

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

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

Bursa Malaysia Securities Berhad has not perused this Circular, except in respect of the new shareholders' mandate for additional recurrent related party transactions on a limited review basis pursuant to the provision of Guidance Note 22 of the ACE Market Listing Requirements, prior to the issuance of this Circular.

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OPCOM HOLDINGS BERHAD

Registration No. 199401036979 (322661-W)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- I. PROPOSED RENEWAL OF MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE; AND**
- II. PROPOSED NEW MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The Notice of the Twenty-Fifth Annual General Meeting of OPCOM HOLDINGS BERHAD to be held fully virtual at Conference Room of Opcom Holdings Berhad, No. 11, Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan on Tuesday, 29 September 2020 at 2:00 p.m. together with the Form of Proxy are sent together with the Annual Report 2020. You are requested to complete the Form of Proxy in accordance with the instructions printed therein and deposit it with the Poll Administrator at Mega Corporate Services Sdn Bhd, Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not later than forty-eight (48) hours before the time fixed for the 25th AGM or any adjournment thereof. The proxy appointment may also be lodged electronically at AGM-support.opcom@megacorp.com.my. Kindly refer to the Notes to the Shareholders for further information. The lodging of the Form of Proxy will not preclude you from attending and voting at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy:	27 September 2020 at 2:00 p.m.
Date and time of the Twenty-Fifth Annual General Meeting:	29 September 2020 at 2:00 p.m.

This Circular is dated 28 August 2020

DEFINITIONS

Unless where the context otherwise requires, the following definitions shall apply throughout this Circular:-

- Act** : Companies Act 2016.
- AGM** : Annual General Meeting of Opcom.
- ABSB** : Airzed Broadband Sdn. Bhd. [Registration No. 200201031406 (599069-V)].
- Board or Board of Directors** : The Board of Directors of Opcom.
- Bursa Securities** : Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)].
- CMSA** : Capital Markets and Services Act 2007.
- Director** : Has the meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon:-
- (a) a Director of the Company, its subsidiary or holding company; or
 - (b) a Chief Executive Officer of the Company, its subsidiary or holding company.
- EMSB** : Ericsson (Malaysia) Sdn. Bhd. [Registration No. 196901000679 (9093-K)].
- ENT** : Ericsson Network Technologies AB.
- Hikari** : Hikari Capital Limited (1971111).
- HCSB** : Hikari Composites Sdn. Bhd. [Registration No. 201701025006 (1239172-H)].
- LPD** : 31 July 2020, being the latest practicable date prior to the printing of the circular.
- Listing Requirements** : Bursa Securities ACE Market Listing Requirements and including any amendment thereto that may be made from time to time.
- MOCSB** : M Ocean Capital Sdn. Bhd. [Registration No. 201001005001 (889616-K)].
- Major Shareholder** : A person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, has an interest or interests in one or more voting shares in the Company and/or any other company which is its subsidiary or holding company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares is:-
- (a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the Company; or
 - (b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the Company where such person is the largest shareholder of the Company.
- For the purpose of this definition, “interest in shares” has the meaning given in Section 8 of the Act.
- OCSB** : Opcom Cables Sdn. Bhd. [Registration No. 199401037005 (322687-T)].

DEFINITIONS (continued)

OESSB	:	Opcom Engineering Services Sdn. Bhd. [Registration No. 199401037005 (1229899-M)].
OSB	:	Opcom Sdn. Bhd. [Registration No. 199401007389 (293068-D)].
OSSSB	:	Opcom Shared Services Sdn. Bhd. [Registration No. 200401027054 (665562-M)].
OTSB	:	Opcom Trading Sdn. Bhd. [Registration No. 201501029894 (1155217-D)].
Opcom or the Company	:	Opcom Holdings Berhad [Registration No. 199401036979 (322661-W)].
Opcom Group or the Group	:	Opcom and its subsidiary companies (including all future subsidiaries which are to be incorporated before the next AGM) as defined in Section 4 of the Act.
Person Connected	:	Such person, in relation to the Director or Major Shareholder, who falls under any one of the following categories:- <ul style="list-style-type: none">(a) a family member of the Director or Major Shareholder, which family shall have the meaning given in Section 197 of the Act;(b) a trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which the Director, Major Shareholder or a family member of the Director or Major Shareholder is the sole beneficiary;(c) a partner of the Director, Major Shareholder or a partner of a person connected with that Director or Major Shareholder;(d) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;(e) a person in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;(f) a body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;(g) a body corporate or its directors whose directions, instructions or wishes the Director or Major Shareholder is accustomed or under an obligation, whether formal or informal, to act;(h) a body corporate in which the Director, Major Shareholder or persons connected with him are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or(i) a body corporate which is a related corporation.
Proposed Mandate Period	:	The period during which the Recurrent Transactions are to be entered into for which the shareholders' mandate is sought. This period shall commence immediately upon passing of the Ordinary Resolution relating thereto at the Twenty-Fifth AGM and will only continue in force until: -

