

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

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

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has only conducted a limited review basis on Part A in respect of the Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature. Bursa Securities has not perused the Part B Proposed Share Buy-Back Circular prior to its issuance as it is an exempt document pursuant to Guidance Note 22 of the ACE Market Listing Requirements.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



OPCOM HOLDINGS BERHAD

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

PART A

**PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

PART B

PROPOSED NEW SHARE BUY-BACK AUTHORITY

The Resolutions in respect of the above proposals will be tabled as special business at Opcom Holdings Berhad's Twenty-Seventh Annual General Meeting ("**27th AGM**") to be conducted in a virtual manner through live streaming from the Conference Room of Opcom Holdings Berhad at No. 11, Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan ("**Broadcast Venue**") and online meeting voting provided by Mega Corporate Services Sdn. Bhd. on Thursday, 22 September 2022 at 10:00 a.m. The Notice of 27th AGM together with the Form of Proxy is set out in the Annual Report 2022. You are requested to complete the Form of Proxy in accordance with the instructions printed therein and deposit it to the Poll Administrator's office at Mega Corporate Services Sdn Bhd, Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or email to AGM-support.opcom@megacorp.com.my not later than forty-eight (48) hours before the time stipulated for holding the 27th AGM or any adjournment thereof. Kindly refer to the Administrative Guide to the Shareholders for further information. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy:
Date and time of the 27th AGM:

20 September 2022 at 10:00 a.m.
22 September 2022 at 10:00 a.m.

This Circular is dated 29 July 2022

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.
Board or Board of Directors	: The Board of Directors of Opcom.
Bursa Securities	: Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
CIBC	: CIBC Technology Sdn. Bhd. (formerly known as Sierra Jaya Sdn. Bhd.) [199301011913 (266651-P)]
CMSA	: Capital Markets and Services Act 2007.
Code	: Malaysian Code on Take-Overs and Mergers 2016, including any amendments that may be made from time to time
Director(s)	: 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.
EPS	: Earnings Per Share
HWSB	: Halex Woolton (M) Sdn. Bhd. [198701002860 (161532-H)]
HCSB	: Hextar Chemicals Sdn. Bhd. [198501000618 (133061-V)]
LPD	: 30 June 2022, being the latest practicable date prior to the printing of this circular.
Listing Requirements	: ACE Market Listing Requirements of Bursa Securities, including any amendments that may be made from time to time.
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 number or aggregate number of those shares is:- (a) 10% or more of the aggregate all the voting shares in the Company; or (b) 5% or more of the aggregate 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" shall have the meaning given in Section 8 of the Act.
NA	: Consolidated Net Assets of the Group
OCSB	: Opcom Cables Sdn. Bhd. [199401037005 (322687-T)]
OESSB	: Opcom Engineering Services Sdn. Bhd. [201701015735 (1229899-M)]

DEFINITIONS (continued)

OTSB	:	Opcom Trading Sdn. Bhd. [201501029894 (1155217-D)]
OLSSB	:	Opcom Lube & Solutions Sdn. Bhd. [202201006014 (1451711-V)]
OSSSB	:	Opcom Shared Services Sdn. Bhd. [200401027054 (665562-M)]
OVSB	:	Opcom Vision Sdn. Bhd. [202101033401 (1433701-P)]
OVCSB	:	Opcom VC Sdn. Bhd. [202201021405 (1467102-V)]
Opcom or the Company	:	Opcom Holdings Berhad [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.
PSSB	:	Pengangkutan Sekata Sdn. Bhd. [198601004876 (154036-K)]
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 a member of the director's family shall have the meaning given in Section 197(2)(a) 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 New Mandate Period	:	The period during which the RRPTs are to be entered into for which the proposed new shareholders' mandate is being sought. This period shall commence immediately upon passing of the Ordinary Resolution relating thereto during forthcoming 27th AGM or any adjournment thereof until: -

DEFINITIONS (continued)

- (a) the conclusion of the next AGM of the Company following the forthcoming 27th AGM, at which the ordinary resolution for the Proposed Shareholders' Mandate is passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
 - (b) the expiration of the period within which the next AGM of Opcom after that date it is required by law to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - (c) revoked or varied by an ordinary resolution passed by the shareholders of Opcom in a general meeting;
- whichever is earlier.

