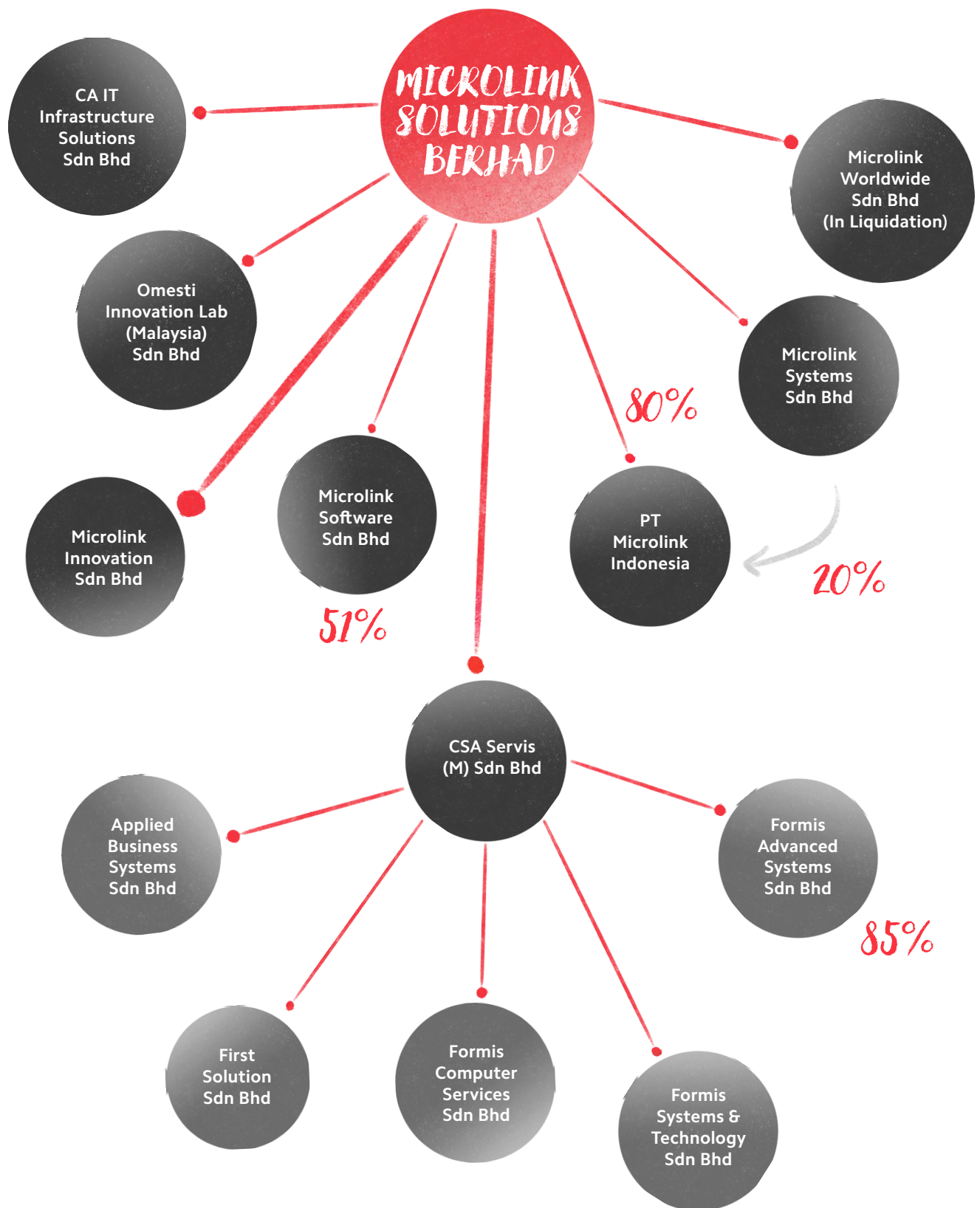
She currently serves as an Executive Director of OMESTI and a Director of Man Yau Holdings Berhad.

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

BUSINESS STRUCTURE BY SEGMENT



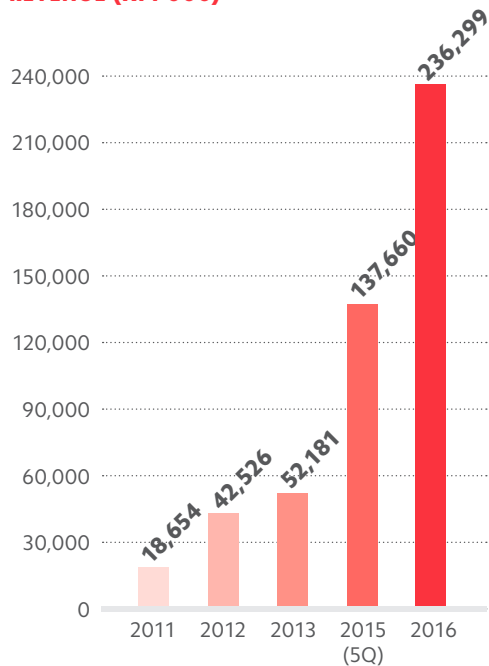
BUSINESS STRUCTURE BY COMPANY



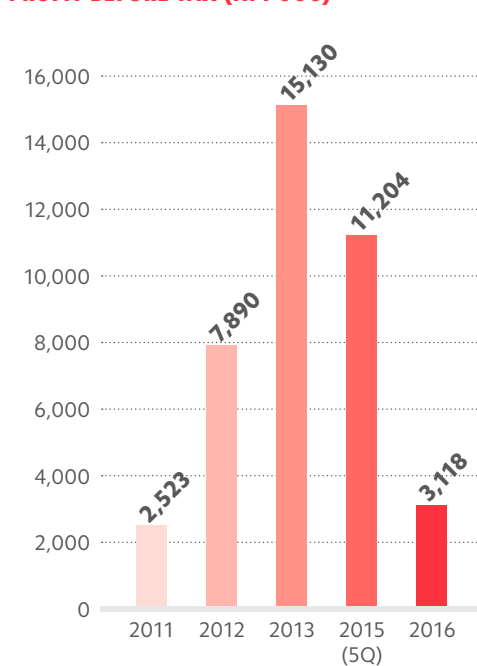
FINANCIAL HIGHLIGHTS

2011 – 2016

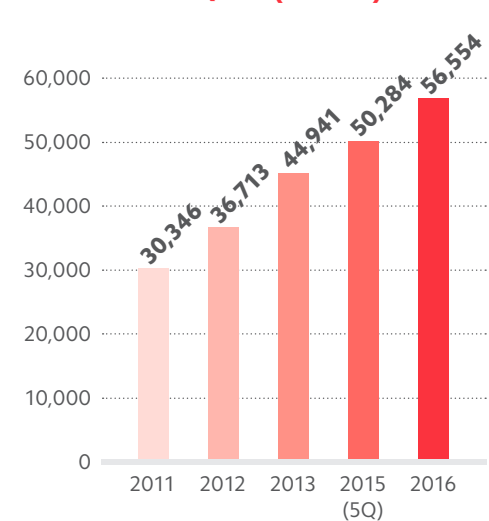
REVENUE (RM'000)