DEFINITIONS (continued)

	(a) the conclusion of the next AGM of the Company following the forthcoming Twenty-Fifth AGM, at which the Proposed existing Mandate is passed, at which time the said authority will lapse, unless by a resolution passed at a general meeting whereby the authority is renewed; or
	(b) the expiration of the period within which the next AGM of Opcom is required to be held pursuant to Section 340(2) of the Act (but will not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
	(c) revoked or varied by a resolution passed by the shareholders of Opcom in a general meeting;
	whichever is earlier.
Proposal/ Proposed Mandate	: Collectively, Proposed New Mandate and Proposed Renewal of Mandate.
Proposed New Mandate	: Proposed new mandate for the RRPTs, as set out in Section 2.3(ii) of Part B of this Circular to be obtained from shareholders of the Company
Proposed Renewal of Mandate	: Proposed Renewal of existing Mandate for Opcom Group to enter into Recurrent Transactions.
Recurrent Transactions	: Related party transactions which are recurrent, of a revenue or trading nature and which are necessary for the day-to-day operations of Opcom Group.
Related Party	: A Director, a Major Shareholder or person connected with such Director or Major Shareholder.
Related Party Transaction	: A transaction entered into by the Opcom Group which involves the interest, direct or indirect, of a Related Party.
RM and Sen	: Ringgit Malaysia and Sen respectively.
Senior Management	: Full time employees of Opcom Group with designation of managers and above.
Shares	: Ordinary Shares in Opcom.
UCSB	: Unigel Compounds Sdn. Bhd. [Registration No. 199701027440 (442938-M).
Unigel	: Unigel (UK) Limited (03032651).
Unigel IP	: Unigel IP Limited (2143521).
Unitape	: Unitape Limited (03921955).
UL	: Unigel Limited (2114616).

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be reference to Malaysian time, unless otherwise stated.

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OPCOM HOLDINGS BERHAD
Registration No. 199401036979 (322661-W)
(Incorporated in Malaysia)

Registered Office:
802, 8th Floor, Block C
Kelana Square, 17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan

Dated: 28 August 2020

Board of Directors:

Dato' Mohamed Sharil Bin Mohamed Tarmizi (*Independent Non-Executive Chairman*)
Chhoa Kwang Hua (*Executive Director*) (*on one-year sabbatical*)
Lt Jen Dato' Seri Panglima Zaini Bin Hj Mohd Said SP (B) (*Non-Independent Non-Executive Director*)
Sven Janne Sjöden (*Independent Non-Executive Director*)
Chan Bee Lean (*Independent Non-Executive Director*)
Magnus Kreuger (*Independent Non-Executive Director*)

To: The Shareholders of Opcom Holdings Berhad

Dear Sir/Madam,

- (I) PROPOSED RENEWAL OF MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE; AND**
 - (II) PROPOSED NEW MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**
-

1. INTRODUCTION

The Company had on the Twenty-Fourth AGM held on 12 September 2019 obtained a general mandate from its shareholders for the Group to enter into Recurrent Transactions pursuant to Rule 10.09 of the Listing Requirements and Guidance Note 8 which allows the Company to seek shareholders' mandate for Recurrent Transactions. This general mandate shall lapse at the conclusion of the forthcoming Twenty-Fifth AGM of the Company which has been scheduled on Tuesday, 29 September 2020.

On 3 August 2020, the Board of Directors of the Company announced the Company's intention to seek shareholders' approval for the Proposed Mandate at the forthcoming AGM of Opcom.

Therefore, the purpose of this Circular is to provide you with the details of the Proposed Mandate and to seek your approval for the resolutions pertaining to the Proposal to be tabled at the forthcoming AGM, notice of which is set out in the Annual Report 2020.