Proposed New Mandate	:	Proposed new shareholders' 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
RRPTs	:	Transactions entered into or proposed to be entered into by the Company and/or its subsidiary which involve the interest, direct or indirect, of a Related Party and which are recurrent, of a revenue or trading nature and which are necessary for day-to-day operations of Opcom and are in the ordinary course of business of Opcom
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.
SC	:	Securities Commission
SCHSB	:	SeeChem Horizon Sdn. Bhd. [201601040750 (1211691-A)]
Senior Management	:	Full time employees of Opcom Group with designation of managers and above.
Shares	:	Ordinary Shares in Opcom.
TKRSB	:	TK Rentals Sdn. Bhd. [201001000267 (884835-W)]
UCSB	:	Unigel Compounds Sdn. Bhd. [199701027440 (442938-M)]

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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PART A

**PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE**



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

Registered Office:
Level 5, Tower 8,
Avenue 5, Horizon 2
Bangsar South City
59200 Kuala Lumpur

Dated: 29 July 2022

Board of Directors:

Dato' Mazlin Bin MD Junid (*Independent Non-Executive Chairman*)
Ong Soon Lim (*Executive Director*)
Teh Li King (*Non-Independent Non-Executive Director*)
Magnus Kreuger (*Independent Non-Executive Director*)
Lim Kim Lee (f) (*Independent Non-Executive Director*)

To: The Shareholders of Opcom Holdings Berhad

Dear Sir/Madam,

PROPOSED NEW MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

On 4 July 2022, the Company announced that it is proposing to seek the approval of its shareholders for the Proposed New Mandate at the forthcoming AGM of the Company.

The purpose of this Circular is to provide the shareholders of the Company with details of the Proposed New Mandate and to seek the approval of the shareholders for the Proposed New Mandate to be tabled at the forthcoming AGM of the Company. The Notice of the AGM and Proxy Form is enclosed in the Annual Report 2022.

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

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2. DETAILS OF THE PROPOSED NEW MANDATE

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 and Guidance Note 8 of the Listing Requirements, a listed corporation may seek for shareholders' mandate from its shareholders for RRPTs, 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 shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' 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 RRPTs is 1% or more,whichever is the lower.
- (c) a circular to shareholders is issued by the listed corporation for the shareholders' mandate shall include the information as may be prescribed by Bursa Securities.
- (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 to 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 RRPTs entered into by the listed corporation exceeds the estimated value of the RRPTs disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Under the provision of the Listing Requirements, where the Company has obtained shareholders' mandate in respect of RRPTs, the provisions under Rule 10.09 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 Opcor 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 proposes to seek approval from shareholders on the Proposed New Mandate as set out in Section 2.3 below, to enable the Company and/or its subsidiaries to enter into RRPTs 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.

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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%	Manufacturing of fibre optic cables, systems, accessories and provision of engineering services.
UCSB	100%	Manufacturing and trading of cable filling and flooding compounds, and trading of industrial products.
OSSSB	100%	Provision of human resource management services.
OTSB	100%	General trading of fiber, other cable production materials and provision of engineering services and general trading of all sorts of buildings related materials
OESSB	90%	Provision of engineering services to telecommunications and power utilities industry and act as distribution agents and solutions provider for telecommunications products in Malaysia.
OVSBB	60%	Project management services which include supply of cables, hardware and accessories, engineering consultation, information technology software and services management and digital marketing & advertising.
OLSSB	100%	Manufacturing lubrication oil and oil related products and manufacturing liquid solutions for construction and household uses.
OVCSB	100%	Project management services which include supply of cables, hardware and accessories, engineering consultation, information technology software and services management.

2.2 Classes of Related Parties

The Proposed New 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
CIBC	Trading.
HWSB	Manufacturing and distributions of disposable healthcare products.
HCSB	Production and trading of pesticides/ agrochemicals.
TKRSB	Renting and trading of mobile air conditioner, tent and event related equipment and tools, forklift and industrial battery.
PSSB	Lorry transport operator.
SCHSB	Research & Development in Oil & Gas and Chemicals