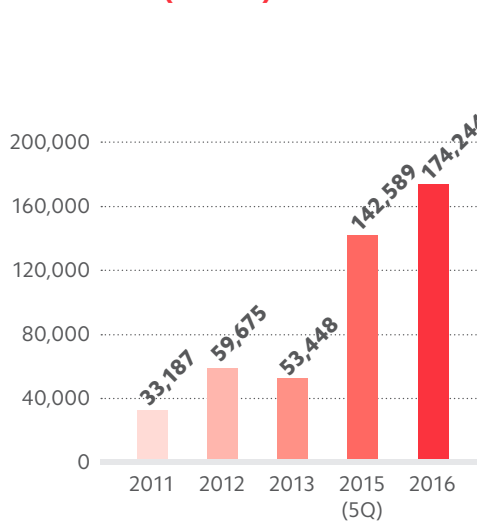
PROFIT BEFORE TAX (RM'000)



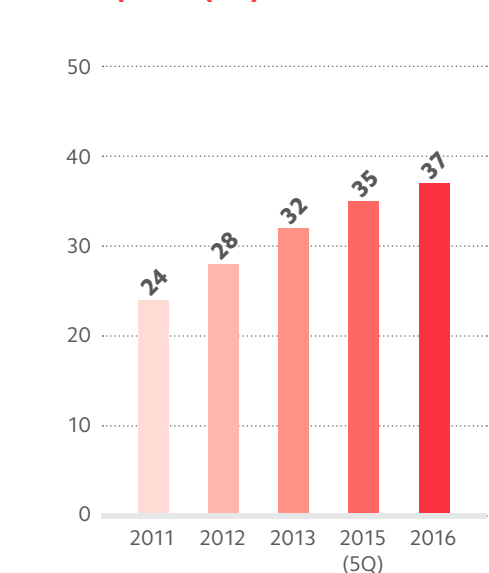
SHAREHOLDERS' EQUITY (RM'000)



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 SHAREHOLDER 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. 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 on 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, amongst others, the following six responsibilities:

- Reviewing and adopting a strategic plan for the Company;
- Overseeing the conduct of the Company'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 Company'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's 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, delegated authority limits;
6. Appointment of all other 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, 1965, Listing Requirements of Bursa Malaysia Securities Berhad, Company's Articles of Association, Terms of Reference of the respective committees or any other applicable rule.

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 at all key areas as an integral part of the management succession plan. The plan also includes offering a competitive remuneration package to 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 business, technical and financial backgrounds. This brings insightful depth and diversity to the leadership and management of an evolutionary business.

The Board currently comprises four (4) members as follows:



The profiles of the Directors are presented on pages 16 to 17 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, 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 14 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 last review was conducted in February 2015. 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 the

society and 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.

The details of sustainability activities are set out in the Group Chief Executive Officer's Report on page 12 of Volume 1 of this Annual Report.

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.

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 in carrying out their duties.

The Company Secretary plays an advisory role to the Board on matters pertaining to compliance of procedures, rules and regulatory requirements. Deliberations at meetings on issues discussed and decisions made, are properly recorded and kept.

The Board may consult with other Company employees 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.

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.

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, two (2) NC Meetings were held. The NC, in discharging its functions and duties, carried out the following activities:

- Reviewed the required mix of skills, experience and other qualities including core competencies, which Non-Executive Directors should bring to the Board;
- 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 Independent Non-Executive Directors and the Group CEO; and
- Reviewed the composition of the Board and the Board Committees.

The assessment of the Board and the Board Committees are 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 on the 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 Director 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 this, a Board Diversity Policy has been adopted by the Company. Gender quota and target will be considered when vacancies arise and suitable candidates are identified.

During the financial year under review, the NC recommended the nomination of Ms Mah Xian-Zhen as the new Non-Independent Non-Executive Director (NINED) of the Company. This recommendation was made after considering the appropriate mix of diversity on the Board, her skills, knowledge, expertise and experience in areas of information technology, strategy, business, legal and general management, competencies, and level of commitment, resources and time in discharging such responsibilities/functions as expected from a NINED. The Board accepted the NC's recommendation and approved the said appointment. Ms Mah joined the Board on 1 April 2016.

With the appointment of Ms Mah, the Board is currently 75% male and 25% female, with all Directors of Chinese ethnicity. In terms of age, 25% are aged 31-40, 41-50, 51-60 and 61-70 years old respectively.

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 in 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.

In general, the remuneration is structured so as to link rewards to corporate and individual performance. As for the Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken individually by the Director concerned.

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.

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 these Directors. The determination of the remuneration of the Non-Executive Directors is a matter for the Board as a whole. The Executive and Non-Executive Directors play no part in decisions on their own remuneration.

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

- individual performance
- skills and knowledge
- involvement in the Group's affairs
- achievement of 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 (FYE) 31 March 2016 are as follows:

	EXECUTIVE DIRECTOR RM'000	NON-EXECUTIVE DIRECTORS RM'000
Salaries and other emoluments	1,070	60
Fees	-	237

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

	NUMBER OF DIRECTORS	
	EXECUTIVE	NON-EXECUTIVE
RM50,001 – RM100,000	-	2
RM100,001 – RM150,000	-	1
RM1,050,001 – RM1,100,000	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.

TENURE OF INDEPENDENT DIRECTORS

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, ED & GROUP CEO

Currently, no Chairman has been appointed by the Board following the resignation of the previous Chairman in September 2013.

The division of roles and responsibilities of Chairman, ED and Group CEO ensures that there is no excessive concentration of power in these positions.

The Chairman is responsible for running the Board and ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in Board decisions whereas 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.