SHAREHOLDERS OF OPCOM ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE PROPOSED RESOLUTIONS PERTAINING TO THE PROPOSED RENEWAL OF MANDATE AND PROPOSED NEW MANDATE AT THE FORTHCOMING AGM

2. DETAILS OF THE PROPOSAL

Introduction

Rule 10.08 of the Listing Requirements stipulates the obligation of a listed corporation in relation to Related Party Transaction. However, pursuant to Rule 10.09 of the Listing Requirements and Guidance Note 8, a listed corporation may seek a mandate from its shareholders for Recurrent Transactions, subject to the following:-

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholder mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholder mandate during the financial year where:-
 - (i) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is RM1 million or more; or
 - (ii) any one of the percentage ratios of such aggregated transactions is 1% or more, whichever is the lower.
- (c) a circular to shareholders is issued by the listed corporation for the shareholders' mandate;
- (d) in a meeting to obtain shareholders' mandate, the interested Director, interested Major Shareholder or interested person connected with a Director or Major Shareholder; and where it involves the interest of an interested person connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution to approve the transactions. An interested Director or interested Major Shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transaction; and
- (e) the listed corporation immediately announces to Bursa Securities when the actual value of the Recurrent Transactions entered into by the listed corporation exceeds the estimated value of the Recurrent Transactions disclosed in the circular by 10% or more.

Under the provision of the Listing Requirements, where the Company has obtained shareholders' mandate in respect of Recurrent Transactions, the provisions under Rule 10.08 of the Listing Requirements shall not apply during the validity period of the shareholders' mandate.

It is envisaged that in the normal course of the Opcom Group's businesses, transactions of a revenue or trading nature between companies in the Group and the Related Parties are likely to occur, and which are necessary for its day-to-day operations.

In this respect, the Directors are seeking approval from shareholders the Proposed Mandate as set out in Section 2.3 below, to enable the Company and/or its subsidiaries to enter into Recurrent Transactions with the classes of Related Parties as set out in Section 2.2 below.

The Proposal will take effect from the passing of the ordinary resolutions proposed at the AGM and will continue to be in force (unless revoked or varied by the shareholders of the Company in general meeting) until the conclusion of the next AGM of the Company. Thereafter, approval from the shareholders will be sought at each subsequent AGM of the Company.

2.1 Principal Activities of Opcom Group

Opcom's principal activities are investment holding, renting of buildings and provision of management services to its subsidiaries, and the principal activities of the subsidiaries are as follows:-

Subsidiaries	Effective Equity Interest	Principal Activities
OCSB	70%	Manufactures fiber optic cables, systems and accessories.
UCSB	100%	Manufactures and trading of cable filling and flooding compounds, and trading of industrial products.
OSSSB	100%	Provision of human resource management services.
OTSB	100%	Dormant.
OESSB	90%	Provision of engineering services.

2.2 Classes of Related Parties

The Proposed Mandate is necessary for Opcom Group's day-to-day operations and is in the ordinary course of business of Opcom Group.

The principal activities of the Related Parties are as follows:-

Related Parties	Principal Activities
OSB	Supply of optical fiber cable and related systems and the provision of related engineering services.
MOCSB	Investment holding.
EMSB	Provision of network equipment and software as well as services for network and business operations.
ENT	Manufactures and markets cables and network products for communication and power networks.
Unigel	Manufactures and sales of cable filling and flooding compounds and associated pumping and delivery equipment.
UL	Investment holding.
Unigel IP	Management of intellectual property rights and R&D activities.
Unitape	Manufacture and distribution of materials used in telecommunication cables.

Related Parties	Principal Activities
HCSB	Manufactures fiber reinforced plastics.
Hikari	Investment holding.
ABSB	Provision of wire line and wireless broadband internet access services, and to develop, produce, market, sell and maintain software research and development, consultancy and other related services.

2.3 Natures of Recurrent Transactions

The classes of Related Parties having interest in the Recurrent Transactions for which the shareholders' approval on the Proposed Mandate is sought in respect of transactions to be entered into by companies within Opcom Group are as follows:-

i) Proposed Renewal of Mandate

Transacting Company within Opcom Group	Transacting Party	Nature of Transaction	Interested Directors, Major Shareholders and Persons Connected	* Estimated Value during the Proposed Mandate Period (RM)	Estimated Value Disclosed in the Preceding Year's Circular (RM)	Actual Value Transacted from the Previous AGM Up to LPD (RM)
Opcom Group	OSB Group and associated companies	Supply of goods and services to OSB Group and its associated companies, including:	Dato' Seri Mukhriz Mahathir ^a Datin Seri Utama Norzieta Zakaria ^b Mirzan Mahathir ^c MOCSB ^d	15,000,000	15,000,000	Nil
		<ul style="list-style-type: none"> • fiber optic cables and related products • information and communication technology products and services • installation, commissioning, technical service, consultancy services and other such related products and services 		15,000,000	15,000,000	480,786
		Purchase of goods and services from OSB Group and its associated companies, including:				
		<ul style="list-style-type: none"> • raw materials and components for the manufacture of fiber optic cables • fiber optic cables and accessories • fiber coloring, optical fiber, ribbon optical fibers, and ribboning products and services • other fiber optic cable related products • information and communication technology products and services • fiber optic cable and system project management, installation and related services 				