2.3 Natures of RRPTs

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

i) Proposed New Mandate

Transacting Party	Related Parties	Nature of Transactions	Interested Directors, Major Shareholders and Persons Connected	Actual Value Transacted from the date of the first transaction up to LPD **	Estimated Aggregate Value during the Proposed New Mandate Period * (RM)	Notes
Opcom Group (purchaser)	HWSB (seller)	Purchase of goods from HWSB, .e.g, but not limited to sanitising chemicals.	Dato' Ong Choo Meng	5,000	50,000	(1)
Opcom Group (seller)	CIBC (recipient)	Supply of goods/ services to CIBC, e.g., but not limited to anti-fungus, cement additives, lubricant and/or other related products.	Dato' Ong Choo Meng Ong Soon Lim Teh Li King	-	16,900,000	(1) (2) (3)
Opcom Group (purchaser)	HCSB (seller)	Purchase of goods/ services from HCSB, e.g. but not limited to raw materials, chemicals.	Dato' Ong Choo Meng Teh Li King	3,416	3,410,000	(1) (3)
Opcom Group (purchaser)	PSSB (seller)	Purchase of goods/ services from PSSB, e.g. but not limited to transportation services.	Dato' Ong Choo Meng Ong Soon Lim Teh Li King	18,055	100,000	(1) (2) (3)
Opcom Group (purchaser)	SCHSB (seller)	Purchase of goods/ services from SCHSB, e.g. but not limited to intellectual properties such as consultancy, technical advisory and related services and business services and provision of such related services	Dato' Ong Choo Meng	-	140,000	(1)
Opcom Group (purchaser)	TKRSB (seller)	i. Purchase of capital equipment from TKRSB, e.g. but not limited to forklift. ii. Purchase of goods/ services from TKRSB, e.g. but not limited to forklift batteries.	Dato' Ong Choo Meng	131,110 360	200,000 50,000	(1)

Notes:

(1) Dato' Ong Choo Meng, the non-independent executive director and is also a Major Shareholder of Hextar Global Berhad ("**HGB**"), the holding company of HWSB and HCSB. He is the Major Shareholder of Complete Logistic Services Berhad ("**CLSB**"), the holding company of CIBC. He is the Major Shareholder of CLSB, the holding company of PSSB;

Dato' Ong Choo Meng is the non-independent non-executive director of Hextar Industries Berhad, the holding company of TKRSB. He is also the Major Shareholder of SCHSB;

- (2) *Ong Soon Lim, the Executive Director of Opcom, is also the director of CLSB Group, and the uncle of Dato' Ong Choo Meng.*
- (3) *Teh Li King, is the Non-independent Non-Executive Director of Opcom, the director of HCSB and CLSB. He is also a shareholder of HGB.*
- * *The estimated values are merely estimates for the period from the forthcoming AGM to the next AGM. The estimated value is based on the latest available information relating to the aforesaid transactions and historical trends and may vary.*
- ** *The RRPTs transacted are crucial to sustaining the daily operation of Opcom Group, any delay might distort the business operation. The date of first transaction varies and the percentage ratio for the transaction(s) from the date of first transaction up to the date of the forthcoming 27th AGM is less than 5% and hence, no shareholders' approval is required.*

2.4 Review Methods or Procedures for RRPTS

2.4.1 Review Methods or Procedures

Opcom Group has established policies/procedures/measures to ensure that the RRPTs 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 RRPTs:-

- (a) The management of Opcom Group has been kept informed of policies and procedures applicable to the RRPTs, 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 and is not detrimental to Opcom Group.
- (c) The Audit Committee would review the internal audit report to ascertain that relevant methods, procedures, guidelines and policies established to monitor the RRPTs have been complied with.
- (c) 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 RRPTs are implemented and approved according to the limit of authority set in accordance with the type and nature of transactions and documents involved.

- (d) There are no specific thresholds for approvals of RRPTs within the Group. However, all RRPTs are subject to the approval of the appropriate levels of authority as determined by the senior management and/or the Board from time to time, subject to the provisions in the Listing Requirements and/or the Act, where necessary. Where any Director has interest (direct/indirect) in a transaction, the said Director shall abstain from deliberation and voting on the particular resolution in approving the transaction.
- (e) All the RRPTs 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 RRPTs entered into pursuant to the Proposed New Mandate to ensure accurate disclosure thereof and all records of RRPTs 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 RRPTs shall have declared their interests in the RRPTs 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 RRPTs.

2.5 Statement by Audit Committee

The Audit Committee is of the opinion that Opcom Group has in place adequate procedures and processes to monitor, track and identify RRPTs 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 RRPTs are sufficient and appropriate to ensure that such RRPTs 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 Amount due and owing by the Related Parties

As at LPD, there is no amount due and owing to Opcom Group by Related Parties pursuant to RRPTs which has exceeded the credit term.

