

Corporate Governance Overview Statement

The Board of Directors (“**Board**”) of Opcom Holdings Berhad and its subsidiaries (“**Opcom**” or “**Group**”) recognises the importance of good corporate governance and fully supports the principles and best practices as stipulated in the Malaysian Code of Corporate Governance (“**MCCG**”) to enhance business prosperity and maximise shareholders’ value. The Board will continuously evaluate the Group’s Corporate Governance practices and procedures and where appropriate will adopt and implement the best practices as enshrined in MCCG to the best interest of the shareholders of the Company.

Below are an overview statement and description in general on how the Group has applied the principles and complied with the best practice provisions as laid out in MCCG throughout the financial year ended 31 March 2021 pursuant to Rule 15.25 of ACE Market Listing Requirements (“**AMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). The Board has also provided specific disclosures on the application of the practices in its Corporate Governance Report which could be obtained from the Company’s website at www.opcom.com.my. Shareholders are advised to read this overview statement together with the CG Report.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

1.1 Clear Roles and Responsibilities

The Board is responsible for the Company’s overall strategic direction and objectives, its acquisition and divestment policies, financial policy, major investments and the consideration of significant financial matters. The Board’s spectrum of skills and experience gives added strength to the leadership, thus ensuring the Group is under the guidance of an accountable and competent Board.

The Board delegates certain responsibilities to the Board Committees, all of which operate within the defined terms of reference to assist the Board in discharging its fiduciary duties and responsibilities. The Board Committees include the Audit Committee, Nominating and Remuneration Committee and Tender Committee. The respective committees report to the Board on matters considered and their recommendation thereon for decision-making and approval.

There is a clear division of responsibilities between the Chairman and Executive Director. The Chairman holds a Non-Executive position and is primarily responsible for matters pertaining to the Board and overall conduct of the Board. The Executive Directors are responsible for the development of the corporate goals and objectives and the setting of strategies to achieve them.

The Executive Director is supported by a core team of senior management who manage the Group’s various business activities on a day-to-day basis. Upon the resignation of Chhoa Kwang Hua as the Executive Director of the Company on 6 November 2020, an Executive Committee (EXCO) was established to execute and implement the policies and strategies approved by the Board. On 21 July 2021, a new Executive Director namely Ong Soon Lim was appointed to the Board and the EXCO was subsequently disbanded.

The Group has a well-structured and process-oriented communications framework to keep the Board and its committees informed of the Group’s business activities continuously. Business workgroup activities are reported and measured against agreed KPIs of the Group’s yearly business plan monthly. The Group’s financial and operational performance is reviewed by the various relevant committees of the Board quarterly (or as and when required). The Board meets with the management team at least once every quarter to review the Group’s business activities, including important issues relating to business goals and objectives and internal controls.

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PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. BOARD RESPONSIBILITIES (CONT'D)

1.1 Clear Roles and Responsibilities (Cont'd)

The Board operates within a robust set of governance as set out below:

The Board has formally adopted a Board Charter, which guides the Board in the fulfilment of its roles, duties and responsibilities which are in line with the principles of good corporate governance. The Board Charter guides Directors and management on the responsibilities of the Board, its Committees and requirements of Directors and it is subject to periodical review to ensure consistency with the Board's strategic intent as well as relevant standards of corporate governance.

The Board is also committed to conducting business per the highest standards of business ethics and complying with applicable laws, rules and regulations. The Code of Conduct of the Board guides Directors regarding ethical and behavioural considerations and/or actions as they address their duties and obligation during their appointment. In ensuring that the direction and control of the Company are in the hand of the Board, a formal Schedule of Reserved matters has been implemented, to guide and reserved matters specifically to the Board for decision making. The Schedule of Reserved matters is provided to Directors upon appointment and it is kept up to date.

The Board has established the Whistleblowing Policy and Procedures in enabling the stakeholders to report on any suspected and/or known misconduct, wrongdoings, corruption, fraud and possible improprieties in financial reporting.