Transacting Company within Opcom Group	Transacting Party	Nature of Transaction	Interested Directors, Major Shareholders and Persons Connected	* Estimated Value during the Proposed Mandate Period (RM)	Estimated Value Disclosed in the Preceding Year's Circular (RM)	Actual Value Transacted from the Previous AGM Up to LPD (RM)
Opcom Group (Cont'd)	OSB Group and associated companies (Cont'd)	<p>Purchase of goods and services from OSB Group and its associated companies, including: (Cont'd)</p> <ul style="list-style-type: none"> • capital equipment, test equipment, software, other auxillary equipment and spare parts, installation testing, commissioning, technical support service and consultancy services and other such related products and services • product warranty and management and repairs of faulty products • as project consultants and advisers for business and market development in Malaysia and/or internationally • as agent and/or distributor for Opcom Group's products and services in Malaysia and/or internationally • selected supply chain business activities including logistics, packing, warehousing, testing, validation, customer support service, et. al. • project management for plant infrastructure facilities and other such related services • plant and equipment on a turnkey basis, manufacturing-knowhow maintenance and ancillary services and parts thereof • IT services and other business services 				
Opcom Group	Unigel Group and associated companies	<p>Supply of goods and services to Unigel Group and its associated companies, including:</p> <ul style="list-style-type: none"> • Merchandise including all types of chemical compounds, fiber optic cable and related accessories as well as other industrial and consumer related products services, capital goods and building infrastructure and systems 	Chhoa Kwang Hua ^g UL ^h Hikari ⁱ	50,000,000	50,000,000	15,834,410

Transacting Company within Opcom Group	Transacting Party	Nature of Transaction	Interested Directors, Major Shareholders and Persons Connected	* Estimated Value during the Proposed Mandate Period (RM)	Estimated Value Disclosed in the Preceding Year's Circular (RM)	Actual Value Transacted from the Previous AGM Up to LPD (RM)
Opcom Group (Cont'd)	Unigel Group and associated companies (Cont'd)	<p>Supply of goods and services to Unigel Group and its associated companies, including: (Cont'd)</p> <ul style="list-style-type: none"> selected supply chain business activities including logistics, packing, warehousing, testing, customer support services et. al. all general management and IT services and other business activities. R&D and proto-typing services <p>Purchase of goods and services from Unigel Group and its associated companies, including:</p> <ul style="list-style-type: none"> cable related raw materials, components and other such related merchandise, gel related raw materials components and other such related merchandise, as agent and/or distributor for Opcom Group's products and services, consultancy, technical advisory and related services and business services and provision of such related services. capital equipment, test equipment software, other auxillary equipment and spare parts, installation testing, commissioning, technical support service and consultancy services and other such related products and services 		20,000,000	20,000,000	1,310,035
Opcom Group	Unigel IP Group and associated companies	<p>Purchase of goods and services from Unigel IP Group and its associated companies, including:</p> <ul style="list-style-type: none"> Intellectual Property licensing for chemical products and related products consultancy and other business services 	Chhoa Kwang Hua ^g UL ^h Hikari ⁱ	5,000,000	5,000,000	Nil
Opcom Group	EMSB Group and associated companies	<p>Supply of goods and services to EMSB Group and its subsidiary companies, including:</p> <ul style="list-style-type: none"> fiber optic cables and related products 	ENT ^e	10,000,000	10,000,000	Nil