2.7 Disclosure

Disclosure will be made in the annual report of the company in accordance with the Rule 3.1.5 of Guidance Note 8 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPTs entered into during the financial year based on the following information-

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

The above disclosure will be made in the Company's annual report for each subsequent financial year after the Proposed New Mandate has been obtained.

3. RATIONALE AND BENEFITS OF THE PROPOSED NEW MANDATE

The Proposed New 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 RRPTs 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 New 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 RRPTs 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 New Mandate is of paramount importance for the continued success and viability of the Opcom Group.

4. EFFECTS OF THE PROPOSED NEW MANDATE

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

6. VALIDITY PERIOD FOR THE PROPOSED NEW MANDATE

The Proposed New Shareholders' Mandate, if approved by the shareholders of the Company during forthcoming 27th AGM or any adjournment thereof until:-

- a. the conclusion of the next AGM of the Company following the forthcoming 27th AGM, at which the ordinary resolution for the Proposed Shareholders' Mandate is passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or

- b. the expiration of the period within which the next AGM of Opcom after that date it is required by law to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- c. revoked or varied by an ordinary resolution passed by the shareholders of Opcom in a general meeting;

whichever is earlier.

Thereafter, the approval of the shareholders of the Company will be sought for the renewal and/or new shareholders' mandate at each subsequent AGM of the Company, subject to satisfactory review by the Audit Committee of its continued application to the Related Parties' transactions.

7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

The interest of the Directors of Opcom who do not consider themselves independent with regard to the Proposed New Mandate ("Interested Directors") and the Major Shareholders of Opcom that are deemed interested in the Proposed New Mandate ("Interested Major Shareholders") in Opcom as at LPD are as follows:

<u>Interested Major Shareholder</u>	Direct Interest		Indirect Interest	
	No. of Opcom Shares	%	No. of Opcom Shares	%
Dato' Ong Choo Meng	44,344,400	15.89	-	-
<u>Interested Directors</u>				
Ong Soon Lim	-	-	-	-
Teh Li King	-	-	-	-

Accordingly, the abovenamed Major Shareholder of the Group who is interested (directly or indirectly) in the Proposed New Mandate shall abstain from voting in respect of his direct and indirect shareholdings in the Company, if any, at the forthcoming 27th AGM on the resolutions to approve the Proposed New Mandate involving his interests, as stated in the Proposed New Mandate.

The abovenamed Directors (namely, Ong Soon Lim and Teh Li King), being Directors who are interested in the Proposed New Mandate have abstained and will continue to abstain from all deliberations and voting on the RRPTs involving them as stated in the Proposed New Mandate at the relevant Board Meetings and/or shall also abstain from voting in respect of their direct and indirect shareholdings in the Company, if any, at the forthcoming 27th AGM on the resolution to approve the Proposed New Mandate involving their interests, as stated in the Proposed New Mandate.

Further, the abovenamed interested Directors and interested Major Shareholders have undertaken to ensure that the Persons Connected with them, will abstain from voting in respect of their direct and/or indirect shareholdings in Opcom, if any, at the forthcoming 27th AGM on the resolution to approve the Proposed New Mandate involving their interests.

Save as disclosed above, none of the Directors and/or major shareholders of Opcom and/or persons connected with them, has any interest, direct or indirect, in the Proposed New Mandate.

8. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board (save for the interested Directors in respect of the relevant resolutions to approve RRPTs involving their interests as set out in Section 7 above and who hence expressed no opinion thereon), having considered all aspects of the Proposed New Mandate, is of the opinion that the Proposed New Mandate is fair and reasonable and is in the best interest of the Company and its shareholders.

Accordingly, the Board (save for the interested Directors in respect of the relevant resolutions to approve RRPTs involving their interests as set out in Section 7 above and who hence gave no recommendation thereon) having considered all aspects of the Proposed New Mandate, is of the opinion that the Proposed New Mandate are in the best interest of Opcom Group and accordingly, the Board (save for the interested Directors) recommends that you vote in favour of the ordinary resolution on the Proposed New Mandate to be tabled at the forthcoming 27th AGM.