The Board has also established its Anti-Bribery and Corruption ("**ABC**") Policy which outlines the relevant guiding principles and mitigating controls to ensure compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

The Board Charter, Code of Conduct, Whistleblowing Policy and Procedures, ABC Policy and the Schedule of Reserved matters of the Board are made available for reference in the Company's website, www.opcom.com.my.

Roles and Responsibilities of the Company Secretaries

Presently, the Board is assisted by two (2) qualified Company Secretaries who are members of the Malaysian Institute of Chartered Secretaries and Administrators. The Company Secretaries support the Board in carrying out its fiduciary duties and stewardship role and play an advisory role to the Board, particularly with regard to the compliance with regulatory requirements, corporate disclosure and governance related issues. All Directors have unrestricted access to the advice and services of the company secretaries.

The appointment and removal of the Company Secretaries of the Board and Board Committees shall be the prerogative of the Board as a whole.

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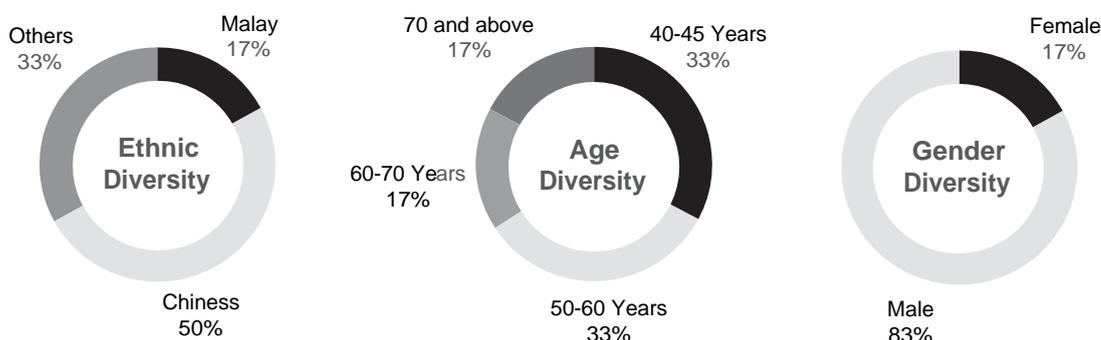
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2. BOARD COMPOSITION

2.1 Composition and Balance of the Board

The Board consists of six (6) members, comprising one (1) Executive Director, four (4) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. Thus, this complies with Rule 15.02 of the AMLR that requires one-third (1/3) of the Board is made up of Independent Directors.

The current board composition is illustrated as below:



The Directors have wide-ranging experience and all have occupied or are currently occupying senior positions in the public and/or private sectors. A brief profile of each Board member is as set out on pages 14 to 19 of this Annual Report. The presence of Independent Directors fulfils a pivotal role in corporate accountability and the role of the Independent Directors is particularly important as they provide unbiased and independent views, advice and judgement.

During the financial year under reviewed, the NRC reviewed to ensure functioning of the Board in lights of the vacancies created by the following by bringing new experience, knowledge and skills on the Board to meet the current and future needs of the Company and of the Group:

- i. Lt. Jen. Dato' Seri Panglima Zaini Bin Hj. Mohd Said (B) resigned as Director on 1 October 2020.
- ii. Chhoa Kwang Hua resigned as Director on 6 November 2020.
- iii. Dato' Mohamed Sharil Bin Mohamed Tarmizi resigned as Director on 26 April 2021.

2.2 Independent Directors

Criteria have been set to assess the independence of candidate for Directors and existing Directors based on the guidelines set out in the AMLR. On an annual basis, the Directors are required to confirm their independence by completing the independence checklist.

The Company adopts the best practices under the MCCG where the tenure of an independent director does not exceed a term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Accordingly, Ms. Chan and Mr. Yanne who have served on the Board for more than 9 years were redesignated from INED to NINED on 20 August 2021.