Transacting Company within Opcom Group	Transacting Party	Nature of Transaction	Interested Directors, Major Shareholders and Persons Connected	* Estimated Value during the Proposed Mandate Period (RM)	Estimated Value Disclosed in the Preceding Year's Circular (RM)	Actual Value Transacted from the Previous AGM Up to LPD (RM)
Opcom Group (Cont'd)	EMSB Group and associated companies (Cont'd)	<p>Supply of goods and services to EMSB Group and its subsidiary companies, including: (Cont'd)</p> <ul style="list-style-type: none"> • information and communication technology products and services • installation, commissioning, technical service, consultancy services and other such related products and services <p>Purchase of goods and services from EMSB Group and its associated companies, including:</p> <ul style="list-style-type: none"> • cable production materials • cable production machineries and equipment • installation, commissioning, technical service, consultancy and maintenance services and other such related products and services 	ENT ^e	10,000,000	10,000,000	Nil
Opcom Group	HCSB Group and associated companies	<p>Supply of goods and services to HCSB Group and its associated companies, including:</p> <ul style="list-style-type: none"> • raw materials, components and related products • services including management, technical, engineering and all other related services <p>Purchase of goods and services from HCSB Group and its associated companies, including:</p> <ul style="list-style-type: none"> • fiber reinforced plastics related and other such related merchandise • consultancy, technical advisory and related services and business services and provision of such related services • capital equipment, test equipment, software, other auxiliary equipment and spare parts, installation testing, commissioning, technical support service and consultancy services and other such related products and services 	Chhoa Kwang Hua ⁹	10,000,000	5,000,000	Nil

Transacting Company within Opcom Group	Transacting Party	Nature of Transaction	Interested Directors, Major Shareholders and Persons Connected	* Estimated Value during the Proposed Mandate Period (RM)	Estimated Value Disclosed in the Preceding Year's Circular (RM)	Actual Value Transacted from the Previous AGM Up to LPD (RM)
Opcom Group	Unitape Group and associated companies	<p>Supply of goods and services to Unitape Group and its associated companies, including:</p> <ul style="list-style-type: none"> fiber optic cables and related components <p>Purchase of goods and services from Unitape Group and its associated companies, including:</p> <ul style="list-style-type: none"> fiber optic cables and related components consultancy, technical advisory and related and other business service provision of other such business, services and such provision services capital equipment, test equipment, software, other auxillary equipment and spare parts, installation testing, commissioning, technical support service and consultancy services and other such related products and services 	Chhoa Kwang Hua ^g UL ^h Hikari ⁱ	1,000,000 10,000,000	1,000,000 10,000,000	Nil 51,990
Opcom Group	ABSB	Letting of Opcom's open area (4,890 square feet) at No. 11, Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan to ABSB commencing from 1 September 2019 with monthly rental of RM1,815	Dato' Seri Mukhriz Mahathir ^a Datin Seri Utama Norzieta Zakaria ^b MOCSB ^d Chhoa Kwang Hua ^g	200,000	120,000	19,965
Opcom Group	HCSB	Letting of manufacturing, work and storage space to HCSB (approximately 20,000 square feet) at No.11 Jalan Utas15/7, 40200 Shah Alam commencing from 1 October 2018 with a monthly rental of approximately RM11,000	Chhoa Kwang Hua ^g	145,000	480,000	55,000

ii) **Proposed New Mandate**

Transacting Company within Opcom Group	Transacting Party	Nature of Transaction	Interested Directors, Major Shareholders and Persons Connected	* Estimated Value during the Proposed Mandate Period (RM)	Estimated Value Disclosed in the Preceding Year's Circular (RM)	Actual Value Transacted from the Previous AGM Up to LPD (RM)
Opcom Group	Unigel Group and associated companies	Supply of goods and services to Unigel Group and its associated companies, including: <ul style="list-style-type: none"> fiber reinforced plastics, related products and accessories 	Chhoa Kwang Hua ^g UL ^h Hikari ⁱ	20,000,000	-	-
Opcom Group	HCSB Group and associated companies	Purchase of goods and services from HCSB Group and its associated companies, including: <ul style="list-style-type: none"> Intellectual Property licensing for fiber reinforced plastics and related products Consultancy, technical support and other business services 	Chhoa Kwang Hua ^g	5,000,000	-	-

Notes:

Nature of Interest

- Dato' Seri Utama Mukhriz Mahathir is a major shareholder of Opcom.
- Datin Seri Utama Norzieta Zakaria, the spouse of Dato' Seri Utama Mukhriz Mahathir is a Director of OCSB, UCSB and OSSSB. She is a major shareholder and Director of MOCSB and OSB.
- Mirzan Mahathir, the brother of Dato' Seri Utama Mukhriz Mahathir and the brother-in-law of Datin Seri Utama Norzieta Zakaria is a Director of OCSB and a shareholder of OSB. He is also a shareholder and Director of MOCSB.
- MOCSB is a major shareholder of Opcom.
- ENT is the major shareholder of OCSB.
- ENT and EMSB are controlled by the same parent company.
- Chhoa Kwang Hua, an Executive Director of Opcom (on one-year sabbatical) is a Director of UCSB and OSSSB. He is an alternate Director to Datin Seri Utama Norzieta Zakaria in OCSB. He is a Director and major shareholder of ABSB, Hikari and UL. He is also the shareholder of HCSB.
- UL, a 60% shareholder of Unigel.
- Hikari is the holding company of UL and Unitape.