During the financial year under review, the NC recommended the nomination of Mr Chia Yong Wei as the new Group CEO of the Company after considering his skills, knowledge, expertise and experience, professionalism and the length of service with the wider OMESTI Group (of which the Company is a majority-owned subsidiary) and his ability to discharge such responsibilities/functions as expected from a CEO. The Board accepted the NC's recommendation and approved the said appointment. Mr Chia was appointed as Group CEO with effect from 1 April 2016.

FOSTER COMMITMENT

TIME COMMITMENT

The Board ordinarily holds four (4) scheduled meetings annually, with additional meetings held between the scheduled meetings as and when necessary.

For this financial year under review, a total of nine (9) Board Meetings were held. The attendance record by the current Board is as follows:

DIRECTOR	TOTAL MEETINGS ATTENDED
Monteiro Gerard Clair	9/9
Tai Keat Chai	9/9
Martin Chu Leong Meng	9/9

DIRECTOR	TOTAL MEETINGS ATTENDED
Yong Kar Seng Peter (Resigned: 31.03.2016)	9/9
Mah Xian-Zhen (Appointed: 01.04.2016)	0/0

All Directors have complied with the minimum 50% attendance requirement at Board Meetings held during FYE 31 March 2016 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 MCCG 2012 that they are required to notify the Chairman of 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 as prescribed under the ACE LR.

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 with 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 the financial year were as follows:

DIRECTOR	TRAINING ATTENDED
Tai Keat Chai	<ul style="list-style-type: none"> Board Chairman Series Part 2: Leadership Excellence from the Chair
Martin Chu Leong Meng	<ul style="list-style-type: none"> Nominating Committee Programme: Part 2 (Effective Board Evaluations) Stewardship Matters For Long-Term Sustainability

Mr Monteiro Gerard Clair has not attended training during the financial year under review due to his tight travelling schedule and busy/heavy work commitments. Nevertheless, he continues to devote sufficient time to update his knowledge and enhance his skills through other alternatives to meet the ever-changing commercial challenges and risks.

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.

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.

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, 1965, the ACE LR, and the standards approved by Malaysian Accounting Standards Board.

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. 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 announced to Bursa Securities and the annual statutory financial statements.

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 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 2016, the ARMC assessed the performance and the independence of Messrs BDO (BDO) as External Auditors of the Company and reviewed the level of non-audit services rendered by BDO to the Group for FYE 31 March 2016. 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 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. These meetings are held without the presence of the Management.

A summary of the activities of the ARMC during the financial year are set out in the ARMC Report on page 31 of Volume 1 of this Annual Report.

RECOGNISE & 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.

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 30 of Volume 1 of this Annual Report.

INTERNAL AUDIT FUNCTION

The Company has outsourced the internal audit function to an independent professional firm. 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 30 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 with 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 the Bursa Securities and 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 2016.



STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

INTRODUCTION

Pursuant to chapter 15.26(b) of the Bursa Malaysia Securities Berhad (Bursa Securities) ACE Market Listing Requirements, the Board of Directors (Board) of Microlink Solutions Berhad (Company) is pleased to include this statement in its Annual Report on the state of the risk management and internal controls of the Group for the financial period under review. This statement has been prepared in accordance with the Listing Requirements and with reference to the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITIES

The Board acknowledges that it is ultimately responsible for the Group's system of risk management and internal control and for reviewing the adequacy and integrity of the risk management and internal control system to ensure shareholders' interests and the Group's assets are safeguarded.

Due to the inherent limitations 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. Therefore, such system can only provide reasonable and not absolute assurance against material misstatements or losses. 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 non-executive 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. 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 instill 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 carried out to ensure the mitigating measures identified are continuously implemented.

OTHER KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

- 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 performances and approved budgeted numbers is performed. Comprehensive management accounts and reports are prepared and explanations of major variances are presented in the Executive Committee Meetings (EXCO) which were held five times during this financial 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;
- 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 audit function reports directly to the ARMC.

During the financial period 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 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 2015 to 31 March 2016 amounted to RM30,000.00.

COMMENTARY ON ADEQUACY & EFFECTIVENESS

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 Company's system of internal control and risk management.

This statement has been prepared in line with the Listings Requirements of Bursa Malaysia Securities Malaysia.



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 2016. 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
Monteiro Gerard Clair (Cessation of Office: 01.04.2016)	5/5
Mah Xian-Zhen (Appointed: 01.04.2016)	0/0

SUMMARY OF ACTIVITIES

During FYE 31 March 2016, the ARMC carried out the following:

- Reviewed the unaudited quarterly reports of the Group before recommending to the Board for their approval and release to Bursa Malaysia Securities Berhad (Bursa Securities);
- Reviewed with External Auditors the audit planning memorandum of the Group for FYE 31 March 2016;
- Reviewed with External Auditors the Group's results for FYE 31 March 2016 before

recommending to the Board for their approval and release to Bursa Securities;

- Reviewed the status report and recommendations for corrective action plans submitted by the Internal Auditors and received regular updates on the implementation by the Group;
- Reviewed the recurrent related party transactions; and
- Recommended to the Board on the re-appointment of the External Auditors.

STATEMENT VERIFYING ALLOCATION OF SHARE OPTIONS PURSUANT TO THE LONG-TERM INCENTIVE PLAN (LTIP)

No LTIP awards were offered to the Directors and eligible persons during the financial year under review.

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 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 carried out under the IA function during FYE 31 March 2016 was 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 includes 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 has 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, 1965, 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 of the Company present a true and fair view of the state of affairs of the Group and of the Company as at the financial year end and of their financial performance and cash flows for the financial year then ended.