The NRC had undertaken a review and assessment of the level of independence of the Independent Directors of the Board and based on the assessment, the Board is generally satisfied with the level of independence demonstrated by the Independent Directors, i.e. they are independent of management and free from any business dealing or other relationship with the Group that could reasonably be perceived to materially interfere with their exercise of unfettered and independent judgement.

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2. BOARD COMPOSITION (CONT'D)

2.2 Independent Directors (Cont'd)

The Board commits to increase the representation of women and people from a cultural and linguistically diverse background. In addition, the Board supports broad diversity principles across the full range of diversified groups of people. The Group is committed to creating a supportive, flexible and fair work environment where difference among employees is respected. The aim is to provide a workplace that is free from all forms of discrimination and harassment and where all employees are given equal opportunities.

2.3 Directors' Remuneration

Nominating & Remuneration Committee

NRC is responsible for the annual review of the required mix of skills and experience and core competency which Non-Executive Directors should bring to the Board and the annual assessment of the effectiveness of the Board as a whole, the Board Committees, the performance of each existing Director and its Independent Directors. Under the AMLR, the NRC is also responsible to review the term of office of the Audit Committee and performance of the Audit Committee and each of its members annually.

Each Director evaluates the performance of the Board as a whole by way of a self-assessment questionnaire by individual Board member and the evaluation process is led by the NRC Chairman supported by the Company Secretaries and Corporate Services Workgroup.

The NRC Report is as set out on pages 36 to 38 of this Annual Report, which outlines the NRC's membership, its responsibilities and summary of activities carried out during the year.

The aggregate remuneration of the Directors for the financial year ended 31 March 2021 is as follows:

Director	Group				Company	
	Directors' Fee (RM)	Salaries (RM)	Allowances (RM)	Benefits-in-Kind (RM)	Directors' Fee (RM)	Allowances (RM)
Sven Janne Sjöden	24,000	-	24,000	-	24,000	24,000
Chan Bee Lean (f)	24,000	-	34,500	-	24,000	34,500
Magnus Kreuger	24,000	-	38,000	-	24,000	38,000
Teh Li King (<i>Appointed wef 24 February 2021</i>)	2,357	-	-	-	2,357	-
Lt. Jen. Dato' Seri Panglima Zaini Bin Hj. Mohd Said (B) (<i>Resigned wef 1 October 2020</i>)	18,017	-	20,500	-	12,000	20,500
Chhoa Kwang Hua, Eric (<i>Resigned wef 6 November 2020</i>)	35,000	-	14,957	-	14,400	14,500
Dato' Mohamed Sharil Bin Mohamed Tarmizi (<i>Resigned wef 26 April 2021</i>)	30,493	-	61,548	-	24,000	61,500

The determination of the remuneration of the Non-Executive Directors will be a matter to be determined by the Board as a whole on the recommendation of the NRC. Non-Executive Directors receive fixed annual fees and allowances for attending Board and Board Committee meetings.

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2. BOARD COMPOSITION (CONT'D)

2.3 Directors' Remuneration (Cont'd)

Nominating & Remuneration Committee (Cont'd)

The Board has established a policy and procedure to facilitate the NRC to review, consider and recommend to the Board for decision the remuneration package of the Executive Directors and Senior management and is to be reviewed by the Board as required. The remuneration policy is made available for reference in the Company's website, www.opcom.com.my.

Executive Director/Senior Management Remuneration

As required under the MCGG to disclose top five (5) senior management's remuneration in the band of RM50,000, the table below shows the remuneration bands:

RANGE OF REMUNERATION (RM)	EXECUTIVE DIRECTORS/ SENIOR MANAGERMENTS				
	CHHOA KWANG HUA, ERIC (Resigned wef 6 November 2020)	LIM BEE KHIN (cessation of Office wef 31 December 2020)	YUSREE PUTRA BIN ALIAS (cessation of Office wef 31 December 2020)	ROHIZA HUSAIN	CHAN AI JOO, CINDY
150,000 and below	✓				
150,001 – 200,000					
200,001 – 250,000		✓		✓	✓
300,001 – 350,000					
350,001 – 400,000			✓		

3. BOARD EFFECTIVENESS

3.1 Supply of and Access to Information and Advice

The Board has a formal schedule of matters reserved specifically for its decision. The Directors have full and timely access to all information pertaining to the Group's business and affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties. Prior to the Board meetings, the agenda for each meeting together with a full set of Board papers containing information relevant to the business of the meetings are circulated to the Directors. This allows sufficient time for any of the Board members to obtain further explanations or clarifications as may be needed from senior management and/or the Company Secretaries or to consult independent advisers before the meetings.