* The values are merely indicative estimates for the period from 29 September 2020 to the next AGM expected to be held in the month of September 2020. The estimated values are based on the current actual transactions and historical trends and may vary.

As at 31 March 2020, the breakdown of the principal sum and interest for the total outstanding amount due and owing under the Recurrent Related Party Transaction which exceeded the following credit term are as follows:-

Principal Exceeded credit terms for	Outstanding Trade Receivables from Related Parties	
	Principal (RM)	Interest (RM)
a period of 1 year or less	4,665,132	16,421
a period of more than 1 year to 3 years	-	-
a period of more than 3 years to 5 years	-	-
a period of more than 5 years	-	-

There were late payment charges imposed on the sum of RM4,665,132 being the outstanding trade receivables at 0.375 % per month. The principal sum dues as of 31 March 2020 had been settled as at LPD.

2.4 Review Methods or Procedures for Recurrent Transactions

2.4.1 Review Methods or Procedures

Opcom Group has established policies/procedures/measures to ensure that the Recurrent Transactions are undertaken at arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies and that such transacting prices and terms are not more favourable to the Related Parties than those generally extended to public and are not to the detriment of the minority shareholders.

In this respect, Opcom Group has implemented the following review procedures with regard to the Recurrent Transactions:-

- (a) The management of Opcom Group has been kept informed of policies and procedures applicable to the Recurrent Transactions, who will ensure that the transaction with the Related Parties will only be entered into after taking into consideration the transaction prices and rates based on prevailing market prices that are agreed upon under similar commercial terms for transactions with third parties and on terms which are generally in line with the industry norms.
- (b) The transaction prices and terms are determined based on the prevailing market rates which are determined by market forces, demand and supply, specifications, exchange rates and other relevant factors. Where practical and feasible, at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. Where it is impractical or impossible for quotes and/or tenders to be obtained from unrelated third parties, or where there has not been any similar or substantially similar transactions between Opcom Group and Related Parties, the terms of the transactions for the products or services will be in accordance with the Group's usual business practice, and at rates not more favourable to the Related Parties than those generally available to the public.
- (c) The Audit Committee would review the internal audit report to ascertain that relevant methods, procedures, guidelines and policies established to monitor the Recurrent Transactions have been complied with.
- (d) Opcom Group has in placed a Group-wide policies and procedures to facilitate communication and awareness of accountability and control procedures for key business units. There is proper documented limit of authority and all Recurrent Transactions are implemented and approved according to the limit of authority set in accordance with the type and nature of transactions and documents involved.

Recurrent Transactions are executed or entered by Senior Management of the Group who has no interest in the transactions according to their respective limit of authority, after due benchmarking process carried out according to the related party policy authorised and adopted by the Board.

The internal threshold approval of all Recurrent Transactions within Opcom Group are as follows:

- (i) All Recurrent Transactions reviewed by Audit Committee and approved by Board of Directors, provided always that the interested directors are abstained from deliberating and voting on the said resolution; and
- (ii) With the approval from the Board of Directors and/or Members (for those with Shareholders Mandate), the Management will approve and implement according to their respective approving

authority set out in the respective limit authority endorsed by the Board of Directors, which their respective limit authority vary from business units and the type and nature of transactions. The Senior Management of the Group in various business units who have the approving authorities ranging from General Manager, Acting Co-Chief Operating Officer, Deputy Chief Executive Officer to Chief Executive Officer.

- (e) All the Recurrent Transactions are tabled to the Audit Committee for review on a quarterly basis. The Audit Committee will report its findings to the Board for further action if during the quarterly review the Audit Committee is of the view that the guidelines and procedures are not sufficient to ensure normal commercial terms and/or the transaction is deemed detrimental to the minority shareholders.
- (f) Proper records will be maintained to capture all Recurrent Transactions entered into pursuant to the Proposed Mandate to ensure accurate disclosure thereof and all records of Recurrent Transactions shall be tabled to the Audit Committee and Board of Directors for review and information on quarterly basis.
- (g) The Board and Audit Committee will have the overall responsibility for the determination of the review procedures and processes, including any addition or variation thereto, where applicable. If a member of the Board or the Audit Committee has an interest in a transaction, he will abstain from any deliberation and decision making by the Board or the Audit Committee in respect of the said transaction.
- (h) The review of the policies, procedures and processes would be carried out by the Audit Committee and the Board at least once a year and appropriate changes would be made from time to time.