In preparing the audited financial statements of the Group and of the Company for the financial year ended 31 March 2016, the Directors have ensured that appropriate and relevant accounting policies have been adopted and consistently applied, reasonable and prudent estimates have been exercised and going concern basis adopted.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act, 1965, 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 2016

ORDINARY SHARES OF RM0.10 EACH

Authorised Share Capital	:	RM24,550,000.00 divided into 245,500,000 Ordinary Shares of RM0.10 each
Issued and Paid-up Share Capital	:	RM15,215,290.00 divided into 152,152,900 Ordinary Shares of RM0.10 each
Class of Shares	:	Ordinary Shares of RM0.10 each
Voting Rights	:	1 vote per Ordinary Share
Number of Shareholders	:	4,462

DISTRIBUTION OF SHAREHOLDERS

ACCORDING TO STATISTICAL SUMMARY OF THE RECORD OF DEPOSITORS AS AT 30 JUNE 2016

SIZE OF HOLDINGS	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Less than 100 shares	3,311	74.20	31,859	0.02
100 to 1,000 shares	648	14.52	187,642	0.12
1,001 to 10,000 shares	261	5.85	1,318,848	0.87
10,001 to 100,000 shares	170	3.81	5,578,392	3.67
100,001 to less than 5% of issued shares	70	1.57	50,241,459	33.02
5% and above of issued shares	2	0.05	94,794,700	62.30
Total	4,462	100.00	152,152,900	100.00

LIST OF THIRTY LARGEST ORDINARY SHAREHOLDERS

ACCORDING TO THE RECORD OF DEPOSITORS AS AT 30 JUNE 2016

Name	No. of Shares Held	%
1 Affin Hwang Nominees (Tempatan) Sdn Bhd HDM Capital Sdn Bhd for Omesti Holdings Berhad	70,000,000	46.01
2 M & A Nominee (Tempatan) Sdn Bhd Insas Credit & Leasing Sdn Bhd for Omesti Holdings Berhad	24,794,700	16.30
3 Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kok Tiu Wan	4,056,700	2.67
4 Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Siew Booy (D18)	3,899,845	2.56
5 HSBC Nominees (Tempatan) Sdn Bhd Exempt An for Credit Suisse AG (SG-CLT-T-OS PR)	3,850,213	2.53
6 Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Gan Kong Hiok (001)	2,650,000	1.74
7 RHB Capital Nominees (Tempatan) Sdn Bhd Lim Willie	2,320,600	1.53
8 Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Citaglobal Sdn Bhd	2,230,000	1.47
9 DB (Malaysia) Nominee (Asing) Sdn Bhd Exempt An for Bank of Singapore Limited	2,216,500	1.46

LIST OF THIRTY LARGEST ORDINARY SHAREHOLDERS**ACCORDING TO THE RECORD OF DEPOSITORS AS AT 30 JUNE 2016 (CONTINUED)**

	NAME	No. of Shares Held	%
10	HSBC Nominees (Asing) Sdn Bhd Exempt An for Credit Suisse (SG BR-TST-ASING)	2,044,931	1.34
11	Cartaban Nominees (Tempatan) Sdn Bhd Standard Chartered Bank Singapore for BMO Spore Branch Local Client	2,028,700	1.33
12	AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Koh Kin Lip	2,000,000	1.31
13	CimSec Nominees (Tempatan) Sdn Bhd CIMB Bank for Tan Siew Booy (MY0267)	1,944,934	1.28
14	Lim Tien Sim	1,543,200	1.01
15	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Jaganath Derek Steven Sabapathy	1,346,400	0.88
16	Lim Lucy @ Lim Kim Chee	1,223,000	0.80
17	AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Omesti Holdings Berhad	1,187,093	0.78
18	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohamad Norza Bin Zakaria	1,000,000	0.66
19	HSBC Nominees (Asing) Sdn Bhd Exempt An for Morgan Stanley & Co. LLC (CLIENT)	817,700	0.54
20	Yap Eng Huai	792,060	0.52
21	Home Field Sdn Bhd	772,700	0.51
22	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Francis Chia Mong Tet (CEB)	735,200	0.48
23	M & A Nominee (Tempatan) Sdn Bhd Insas Credit & Leasing Sdn Bhd for Red Zone Development Sdn Bhd	662,737	0.44
24	AmSec Nominees (Tempatan) Sdn Bhd KGI Fraser Securities Pte Ltd for Alwin Kumar Magimay (46129)	583,500	0.38
25	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cheong Chen Yue	500,000	0.33
26	CimSec Nominees (Tempatan) Sdn Bhd CIMB Bank for Koh Kin Lip (MY0502)	500,000	0.33
27	CimSec Nominees (Tempatan) Sdn Bhd CIMB Bank for Rickoh Corporation Sdn Bhd (MY0507)	500,000	0.33
28	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Monteiro Gerard Clair	500,000	0.33
29	Maybank Securities Nominees (Asing) Sdn Bhd Maybank Kim Eng Securities Pte Ltd for Roche Angela Patricia	500,000	0.33
30	Norzaity Binti Othman	450,000	0.30
	Total	137,650,713	90.48

SUBSTANTIAL ORDINARY SHAREHOLDERS

ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 30 JUNE 2016

Name	No. of Shares Held			
	Direct Interest	%	Deemed Interest	%
1 Omesti Holdings Berhad (OHB)	95,981,793	63.08	-	-
2 Omesti Berhad (Omesti)	-	-	95,981,793 ⁽¹⁾	63.08
3 Red Zone Development Sdn Bhd (RZD)	670,603	0.44	95,981,793 ⁽²⁾	63.08
4 Monteiro Gerard Clair	676,647	0.45	96,652,396 ⁽³⁾	63.52
5 Dato' Wong Kit-Leong	-	-	96,652,396 ⁽³⁾	63.52
6 Raymond Tan	231,000	0.15	96,652,396 ⁽³⁾	63.52
7 Dato' Mah Siew Kwok	1,271,536	0.84	96,095,459 ⁽⁴⁾	63.16

DIRECTORS' INTERESTS IN ORDINARY SHARES IN THE COMPANY

ACCORDING TO THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 30 JUNE 2016

MICROLINK SOLUTIONS BERHAD	No. of Shares Held			
	Direct Interest	%	Deemed Interest	%
1 Monteiro Gerard Clair	676,647	0.45	96,652,396 ⁽³⁾	63.52
2 Tai Keat Chai	-	-	-	-
3 Martin Chu Leong Meng	-	-	-	-
4 Mah Xian-Zhen	113,666	0.08	-	-

DIRECTORS' INTERESTS IN THE RELATED COMPANY

AS AT 30 JUNE 2016

OMESTI – ORDINARY SHARES	No. of Ordinary Shares Held			
	Direct Interest	%	Deemed Interest	%
1 Monteiro Gerard Clair	4,297,800	1.10	68,331,300 ⁽⁵⁾	17.54
2 Mah Xian-Zhen	8,605,700	2.21	-	-

OMESTI – WARRANTS 2013/2018	No. of Warrants 2013/2018 Held			
	Direct Interest	%	Deemed Interest	%
1 Monteiro Gerard Clair	40,000	0.05	20,382,500 ⁽⁵⁾	24.52

NOTES:

- ⁽¹⁾ Deemed interest by virtue of OHB being a wholly-owned subsidiary of Omesti pursuant to Section 6A of the Companies Act, 1965 (the Act).
- ⁽²⁾ Deemed interest by virtue of its substantial interest in Omesti, the holding company of OHB pursuant to Section 6A of the Act.
- ⁽³⁾ Deemed interest by virtue of his substantial interest in RZD, which in turn owns 17.54% equity interest in Omesti, the holding company of OHB pursuant to Section 6A of the Act.
- ⁽⁴⁾ Deemed interest by virtue of his substantial interest in Omesti, the holding company of OHB pursuant to Section 6A of the Act and interest held by his daughter pursuant to Section 134(12)(c) of the Act.
- ⁽⁵⁾ Deemed interest by virtue of his substantial interest in RZD pursuant to Section 6A of the Act.