Senior management personnel are invited to attend Board meetings to report on their areas of responsibility when necessary, to furnish the Board with detailed explanations and clarifications on issues that are tabled and/or raised at the Board meetings. External advisers may be invited to attend Board meetings at the expense of the Company when necessary.

At all times, all members of the Board have direct and unrestricted access to the senior management and the Company Secretaries of the Company for information relating to business and affairs of the Group.

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3. BOARD EFFECTIVENESS (CONT'D)

3.2 The Board Meeting

The Board meets regularly, at least once in every quarter, to review the Group's operations and performance. The additional meeting would be convened when an urgent and important decision needs the Board's review and consideration between scheduled meetings.

For the financial year ended 31 March 2021, the Board held twelve (12) meetings. Directors' attendance to these meetings can be found in the Board of Directors' profile on pages 14 to 19. At Board meetings, strategies and performance of the Group are being reviewed and evaluated in the light of any changing circumstances whether economic, social or political.

3.3 Training

The Directors assessed their own training needs and attended courses, seminars, conferences and talks to enhance their skill sets and knowledge to enable them to carry out their duties and discharge their responsibilities as Directors of the Company. Additionally, the Directors kept themselves updated with the changes in the business and regulations through sharing and discussion in official Board meetings and unofficially through small group discussions among the Directors. During the financial year under review, regular updates/briefing on regulatory and industry trends were held at Board and Committee meetings.

The Board continuously encourage its members to undergo appropriate training education programmes in order to effectively discharge their functions effectively as Directors.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee

As of financial year ended 31 March 2021, the Company has in place an Audit Committee which comprises three (3) Independent Non-Executive Directors. The role of the Audit Committee is to oversee the processes for preparation and completion of the financial data. The Audit Committee reviews financial reports, related party transactions, situations of potential conflict of interests and the internal controls of the Group.

The Audit Committee has established formal and transparent arrangements to maintain an appropriate relationship with the Company's External Auditors. This includes policies and procedures to review the suitability and independence of the External Auditor. During the financial year under review, the Audit Committee has received written assurance from External Auditor confirming that it is and has been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

2. Risk Management Committee

Risk Management Committee holds monthly meetings and reports to the Audit Committee. This Committee regularly reviews all risks including financial, operation and market risks and ensures risks and controls are kept updated to reflect current business situations and ensure relevance at any given time. Steps are taken to eliminate outdated and irrelevant risks and identify new and vulnerable risks, for which new controls will be affected. The management, in keeping with good corporate governance practices, takes a serious view of ensuring that the Group is always on alert of any situation that might adversely affect its assets, income and ultimately, its profits.

3. Tender Committee

The Tender Committee of the Board is mandated to review the Group's procurement activities as well as the Group's commitment to undertake major business mandates with third parties. For procurement activities, the Tender Committee reviews the recommendation of the management team to undertake expenditure or investment activities which require Board approvals.

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PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

3. Tender Committee (Cont'd)

The Committee also looks into and review business transactions beyond a certain financial threshold set by the Board, including the nature of the transaction, risks associated with the proposed transaction and the risk-reward considerations of the proposed transaction.

4. Internal Control

The Board acknowledges its overall responsibility for maintaining a sound system of internal control and the need to review its effectiveness regularly in order to safeguard the Group's assets and therefore shareholders' investments in the Group. This system, by its nature, can only provide reasonable but not absolute assurance against material misstatement, fraud or loss.