2.4.2 Abstention from Voting

All members of the Board and Audit Committee who are directly and/or indirectly interested in any Recurrent Transactions shall have declared their interests in the Recurrent Transactions and abstain from deliberation and voting in respect of these transactions.

Categories of persons who will abstain from voting are as follows:-

- (a) Any interested Director(s);
- (b) Any interested Major Shareholder(s);
- (c) Any person(s) connected to the interested Director(s) or interested Major Shareholder(s); and
- (d) Any Director(s) or Major Shareholder(s) whose person(s) connected is/are interested in the Recurrent Transactions.

2.5 Statement by Audit Committee

Opcom Group has in place adequate procedures and processes to monitor, track and identify Recurrent Transactions in a timely and orderly manner. The procedures and processes would be reviewed on yearly basis. The review procedures as set out in Section 2.4 for Recurrent Transactions are sufficient and appropriate to ensure that such Recurrent Transactions will be undertaken at arm's length and are on normal commercial terms consistent with the industry norms and not more favourable to the Related Parties than those generally available to the public and that such terms will not be detrimental to the interests of the minority shareholders of Opcom or disadvantageous to Opcom Group.

2.6 Disclosure

The breakdown of the aggregate value of Recurrent Transactions made during the financial year ended 31 March 2020 will be disclosed in the Annual Report for that financial year during which the Proposed Mandate is in force, providing amongst others, the following information:-

- (a) the type of Recurrent Transactions made; and
- (b) the names of the Related Parties involved in each type of the Recurrent Transactions made and their relationships with Opcom Group.

If the actual value of a Recurrent Transaction entered into by Opcom Group exceeds the estimated value of the Recurrent Transaction disclosed in this circular by 10% or more, immediate announcement to Bursa Securities will be made.

3. RATIONALE AND BENEFITS OF THE PROPOSAL

The Proposed Mandate will benefit the Company by facilitating entry by members of Opcom Group into transactions specified in Section 2.3 with the classes of Related Parties specified in Section 2.2 above in the ordinary course of the Group's business on commercial terms, in a timely manner and will enable Opcom Group to continue to carry out Recurrent Transactions necessary for Opcom Group's day-to-day operations and enhance the Group's ability to pursue business opportunities which are time-sensitive in nature in a more expeditious manner.

The obtaining of the Proposed Mandate and renewing the same on an annual basis will eliminate the need to announce and convene separate general meetings of the Company from time to time to seek shareholders' approval on each occasion pursuant to the requirements of Rule 10.09 of the Listing Requirements, as and when potential transactions with the specified classes of Related Parties arise. This will also substantially reduce expenses associated with the convening of such meetings on an ad hoc basis, improve administrative efficiency and allow human resources and time to be channeled towards attaining other corporate objectives and opportunities.

The Related Parties which are involved in the Recurrent Transactions have mostly long-standing relationship with Opcom Group and where applicable have proven their reliability and expertise in their respective fields. In some instances, the Related Parties provide Opcom Group the support for its operational and business needs and further enhance its ability to explore beneficial business opportunities. The Proposed Mandate is of paramount importance for the continued success and viability of the Opcom Group.

4. EFFECTS OF THE PROPOSAL

The Proposed Mandate is administrative in nature and is therefore not expected to have any effect on the issued share capital, substantial shareholding and the dividend of the Company and earnings and net assets of Opcom Group.

5. APPROVAL REQUIRED

The Proposed Mandate is subject to the approval of the shareholders of Opcom at the forthcoming AGM to be convened.

6. VALIDITY PERIOD FOR THE PROPOSED MANDATE

If approved at the forthcoming AGM, the Proposed Mandate of the Company will take effect from the Proposed Mandate Period and the Board will seek your approval for the Proposed Renewal of Mandate and the Proposed New Mandate at the next AGM of the Company and at each subsequent AGM, subject to satisfactory review by the Audit Committee of its continued application to the Related Parties' transactions.

7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save as disclosed below, none of the other Directors and/or Major Shareholders of Opcom Group and Persons Connected with them has any interest, direct and indirect in the Proposed Mandate.