REDEEMABLE PREFERENCE SHARES OF RM0.01 EACH (RPS)

Authorised Share Capital	:	RM450,000.00 divided into 45,000,000 RPS
Issued and Paid-up Share Capital	:	RM271,930.44 divided into 27,193,044 RPS
Class of Shares	:	RPS
Voting Rights	:	<p>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:</p> <p>(a) capital reduction of the Company;</p> <p>(b) winding up or liquidation of the Company;</p> <p>(c) variation of rights attached to the RPS; and</p> <p>(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).</p> <p>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.</p>
Number of Shareholders	:	1

DISTRIBUTION OF RPS HOLDERS**ACCORDING TO STATISTICAL SUMMARY OF THE REGISTER OF RPS HOLDERS AS AT 30 JUNE 2016**

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 HOLDER**ACCORDING TO THE REGISTER OF RPS HOLDERS AS AT 30 JUNE 2016**

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

SUBSTANTIAL RPS HOLDERS

ACCORDING TO THE REGISTER OF SUBSTANTIAL RPS HOLDERS AS AT 30 JUNE 2016

Name	No. of RPS Held			
	Direct Interest	%	Deemed Interest	%
1 Omesti	27,193,044	100.00	-	-
2 RZD	-	-	27,193,044 ⁽¹⁾	100.00
3 Monteiro Gerard Clair	-	-	27,193,044 ⁽²⁾	100.00
4 Dato' Wong Kit-Leong	-	-	27,193,044 ⁽²⁾	100.00
5 Raymond Tan	-	-	27,193,044 ⁽²⁾	100.00
6 Dato' Mah Siew Kwok	-	-	27,193,044 ⁽³⁾	100.00

DIRECTORS' INTERESTS IN RPS IN THE COMPANY

ACCORDING TO THE REGISTER OF DIRECTORS' RPS HOLDINGS AS AT 30 JUNE 2016

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

NOTES:

- ⁽¹⁾ Deemed interest by virtue of its substantial interest in Omesti pursuant to Section 6A of the Act.
- ⁽²⁾ Deemed interest by virtue of his substantial interest in RZD, which in turn owns 17.54% equity interest in Omesti pursuant to Section 6A of the Act.
- ⁽³⁾ Deemed interest by virtue of his substantial interest in Omesti pursuant to Section 6A of the Act.

OTHER COMPLIANCE INFORMATION

NON-STATUTORY AUDIT FEES

A non-statutory audit fee of RM6,000 was paid/ payable to the External Auditors for the financial year ended (FYE) 31 March 2016.

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 of Microlink Solutions Berhad (MSB) held on 14 September 2015, 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 14 September 2015 until the conclusion of the forthcoming Annual General Meeting 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 2016 pursuant to the said shareholders' mandate are as follows:

COMPANIES WITHIN MSB GROUP TRANSACTING WITH RELATED PARTIES	NATURE OF TRANSACTIONS	RELATED PARTY	INTERESTED DIRECTOR/ MAJOR SHAREHOLDERS	AGGREGATE VALUE OF TRANSACTIONS DURING FYE 31 MARCH 2016 (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 - Monteiro Gerard Clair (MGC) ⁽¹⁾	48,592
	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) ⁽⁶⁾	Interested Major Shareholders - Omesti Holdings Berhad (OHB) ⁽²⁾ - Omesti - Dato' Wong Kit-Leong (Dato' Wong) ⁽¹⁾ - Raymond Tan (RT) ⁽¹⁾ - Dato' Mah Siew Kwok (Dato' Mah) ⁽³⁾ - Red Zone Development Sdn Bhd (RZD) ⁽⁴⁾	291,562
	Supply of network and software solutions, licences, network infrastructure, computer hardware and software and maintenance services by MSB Group to Omesti Group			6,278,027

COMPANIES WITHIN MSB GROUP TRANSACTING WITH RELATED PARTIES	NATURE OF TRANSACTIONS	RELATED PARTY	INTERESTED DIRECTOR/ MAJOR SHAREHOLDERS	AGGREGATE VALUE OF TRANSACTIONS DURING FYE 31 MARCH 2016 (RM)
MSB Group	Provision of network connectivity and bandwidth services and project management services in relation to telecommunications by Omesti Group to MSB Group	Omesti Group		90,345
	Provision of administrative and management support, training and other related services by Omesti Group to MSB Group			201,750
	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⁾	Interested Director - MGC ⁽¹⁾ Interested Major Shareholders - OHB ⁽²⁾ - Omesti - Dato' Wong ⁽¹⁾ - RT ⁽¹⁾ - Dato' Mah ⁽³⁾ - RZD ⁽⁴⁾	-
	Supply of computer hardware, software and services by MSB Group to DGSB Group			47,616
	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⁾		76,835
	Rental of office space at L15-01-02, PJX-HM Shah Tower, No. 16A Persiaran Barat, 46050 Petaling Jaya, Selangor, Malaysia of approximately 3,385 sq ft from the Related Party for its operations for a term of 3 years with rental payable on monthly basis	Yong Kar Seng Peter (PY)		37,235

NOTES:

- (1) MGC, Dato' Wong and RT are deemed Major Shareholders of Omesti by virtue of their substantial interest in RZD, which in turn owns 17.65% equity interest in Omesti as at 31 March 2016. By virtue of their deemed interests in Omesti, they are deemed interested in the shares of Omesti's subsidiary companies to the extent the company has an interest. Their direct and indirect interests in Omesti and MSB as at 31 March 2016 are as set out below:

NAME	OMESTI		MSB	
	% OF INTEREST		% OF INTEREST	
	DIRECT	INDIRECT	DIRECT	INDIRECT
MGC	0.74	17.65 ^(a)	0.30	63.18 ^(b)
Dato' Wong	-	17.65 ^(a)	-	63.18 ^(b)
RT	-	17.65 ^(a)	0.15	63.18 ^(b)

- (a) Deemed interest by virtue of his substantial interest in RZD pursuant to Section 6A of the Companies Act, 1965 (Act).
- (b) Deemed interest by virtue of his substantial interest in RZD, which in turn owned 17.65% equity interest in Omesti, the holding company of OHB pursuant to Section 6A of the Act.