Currently, the Group does not maintain an Internal Audit Department but outsourced its Internal Audit function to Messrs Moore Stephens Associates PLT, who reports directly to the Audit Committee, to ensure independent reviews be carried out on the adequacy and integrity of the Group's system of internal controls. The Board considers the system of internal controls instituted throughout the Group sound and sufficient. The total cost incurred for the internal audit activities of the Group for the financial year under review was RM60,000. The Statement on Risk management and Internal Control furnished on pages 39 to 43 of the Annual Report provides an overview of the state of internal controls within the Group.

5. Relationship with the Auditors

Through the Audit Committee, the Board has established and maintained a formal and transparent relationship with the Group's External and Internal Auditors. A summary of the activities of the Audit Committee during the financial year is set out under the Audit Committee Report on pages 34 to 35 of the Annual Report.

The Audit Committee will have a private session with the External Auditors without the presence of any executive of the Group at least twice a year. Liaison and unrestricted communication exist between the Audit Committee and External Auditors. The Audit Committee obtains reasonable assurance on the effectiveness of the internal control system through annual independent appraisal by the External Auditors. External Auditors are invited to attend the Company's Annual General Meeting ("AGM").

6. Financial Reporting

The Board aims to present a fair, balanced and meaningful assessment of the Group and the Company's financial performance and prospects. This is achieved primarily through the announcements of quarterly financial results and annual financial statements to Bursa Securities and the circulation of Annual Report to the shareholders. The Audit Committee assists the Board by reviewing the financial information to be disclosed, to ensure completeness, accuracy and adequacy prior to release to Bursa Securities.

7. Statement of Directors' Responsibility for Preparing the Financial Statements

The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year. In preparing the financial statements, the Directors have ensured that the applicable approved accounting standards in Malaysia, the provisions of the Companies Act 2016 and the AMLR of Bursa Securities have been applied. In preparing the financial statements, the Directors have:

- Selected suitable accounting policies and applied them consistently;
- Made judgments and estimates that are prudent and reasonable;
- Ensured that all applicable accounting standards have been adopted; and
- Prepared financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

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PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

7. Statement of Directors' Responsibility for Preparing the Financial Statements (Cont'd)

The Directors have responsibility for ensuring that the Group keeps accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors have overall responsibility for taking reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. Dialogue between the Company and Investors

The Board is committed to providing shareholders and investors accurate, useful and timely information about the Company, its business and its activities. Such information is communicated on a timely basis through the following channels:

- the various disclosures and announcements on Bursa Securities website including quarterly and annual results;
- the website developed by the Group known as www.opcom.com.my;
- the yearly annual report; and
- participating in investor forum with research analysts, fund managers and investors.

The Shareholders' Communication Policy is made available for reference in the Company's website.

2. General Meeting

The AGM is the principal forum for dialogue with shareholders. The Company values feedback from its shareholders and encourage them to actively participate in discussion and deliberations. AGM is held yearly to consider the ordinary business of the Company and any other special businesses. Each item of special businesses included in the notice is accompanied by a full explanation of the effects of the proposed resolution. During the annual and other general meetings, shareholders have direct access to Board members who are on hand to answer their questions, either on specific resolutions or on the Company generally. The Chairman ensures that a reasonable time is provided to the shareholders for discussion at the meeting before each resolution is proposed.

In line with the requirements of the AMLR, poll voting will be conducted through an electronic poll voting system. An independent scrutineer was appointed to validate the poll results and the decision of each resolution, including of votes for and against of the resolution, are provided at the meeting and the outcome is announced via Bursa Link on the same meeting day. Opcom will continue to leverage technology to enhance the quality of its shareholder engagement and facilitate further participation by shareholders at Opcom's AGMs.

Compliance with MCCG

The Board is supportive of all the recommendations of the MCCG and has ensured that the recommendations set out in the MCCG have been substantially implemented by Opcom Group. The Board will take reasonable steps to review existing policies and procedures from time to time to ensure full compliance thereof.

This statement is issued in accordance with a resolution of the Board dated 2 August 2021.