The direct and indirect shareholdings of the interested Directors, interested Major Shareholders and interested Persons Connected with them in the issued and paid up share capital of Opcom as at LPD are as follows:

Interested Director	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Chhoa Kwang Hua	-	-	-	-

Interested Major Shareholder	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Dato' Seri Utama Mukhriz Mahathir	24,632,300	15.28	-	-
MOCSB	18,000,000	11.16	-	-
Datin Seri Utama Norzieta Zakaria	-	-	18,000,000*	11.16

* Deemed interest by virtue of Section 8(4) of the Act, pursuant to her substantial interest in MOCSB.

Interested Person Connected	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Mirzan Mahathir	-	-	-	-
ABSB	-	-	-	-
EMSB	-	-	-	-
ENT	-	-	-	-
HCSB	-	-	-	-
Hikari	-	-	-	-
OSB	-	-	-	-
UL	-	-	-	-
Unigel	-	-	-	-
Unigel IP	-	-	-	-

The interested Director, namely Chhoa Kwang Hua has abstained and will continue to abstain from all board deliberations and voting on the Proposed Mandate at the Board Meetings of Opcom. The interested Director will also abstain from voting in respect of their direct and indirect shareholdings at the forthcoming AGM on the respective resolutions pertaining to the Proposed Mandate in which they are interested.

The interested Major Shareholders namely Dato' Seri Utama Mukhriz Mahathir, MOCSB and Datin Seri Utama Norzieta Zakaria will abstain from voting in respect of their direct and indirect shareholdings at the forthcoming AGM on the respective resolutions pertaining to the Proposed Mandate in which they are interested.

The interested Director namely Chhoa Kwang Hua and the interested Major Shareholders namely Dato' Seri Mukhriz Mahathir, MOCSB and Datin Seri Utama Norzieta Zakaria shall ensure that Persons Connected with them will abstain from voting in respect of their direct and indirect shareholdings at the forthcoming AGM on the respective resolutions pertaining to the Proposed Mandate in which they are interested.

8. DIRECTORS' RECOMMENDATION

The Directors (save for Chhoa Kwang Hua who is deemed interested in the Proposed Mandate has abstained from giving opinion and making recommendations), having considered all aspects of the Proposed Mandate, are of the opinion that the Proposed Mandate is in the best interest of the Company and its shareholders and accordingly recommend that you vote in favour of the resolutions pertaining to the Proposed Renewal of Mandate and the Proposed New Mandate to be tabled at the forthcoming AGM.

9. ANNUAL GENERAL MEETING

The ordinary resolutions to approve the Proposal is set out as Special Business in the Notice of the Twenty-Fifth AGM contained in Opcom's Annual Report 2020, which is sent to you together with this Circular dated 28 August 2020. The Twenty-Fifth AGM will be held fully virtual at Conference Room of Opcom Holdings Berhad, No. 11, Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan on Tuesday, 29 September 2020 at 2:00 p.m.

If you are unable to attend and vote at the 25th AGM, you are requested to complete, sign and deposit the Form of Proxy enclosed in the notice of 25th AGM via email to AGM-support.opcom@megacorp.com.my or deposit to the Poll Administrator at Mega Corporate Services Sdn Bhd, Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not later than forty-eight (48) hours before the time fixed for the 25th AGM. Kindly refer to the Notes to the Shareholders for further information. The completion and lodgement of the Form of Proxy will not preclude you from attending and voting at the meeting should you subsequently decide to do so.

The lodging of the Form of Proxy will not preclude you from attending and voting at the Twenty-Fifth AGM should you subsequently wish to do so.

10. FURTHER INFORMATION

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

Yours faithfully
For and on behalf of the Board
OPCOM HOLDINGS BERHAD

DATO' MOHAMED SHARIL BIN MOHAMED TARMIZI
Independent Non-Executive Chairman

APPENDIX I – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board of Directors of Opcom who collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement misleading in this Circular.

2. MATERIAL CONTRACTS

There are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by Opcom and its subsidiaries during the two (2) years immediately preceding the date of this Circular.

3. MATERIAL LITIGATION

Neither Opcom nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Board of Directors have no knowledge of any proceedings pending or threatened or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position and business of the Company or any of its subsidiaries.

4. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the Registered Office of Opcom situated at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan during normal office hours from Mondays to Fridays (except public holidays) from the date of this Circular up to the date of the Twenty-Fifth AGM:-

- (a) Constitution of Opcom;
- (b) Financial Statements of Opcom Group for the financial years ended 31 March 2019 and 31 March 2020;
- (c) Quarterly Report on Consolidated Results for the fourth quarter ended 31 March 2020;
- (d) Tenancy Agreement dated 25 June 2018 between Opcom and ABSB; and
- (e) Tenancy Agreement dated 1 October 2018 between Opcom and HCSB.