- (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 the company has an interest. Dato' Mah's direct and indirect interests in Omesti and MSB as at 31 March 2016 are as set out below:

NAME	% OF INTEREST	
	DIRECT	INDIRECT
Omesti	22.38	3.03 ^(d)
MSB	0.84	62.81 ^(c)

- (c) Deemed interest by virtue of his substantial interest in Omesti, the holding company of OHB pursuant to Section 6A of the Act and interest held by his daughter pursuant to Section 134(12) (c) of the Act.
- (d) Deemed interest by virtue of interest held by his daughter pursuant to Section 134(12) (c) of the Act.

- (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 the company has an interest. RZD's direct and indirect interests in Omesti and MSB as at 31 March 2016 are as set out below:

NAME	% OF INTEREST	
	DIRECT	INDIRECT
Omesti	17.65	-
MSB	0.44	62.74 ^(e)

- (e) Deemed interest by virtue of its substantial interest in Omesti, the holding company of OHB pursuant to Section 6A of the Act.

NOTES (CONT'D):

- (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 52.65% owned subsidiary of OHB as at 31 March 2016. 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% owned subsidiary of Continuous Network Advisers Sdn Bhd, which in turn is a wholly-owned subsidiary of Omesti as at 31 March 2016. 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 2016. Omesti is principally engaged in investment holding activities and the provision of management services, and through its subsidiaries, are engaged in the following:*
 - (i) distribution and provision of maintenance for hardware and software;*
 - (ii) provision of a comprehensive range of tele/data communication and networking solutions and services;*
 - (iii) provision of legal, financial and commercial software products as well as services to develop and implement platform-independent software solutions;*
 - (iv) provision of integrated business solutions based on SAP software and customised solutions which include, building automation and management, media publication and broadcasting solutions; and*
 - (v) provision of customised systems integration of hardware platforms, continuous maintenance and after sales support services.*
- (9) PY retired as a Director of MSB on 31 March 2016.

Notice of 13th Annual General Meeting



MICROLINK SOLUTIONS BERHAD
(Company No. 620782-P)
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN THAT the 13th 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, 8 September 2016 at 10.00am for the following purposes:

AGENDA

AS ORDINARY BUSINESS:

- | | | |
|----|--|--|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 March 2016 together with the Reports of the Directors and Auditors thereon. | (PLEASE REFER TO EXPLANATORY NOTE (i)) |
| 2. | To approve the payment of Directors' fees amounting to RM236,500 for the financial year ended 31 March 2016. | RESOLUTION 1 |
| 3. | To re-elect Tai Keat Chai who retires pursuant to Article 70 of the Company's Articles of Association and being eligible, has offered himself for re-election. | RESOLUTION 2 |
| 4. | To re-elect Mah Xian-Zhen who retires pursuant to Article 75 of the Company's Articles of Association and being eligible, has offered herself for re-election. | RESOLUTION 3 |
| 5. | To re-appoint Messrs BDO as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | RESOLUTION 4 |

AS SPECIAL BUSINESS:

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

AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

RESOLUTION 5

"THAT subject always to the Companies Act, 1965 and the approvals of the relevant authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965 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 Annual General Meeting of the Company."

7. 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 6

"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 29 July 2016 subject to the following:

- (i) the transactions are of a revenue or trading nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries and are transacted on terms consistent or comparable with market or normal trade practices and/or based on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and
- (ii) disclosure is made in the annual report of the aggregate value of transactions conducted during the financial year pursuant to the shareholders' mandate in accordance with the 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 Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (the Act) [but shall not extend to such extension as may be allowed pursuant to Section 143(2) 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."

8. To consider, and if thought fit, to pass the following resolution as a Special Resolution:

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

RESOLUTION 7

"THAT the proposed amendments to the Articles of Association of the Company (Proposed Amendments) as set out in the Appendix attached hereto be and are hereby approved and adopted;

AND THAT the Directors and the Secretary of the Company be and are hereby authorised to carry out the necessary formalities in effecting the Proposed Amendments."

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

PROPOSED ALLOCATION OF LONG TERM INCENTIVE PLAN (LTIP) OPTIONS TO THE ELIGIBLE NON-EXECUTIVE DIRECTOR OF THE COMPANY – MAH XIAN-ZHEN

RESOLUTION 8

“THAT, pursuant to the LTIP as approved by the shareholders of the Company at the Extraordinary General Meeting (EGM) held on 17 October 2014, authority be and is hereby given to the Board of Directors of the Company (save for the respective director which the LTIP Options is to be granted to) at any time and from time to time subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws governing the LTIP, to offer and grant Mah Xian-Zhen, being the Non-Independent Non-Executive Director of the Company, the LTIP Options which gives the right to subscribe for new ordinary shares of RM0.10 each (Microlink Shares) at a prescribed subscription price upon the vesting of the LTIP Options under the LTIP of up to an aggregate of 600,000 new Microlink Shares (Proposed Allocation to Mah Xian-Zhen).

PROVIDED ALWAYS THAT, not more than 10% of the aggregate number of new Microlink Shares to be issued under the LTIP shall be allocated to any individual eligible employees including the Chief Executive Officer, Executive Directors and Non-Executive Directors of the Company and its non-dormant subsidiary companies who fulfill the criteria for eligibility for participation in the LTIP (Eligible Person) who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the issued and paid-up share capital of Microlink (excluding treasury shares), and subject always to such terms and conditions of the LTIP as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws governing and constituting the LTIP.”