9. ANNUAL GENERAL MEETING

The ordinary resolutions to approve the Proposal is set out as Special Business in the Notice of the 27th AGM contained in Opcom's Annual Report 2022, which is sent to you together with this Circular dated 29 July 2022. The 27th AGM will be conducted on a virtual manner through live streaming from Broadcast Venue and online meeting voting provided by Mega Corporate Services Sdn. Bhd. on Thursday, 22 September 2022 at 10:00 a.m.

If you are unable to attend and vote at the 27th AGM, you are requested to complete, sign and deposit the Form of Proxy enclosed in the notice of 27th AGM the office of Poll Administrator, Mega Corporate Services Sdn. Bhd. at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan or email AGM-support.opcom@megacorp.com.my not later than forty-eight (48) hours before the time stipulated for holding the 27th AGM. Kindly refer to Administrative Guide to the Shareholders for further information.

The lodging of the Form of Proxy will not preclude you from attending and voting in person at the 27th 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' MAZLIN BIN MD JUNID
Independent Non-Executive Chairman

PART B

PROPOSED NEW SHARE BUY-BACK AUTHORITY



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

Registered Office:
Level 5, Tower 8,
Avenue 5, Horizon 2
Bangsar South City
59200 Kuala Lumpur

Dated: 29 July 2022

Board of Directors:

Dato' Mazlin Bin MD Junid (*Independent Non-Executive Chairman*)
Ong Soon Lim (*Executive Director*)
Teh Li King (*Non-Independent Non-Executive Director*)
Magnus Kreuger (*Independent Non-Executive Director*)
Lim Kim Lee (f) (*Independent Non-Executive Director*)

To: The Shareholders of Opcom Holdings Berhad

Dear Sir/Madam,

PROPOSED NEW SHARE BUY-BACK AUTHORITY ("PROPOSED SHARE BUY-BACK")

1. INTRODUCTION

On 4 July 2022, the Company announced that it is proposing to seek the approval of its shareholders for the Proposed Share Buy-Back at the forthcoming AGM of the Company.

The purpose of this Statement is to provide you with the details of the Proposed Share Buy-Back and to seek your approval for the ordinary resolution pertaining thereto to be tabled at the forthcoming AGM. The Notice convening the 27th AGM of Opcom and the Form of Proxy have been circulated along with this notification of the Proposed Share Buy-Back.

SHAREHOLDERS OF OPCOM ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE PROPOSED RESOLUTIONS PERTAINING TO THE PROPOSED SHARE BUY-BACK AT THE FORTHCOMING AGM.

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2. DETAILS OF THE PROPOSED SHARE BUY-BACK

2.1 Details of the Proposed Share Buy-Back

The Board is proposing to seek the shareholders' approval to authorise the Company to purchase its own Shares for an aggregate amount of up to ten percent (10%) of the total number of issued shares at any point in time subject to compliance with the Act, Listing Requirements and any prevailing laws and regulations issued by the relevant authorities.

The Proposed Share Buy-Back, if approved by the shareholders of the Company during forthcoming 27th AGM or any adjournment thereof until:-

- (a) the conclusion of the next AGM of the Company following the forthcoming 27th AGM, at which the ordinary resolution for the Proposed Share Buy-Back is passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- (b) the expiration of the period within which the next AGM of Opcom after that date it is required by law to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by an ordinary resolution passed by the shareholders of Opcom in a general meeting;

whichever is earlier.

2.2 Maximum Number or Percentage of Opcom Shares may be Purchased

Based on the Company's issued Shares of 279,087,237 as at the LPD, the maximum number of Opcom Shares which may be purchased by the Company pursuant to the Proposed Share Buy-Back shall not exceed 27,908,724 of Opcom Shares in aggregate. However, the actual number of Opcom Shares to be purchased and the timing of any purchase will depend on the market conditions and sentiments of Bursa Securities, the availability of financial resources and retained profits of our Company. In addition, the Board will ensure that the purchase of Opcom Shares will not result in the Company's public shareholding spread falling below the minimum public shareholding spread of twenty-five percent (25%) of the issued and paid-up share capital.