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

PROPOSED ALLOCATION OF LTIP AWARDS TO THE ELIGIBLE GROUP CHIEF EXECUTIVE OFFICER (GROUP CEO) OF THE COMPANY – CHIA YONG WEI

RESOLUTION 9

“THAT, pursuant to the LTIP as approved by the shareholders of the Company at the EGM held on 17 October 2014, authority be and is hereby given to the Board of Directors of the Company (save for the respective director which the LTIP Awards is to be granted to) at any time and from time to time subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws governing the LTIP, to offer and grant Chia Yong Wei, being the Group CEO of the Company, the LTIP Awards which gives the right to subscribe for new Microlink Shares at a prescribed subscription price upon the vesting of the LTIP Options and/or the allotment of new Microlink Shares upon the vesting of the employee share grant plan (ESGP) awards under the LTIP of up to an aggregate of 4,000,000 new Microlink Shares (Proposed Allocation to Chia Yong Wei).

PROVIDED ALWAYS THAT, not more than 10% of the aggregate number of new Microlink Shares to be issued under the LTIP shall be allocated to any individual Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the issued and paid-up share capital of Microlink (excluding treasury shares), and subject always to such terms and conditions of the LTIP as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws governing and constituting the LTIP.”

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

PROPOSED ALLOCATION OF LTIP AWARDS TO THE ELIGIBLE EXECUTIVE DIRECTOR OF THE COMPANY – MONTEIRO GERARD CLAIR

RESOLUTION 10

"THAT, pursuant to the LTIP as approved by the shareholders of the Company at the EGM held on 17 October 2014, authority be and is hereby given to the Board of Directors of the Company (save for the respective director which the LTIP Awards is to be granted to) at any time and from time to time subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws governing the LTIP, to offer and grant Monteiro Gerard Clair, being the Executive Director of the Company, the LTIP Awards which gives the right to subscribe for new Microlink Shares at a prescribed subscription price upon the vesting of the LTIP Options and/or the allotment of new Microlink Shares upon the vesting of the ESGP awards under the LTIP of up to an aggregate of 3,000,000 new Microlink Shares (Proposed Allocation to Monteiro Gerard Clair).

PROVIDED ALWAYS THAT, not more than 10% of the aggregate number of new Microlink Shares to be issued under the LTIP shall be allocated to any individual Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the issued and paid-up share capital of Microlink (excluding treasury shares), and subject always to such terms and conditions of the LTIP as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws governing and constituting the LTIP."

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

By Order of the Board

LIM SHOOK NYEE
[MAICSA No. 7007640]

Company Secretary
Kuala Lumpur
29 July 2016

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. If the proxy is not a member of the Company, Section 149(1)(b) of the Companies Act, 1965 shall not be applicable. 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 2 September 2016 shall be entitled to attend, speak and vote at the Annual General Meeting.
- 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 13th Annual General Meeting (AGM) will be put to vote by poll.

EXPLANATORY NOTES:

- i) **Audited Financial Statements for the Financial Year Ended 31 March 2016**
The audited financial statements are for discussion only under Agenda 1, as they do not require shareholders' approval under the provisions of Section 169(1) and (3) of the Companies Act, 1965. Hence, they will not be put for voting.
- ii) **Resolution pursuant to Section 132D of the Companies Act, 1965**
For Resolution 5, further information in relation to the general mandate for issue of securities is set out in the Statement Accompanying Notice of 13th AGM.
- iii) **Resolution pertaining to the Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**
For Resolution 6, further information on the Recurrent Related Party Transactions is set out in the Circular to Shareholders dated 29 July 2016 which is dispatched together with the Company's Annual Report 2016.
- iv) **Proposed Amendments**
The proposed Resolution 7, if passed, will bring the Articles of Association of the Company in line with the amendments to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. Details of the Proposed Amendments are set out in the Appendix attached hereto.
- v) **Proposed Allocation of LTIP Options to the Eligible Non-Executive Director of the Company – Mah Xian-Zhen**
The establishment of the LTIP was approved by the shareholders of the Company at the EGM held on 17 October 2014. This LTIP was implemented on 27 October 2014. The Proposed Allocation to Mah Xian-Zhen of the above options of Microlink Shares is pursuant to her entitlement to participate in the LTIP by virtue of her position as Non-Independent Non-Executive Director of the Company. The proposed Resolution 8, if passed, will give authority to the Directors to allot and issue up to an aggregate of 600,000 new Microlink Shares to Mah Xian-Zhen pursuant to the LTIP Options in accordance with the By-Laws of the LTIP. The LTIP shall be subject to the terms and conditions of the By-Laws and therefore any terms as defined in the By-Laws which are mentioned in the Resolution 8 or this explanatory note shall have the same meaning herein. Mah Xian-Zhen has abstained and will continue to abstain from deliberating and voting on any subject matter pertaining to the LTIP and her entitlement under the LTIP at the Board Meetings and will continue to abstain from voting in respect of her direct and/or indirect shareholdings in the Company (if any), on the resolution pertaining to the proposed allocation to her under the LTIP to be tabled at the forthcoming AGM. Mah Xian-Zhen shall also ensure that persons connected to her will abstain from voting in respect of their direct and/or indirect shareholdings in the Company (if any) on the resolution approving the proposed allocation to her under the LTIP to be tabled at the forthcoming AGM.

EXPLANATORY NOTES (CONT'D):

vi) Proposed Allocation of LTIP Awards to the Eligible Group CEO of the Company – Chia Yong Wei

The establishment of the LTIP was approved by the shareholders of the Company at the EGM held on 17 October 2014. This LTIP was implemented on 27 October 2014. The Proposed Allocation to Chia Yong Wei of the above awards of Microlink Shares is pursuant to his entitlement to participate in the LTIP by virtue of his position as Group CEO of the Company. The proposed Resolution 9, if passed, will give authority to the Directors to allot and issue up to an aggregate of 4,000,000 new Microlink Shares to Chia Yong Wei pursuant to the LTIP Awards in accordance with the By-Laws of the LTIP. The LTIP shall be subject to the terms and conditions of the By-Laws and therefore any terms as defined in the By-Laws which are mentioned in the Resolution 9 or this explanatory note shall have the same meaning herein. Chia Yong Wei will continue to abstain from voting in respect of his direct and/or indirect shareholdings in the Company (if any), on the resolution pertaining to the proposed allocation to him under the LTIP to be tabled at the forthcoming AGM. Chia Yong Wei shall also ensure that persons connected to him will abstain from voting in respect of their direct and/or indirect shareholdings in the Company (if any) on the resolution approving the proposed allocation to him under the LTIP to be tabled at the forthcoming AGM.

vii) Proposed Allocation of LTIP Awards to the Eligible Executive Director of the Company – Monteiro Gerard Clair

The establishment of the LTIP was approved by the shareholders of the Company at the EGM held on 17 October 2014. This LTIP was implemented on 27 October 2014. The Proposed Allocation to Monteiro Gerard Clair of the above awards of Microlink Shares is pursuant to his entitlement to participate in the LTIP by virtue of his position as Executive Director of the Company. The proposed Resolution 10, if passed, will give authority to the Directors to allot and issue up to an aggregate of 3,000,000 new Microlink Shares to Monteiro Gerard Clair pursuant to the LTIP Awards in accordance with the By-Laws of the LTIP. The LTIP shall be subject to the terms and conditions of the By-Laws and therefore any terms as defined in the By-Laws which are mentioned in the Resolution 10 or this explanatory note shall have the same meaning herein. Monteiro Gerard Clair has abstained and will continue to abstain from deliberating and voting on any subject matter pertaining to the LTIP and his entitlement under the LTIP at the Board Meetings and will continue to abstain from voting in respect of his direct and/or indirect shareholdings in the Company (if any), on the resolution pertaining to the proposed allocation to him under the LTIP to be tabled at the forthcoming AGM. Monteiro Gerard Clair shall also ensure that persons connected to him will abstain from voting in respect of their direct and/or indirect shareholdings in the Company (if any) on the resolution approving the proposed allocation to him under the LTIP to be tabled at the forthcoming AGM.

APPENDIX

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY:

Existing Articles

Article 57 – Poll to be taken

If a poll is duly demanded it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the Chairman directs, and the result of the poll shall be the resolution of the meetings at which the poll was demanded, but a poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. If a poll is demanded before the declaration of the results of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

Article 119 – Presentation of accounts

The Directors shall from time to time in accordance with the provisions of the Act cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary. The interval between the close of a financial year of the Company and the issue of the annual report relating to it shall not exceed six (6) months. The annual audited accounts together with the auditors' and directors' reports shall, in any case, be given to the Exchange for public release, within a period not exceeding four (4) months from the close of the financial year of the Company unless the annual report is issued within a period of four (4) months from the close of the financial year of the Company.

Article 120 – Copies of accounts

A copy of the annual report, either in printed form or in CD-ROM form or in such other form of electronic media, shall not more than six (6) months after the close of the financial year and not less than twenty one (21) days before the date of meeting be sent to every Member of, and every holder of debenture of, the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act or of these Articles. Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application to the Office. The required number of copies of each of these documents shall at the same time be sent to the Exchange. In the event that these documents are sent in CD-ROM form or in such other form of electronic media and a Member requires a printed form of such documents, the Company shall send such documents to the Member within four (4) Market days from the date of receipt of the Member's request.

Proposed Amended Articles

Article 57 – Poll to be taken

If a poll is duly demanded it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the Chairman directs, and the result of the poll shall be the resolution of the meetings at which the poll was demanded, but a poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. If a poll is demanded before the declaration of the results of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

The poll may be conducted manually using voting slips or electronically using various forms of electronic voting devices. Such votes shall be counted by the poll administrator, and verified by the scrutineers, as may be appointed by the Company for the purpose of determining the outcome of the resolution(s) to be decided on poll.

Article 119 – Presentation of accounts

The Directors shall from time to time in accordance with the provisions of the Act cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary.

Article 120 – Copies of accounts

A copy of the annual report, either in printed form or in CD-ROM form or in such other form of electronic media **(including other documents required by law to be annexed thereto) shall together with the notice of the annual general meeting be sent to all persons entitled to receive notice of such meeting as required by the Act.** Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application to the Office. The required number of copies of each of these documents shall at the same time be sent to the Exchange. In the event that these documents are sent in CD-ROM form or in such other form of electronic media and a Member requires a printed form of such documents, the Company shall send such documents to the Member within four (4) Market days from the date of receipt of the Member's request.

STATEMENT ACCOMPANYING NOTICE OF 13TH 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

No individual other than the retiring Directors who are standing for re-election is seeking election as Director at the 13th Annual General Meeting (AGM).

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 Section 132D of the Companies Act, 1965, 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 14 September 2015.

Under the previous mandate, 15,215,200 new ordinary shares of RM0.10 each were issued on 5 July 2016 for cash via private placement at the issue price of RM1.20 per placement share and a total cash proceeds of RM18,258,240 were raised. The proceeds raised are expected to be utilised in the following manner:

	PROPOSED UTILISATION (RM)
Repayment of bank borrowings	3,000,000
Working capital for general business purposes	15,108,240
Estimated expenses for the private placement	150,000
Total proceeds	18,258,240

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 berhubung dengan penglibatan anda di Lembaga Pengarah, untuk penerbitan dan pendedahan data peribadi anda di pekililing, 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, opsyen, urusan 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 pemprosesan 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 dikemaskini. 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 pemprosesan (termasuk pendedahan dan pemindahan) data peribadi mereka sepertimana yang tertera dalam Notis Privasi ini.

Berkecualan 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 pemprosesan (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 digunakan.

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 13th 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, 8 September 2016 at 10.00am and at any adjournment thereof in the manner as indicated below:

RESOLUTION	FOR	AGAINST
RESOLUTION 1		
RESOLUTION 2		
RESOLUTION 3		
RESOLUTION 4		
RESOLUTION 5		
RESOLUTION 6		
RESOLUTION 7		
RESOLUTION 8		
RESOLUTION 9		
RESOLUTION 10		

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

Signed this _____ day of _____ 2016

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. If the proxy is not a member of the Company, Section 149(1)(b) of the Companies Act, 1965 shall not be applicable. 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 2 September 2016 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 13th Annual General Meeting will be put to vote by poll.

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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)
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6 Lorong P Ramlee,
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(Co No 312258-W)
7th Floor, Menara SMI,
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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)
6th Floor, Menara Atlan,
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MICROLINK SOLUTIONS BERHAD

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6th Floor, Menara Atlan,
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Branch Office:

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96000 Sibu,
Sarawak, Malaysia.
T +6084 344 801/333 921/333 929
F +6084 333 950

FIRST SOLUTION SDN BHD

(Co No 398017-P)
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6 Lorong P Ramlee,
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OMESTI INNOVATION LAB (MALAYSIA) SDN BHD

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FORMIS COMPUTER SERVICES SDN BHD

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F +603 2070 6893



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