2.3 Treatment of Opcom Shares Purchased

Pursuant to the provisions of Section 127(4) and (7) of the Act, our Board may deal with the Opcom Shares in the following manner:-

- (a) to cancel the Opcom Shares so purchased; or
- (b) to retain the Opcom Shares so purchased as Treasury Shares; or
- (c) to retain part of the Opcom Shares so purchased as Treasury Shares and cancel the remainder; or If such Opcom Shares are held as treasury shares, the Board may:
 - (i) distribute the Treasury Shares as share dividends to Shareholders; or
 - (ii) resell the Treasury Shares or any of the said shares in accordance with the Listing Requirements; or
 - (iii) transfer the Treasury Shares or any of the said shares as purchase consideration; or
 - (iv) transfer the Treasury Shares or any of the said shares for the purposes of or under an employee's share scheme or such other purpose as allowed under the Act; or
 - (v) cancel the Treasury Shares or any of the said shares; or
 - (vi) sell, transfer or otherwise use the Opcom shares for such other purposes as the Minister may by order prescribe.

As at the date of this Circular, the Board has yet to make any decision with regard to the treatment of the Purchased Shares and will take into consideration the effects of such treatment on the Group in arriving at its decision. An immediate announcement will be made to Bursa Securities and the relevant authorities in respect of the Board's decision on the treatment of the Purchased Shares in compliance with the Listing Requirement and the Act.

In the event that the Purchased Shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in other distributions whether cash or otherwise would be suspended. The treasury shares shall not be taken into account in calculating the number or percentage of Shares or of a class of Shares in the Company for any purposes including the determination of substantial and major shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for meetings and the result of votes on the resolution at a meeting of members.

3. RATIONALE AND BENEFITS OF THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back if implemented, may provide the following potential benefits to the Company and its Shareholders:-

- (a) To enable Opcom Group to utilise its surplus financial resources to purchase the Shares of the Company to stabilise the supply and demand of its Shares in the open market and thereby support its fundamental value.
- (b) Should Opcom Shares be cancelled, either immediately or subsequently after being held as Treasury Shares, the Proposed Share Buy-Back is expected to improve the EPS of Opcom Group and benefit the Shareholders of the Company.
- (c) The Purchased Shares, which to be held as Treasury Shares may be realised with potential gain without affecting the total issued and paid-up capital of the Company. In the event the Treasury Shares are distributed as share dividends, it serves as a reward to the Shareholders of the Company.

4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

4.1 Potential Advantages

- (a) It allows the Company to utilise its surplus financial resources to purchase the Opcom Shares to enhance the value of shareholders' investments in the Company if there are no immediate use of the financial resources;
- (b) To stabilise the supply and demand of Opcom Shares traded on the stock market of Bursa Securities and mitigate the volatility of Opcom Share prices. The stability of Opcom Share prices is important to maintain investors' confidence to facilitate future fund-raising exercises of the Company via the equity market;
- (c) To provide opportunities for the Company to increase its financial resources if the Purchased Shares which are retained as treasury shares are resold at prices higher than the purchase prices;
- (d) In the event the Treasury Shares are distributed as share dividends by the Company, it will serve to reward the Shareholders of the Company; and

4.2 Potential Disadvantages

The potential disadvantages of the Proposed Share Buy-Back to the Company and its Shareholders are as follows:

- (a) The purchase of Opcom Shares pursuant to the Proposed Share Buy-Back, will reduce the financial resources available to the Group and may result in the Opcom Group forgoing future investment opportunities that may emerge in the future; and
- (b) It may reduce the amount of financial resources available for the repayment of the Group's borrowings, for working capital or for distribution in the form of dividends to the Shareholders of the Company. However, the working capital of Opcom Group may recover and increase upon the reselling of the Purchased Shares as treasury shares.

The Proposed Share Buy-Back is not expected to have any potential material disadvantage to the Company and its Shareholders, as it will be exercised only after in-depth consideration of the financial resources of Opcom Group and of the resultant impact on its Shareholders. The Directors in exercising any decision on the Proposed Share Buy-Back will be mindful of the interest of the Company and its Shareholders.

5. SOURCE OF FUNDS

Pursuant to the Listing Requirements, the Proposed Share Buy-Back must be made wholly out of retained profits of the Company. Therefore, the maximum amount of funds to be utilised for the Proposed Share Buy-Back shall not exceed the aggregate of the retained profits of the Company. Based on the audited financial statements of the Company for the financial year ended 31 March 2022, the retained profits of the Company were RM13,889,335.00.

The Proposed Share Buy-Back will be funded through internally generated funds and/or bank borrowings or a combination of both. The actual amount of borrowings will depend on the financial resources available at the time of purchase(s). The actual number of Opcom Shares to be purchased will depend on, amongst others, the prevailing market conditions, and sentiments of the stock market as well as the retained profits and the financial resources available to the Opcom Group at the time of the purchase(s).

The Board shall ensure that the Company has sufficient funds to repay the bank borrowings and interest expense in the event that the Company intends to purchase its own shares using bank borrowings and that the repayment would have no material effect on the cash flow of the Company. In addition, the Board will ensure that the Company satisfies the solvency test as stated in Section 112(2) of the Act before execution of the Proposed Share Buy-Back.

6. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, none of the Directors, Substantial Shareholders and persons connected to the Directors and/or Substantial Shareholders (as defined in the Listing Requirements of Bursa Securities) have any direct or deemed interest in the Proposed for Share Buy-Back and resale of Treasury Shares (if any).

The effect of the Proposed Share Buy-Back on the shareholdings of the Directors and Substantial Shareholder as at LPD, are set out as follows:

	Before the Proposed Share Buy-Back				After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors								
Dato' Mazlin Bin MD Junid	-	-	-	-	-	-	-	-
Ong Soon Lim	-	-	-	-	-	-	-	-
Teh Li King	-	-	-	-	-	-	-	-
Magnus Kreuger	-	-	-	-	-	-	-	-
Lim Kim Lee (f)	-	-	-	-	-	-	-	-
Substantial Shareholder								
Dato' Ong Choo Meng	44,344,400	15.89	-	-	44,344,400	17.65	-	-

7. PUBLIC SHAREHOLDING SPREAD

As at LPD, the public shareholding spread of the Company was 84.11%. The public shareholding spread after the Proposed Share Buy-Back is expected to be reduced to 82.35% assuming that the Proposed Share Buy-Back is implemented in full.

The Company will ensure that it will not purchase its own Shares if that purchase will result in the Company's public shareholding spread falling below the minimum threshold of 25%.

8. FINANCIAL EFFECTS TO THE PROPOSED SHARE BUY-BACK

8.1 Share Capital

The effect of the Proposed Share Buy-Back on the total number of issued shares of the Company will depend on whether the Purchased Shares are cancelled or retained as treasury shares.

Based on the total number of issued shares of the Company as at LPD and assuming that the maximum number of Opcom Shares (of up to ten percent (10%) of the total number of issued shares) authorised under the Proposed Share Buy-Back are purchased and cancelled, it will result in the total number of issued shares of the Company being reduced as follows:-

	<u>Share Buy-Back Minimum Scenario</u>	<u>Share Buy-Back Maximum Scenario</u>
Issued and Paid-Up Share Capital as at 31 March 2022	279,087,237	279,087,237
Assuming full exercise of the balance of Employees' Share Option Scheme ("ESOS") options	-	28,000,000
Enlarged total number of issued shares	<u>279,087,237</u>	<u>307,087,237</u>
Less: Maximum number of Shares that may be purchased pursuant to the Proposed Share Buy-Back	(27,908,724)	(30,708,724)
Total number of issued shares after the cancellation of shares purchased	<u>251,178,513</u>	<u>276,378,513</u>

However, the Proposed Share Buy-Back will not have any effect on the total number of issued shares of Opcom if all of the Purchased Shares are to be retained as treasury shares.

8.2 NA and EPS

The Proposed Share Buy-Back, if carried out, may increase or decrease the NA per Share of Opcom depending on the purchase price(s) of the Shares at the time that the purchase is made. The NA per Share will increase if the purchase price is less than the audited NA per Share but will decrease if the purchase price exceeds the audited NA per Share at the time the Shares are purchased.

For the Shares so purchased and kept as treasury shares, upon resale, the NA per Share will increase if the gain of the Shares resold has been realised. However, the quantum of the increase in NA per Share will depend on the selling prices of the treasury shares and the number of Treasury Shares resold.

8.3 Working Capital

The Proposed Share Buy-Back, as and when implemented, will reduce the working capital and cashflow of Opcom Group. The quantum of which will depend on, amongst others, the number of Purchased Opcom Shares, purchase price(s) and any associated cost incurred for the purchase of the Opcom shares. In the event that the treasury shares are subsequently resold on Bursa Securities, the working capital of the Group will increase upon the receipt of the proceeds of the resale.

8.4 Dividends

The Proposed Share Buy-Back is not expected to adversely affect the Company's ability to pay dividends as our Board will take into consideration the Company's profit, cash flow and the capital commitments before proposing any dividend payment. However, our Board will have the option of distributing the treasury shares as share dividends to the Shareholders of Opcom.

9. IMPLICATIONS RELATING TO THE CODE IN RELATION TO THE PROPOSED SHARES BUY-BACK

Pursuant to Rule 4 of the Code, a person and any parties acting in concert with him will be required to make a mandatory offer for the remaining Opcom Shares not already owned by him/her/them if his/her/their stake in the Company is increased to beyond 33% or if his/her/their shareholding is between 33% and 50% and increases by another 2% in any six (6) months period.

However, an exemption from mandatory offer obligation may be granted by the SC under the Code subject to the parties acting in concert complying with the conditions stipulated in the Code.

The Company intends to implement the Proposed Share Buy-Back in the manner that will not result in any of the shareholders having to undertake a mandatory offer pursuant to the Code. In this respect, the Board will be mindful of the requirements of the Code when implementing the Proposed Share Buy-Back. Nonetheless, if the obligation to undertake a mandatory general offer under the Code is expected to be triggered, the substantial shareholders and their respective parties acting in concert will apply for an exemption from the SC.

10. PREVIOUS PURCHASE, RESALE, CANCELLATION AND/OR TRANSFER OF TREASURY SHARES MADE IN THE PRECEDING TWELVE (12) MONTHS

There was no purchase, resale, cancellation and/or transfer of treasury shares made by Opcom in the preceding twelve (12) months and the Company does not hold any treasury shares.

11. HISTORICAL SHARE PRICES

The following table sets out the monthly highest and lowest prices of Opcom Shares traded on Bursa Securities for the preceding twelve (12) months from July 2021 up to June 2022:-

	High (RM)	Low (RM)
<u>2021</u>		
July	0.555	0.515
August	0.545	0.52
September	1.41	1.05
October	1.31	1.19
November	0.955	0.905
December	0.97	0.94
<u>2022</u>		
January	1.11	1.04
February	1.08	1.02
March	0.83	0.81
April	0.935	0.91
May	0.855	0.805
June	0.78	0.76
The last transacted market price of Opcom Shares as at LPD is RM0.765		
<i>(Source : The Wall Street Journal)</i>		

12. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save for the consequential increase in the percentage of shareholdings and/or voting rights of the Directors and substantial shareholders of the Company as a result of the decrease in the total number of issued share of the Company after the Proposed Share Buy-Back, none of the Directors and/or Substantial Shareholders and/or persons connected to them have any interest, either direct or indirect in the Share Buy-Back and the subsequent resale of treasury shares, if any, in the future.

13. APPROVAL REQUIRED

The Share Buy-Back is subject to the approval of the shareholders of Opcom at the forthcoming AGM to be convened.

14. DIRECTORS' RECOMMENDATION

The Directors, having considered the Proposed Share Buy-Back, are of the opinion that the Proposed Share Buy-Back is in the best interest of the Company and its shareholders. Accordingly, the Directors recommend that you vote in favour of the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming 27th AGM of the Company.

15. ANNUAL GENERAL MEETING

The ordinary resolutions to approve the Proposal is set out as Special Business in the Notice of the 27th AGM contained in Opcom's Annual Report 2022, which is sent to you together with this Circular dated 29 July 2022. The 27th AGM will be conducted on a virtual manner through live streaming from Broadcast Venue and online meeting voting provided by Mega Corporate Services Sdn. Bhd. on Thursday, 22 September 2022 at 10:00 a.m.

If you are unable to attend and vote at the 27th AGM, you are requested to complete, sign and deposit the Form of Proxy enclosed in the notice of 27th AGM the office of Poll Administrator, Mega Corporate Services Sdn. Bhd. at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan or email AGM-support.opcom@megacorp.com.my not later than forty-eight (48) hours before the time stipulated for holding the 27th AGM. Kindly refer to Administrative Guide to the Shareholders for further information.

The lodging of the Form of Proxy will not preclude you from attending and voting in person at the 27th AGM should you subsequently wish to do so.

16. 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' MAZLIN BIN MD JUNID
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 herein misleading.

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

As at the LPD, 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 Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur during normal office hours from Mondays to Fridays (except public holidays) from the date of this Circular up to the date of the 27th AGM:-

- (a) The Constitution of Opcom; and
- (b) The audited consolidated financial statements of Opcom for the past 2 financial years ended 31 March 2021 and 31 March 2022.

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