

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of OPCOM HOLDINGS BERHAD (“**OPCOM**” or “**the Company**”) and its subsidiaries (“**OPCOM 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 OPCOM 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 OPCOM Group has applied the principles and complied with the best practice provisions as laid out in MCCG throughout the financial year ended 31 March 2022 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 (“**CG 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 OPCOM 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 OPCOM 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 (“**AC**”), Nominating and Remuneration Committee (“**NRC**”) 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 the overall conduct of the Board. The Executive Director is 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 OPCOM Group’s various business activities on a day-to-day basis. The management leadership team executes and implements the policies and strategies approved by the Board in compliance with the corporate governance, risk management and internal control framework of OPCOM Group.

OPCOM Group has a well-structured and process-oriented communications framework to keep the Board and its committees informed of the OPCOM Group’s business activities continuously. Business workgroup activities are reported and measured against agreed KPIs of the OPCOM Group’s yearly business plan monthly. The OPCOM 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 OPCOM Group’s business activities, including important issues relating to business goals and objectives and internal controls.

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 fulfillment 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 the 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.

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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 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 has adopted the Directors’ Fit and Proper Policy for the appointment and re-election of Directors of OPCOM and OPCOM Group. This policy will enhance the governance of OPCOM Group in relation to the Board’s quality and integrity, as well as ensure that each of its directors has the character, experience, integrity, competence, time and commitment to effectively discharge his/her role as a Director.

The NRC shall conduct the fit and proper assessment prior to the appointment of any candidates as a Director or making a recommendation for the re-election of an existing Director of the Company and OPCOM Group.

The Board Charter, Code of Conduct, Whistleblowing Policy and Procedures, ABC Policy, Directors’ Fit and Proper Policy and the Schedule of Reserved Matters of the Board are made available for reference on 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 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.

2. BOARD COMPOSITION

2.1 Composition and Balance of the Board

The Board consists of five (5) members, comprising one (1) Executive Director, three (3) 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.

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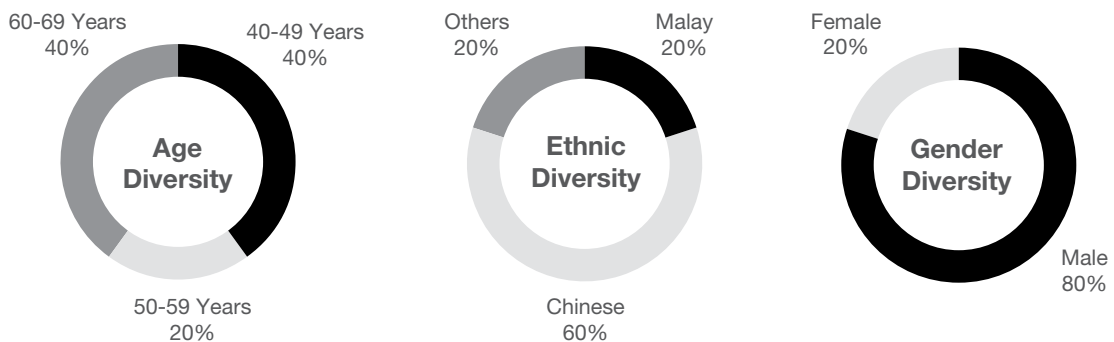
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PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD COMPOSITION (CONT'D)

2.1 Composition and Balance of the Board (Cont'd)

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 20 to 22 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.

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 (9) years. Upon completion of the nine (9) 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 (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

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 OPCOM Group that could reasonably be perceived to materially interfere with their exercise of unfettered and independent judgement.

The Board commits to increase the representation of women and people from cultural and linguistically diverse backgrounds. In addition, the Board supports broad diversity principles across the full range of diversified groups of people. The OPCOM Group is committed to create 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

2. BOARD COMPOSITION (CONT'D)

2.3 Directors' Remuneration

Nominating and 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 AC and the performance of the AC 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 members and the evaluation process is led by the NRC Chairman and supported by the Company Secretaries and Corporate Services Workgroup.

The NRC Report is as set out on pages 40 to 42 of this Annual Report, which outlines the NRC's membership, its responsibilities and a summary of activities carried out during the year.

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

1. Dato' Mohamed Sharil Bin Mohamed Tarmizi resigned on 26 April 2021;
2. Chan Bee Lean (f) resigned on 16 November 2021; and
3. Sven Janne Sjöden resigned on 16 November 2021

The aggregate remuneration of the Directors (including benefits-in-kind) for the financial year ended 31 March 2022 is as follows:-

Directors	Company		Group	
	Directors' Fee (RM)	Allowances (RM)	Directors' Fee (RM)	Salary (RM)
Dato' Mazlin Bin MD Junid (Appointed wef 21 July 2021)	16,600	21,000	-	-
Ong Soon Lim (Appointed wef 21 July 2021)	16,600	7,500	19,500	172,882
Teh Li King	24,000	10,500	-	-
Magnus Kreuger	24,000	25,000	-	-
Lim Kim Lee (f) (Appointed wef 16 November 2021)	8,933	10,500	-	-
Dato' Mohamed Sharil Bin Mohamed Tarmizi (Resigned wef 26 April 2021)	1,733	2,000	-	-
Sven Janne Sjöden (Resigned wef 16 November 2021)	15,067	6,000	-	-
Chan Bee Lean (Resigned wef 16 November 2021)	15,067	12,500	-	-

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

2. BOARD COMPOSITION (CONT'D)

2.3 Directors' Remuneration (Cont'd)

Nominating and 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 a decision on 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 on the Company's website, www.opcom.com.my.

Remuneration of Senior Managements

The total remuneration received by senior management of the Group including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000, in respect of the financial year ended 31 March 2022, is tabulated below:-

RANGE OF REMUNERATION	NUMBER OF SENIOR MANagements
Below RM50,000	-
RM50,001 – RM100,000	1
RM100,001 – RM150,000	1
RM150,001 – RM200,000	-
RM200,001 – RM250,000	2
RM250,001 – RM300,000	-
RM300,001 – RM350,000	-
RM350,001 – RM400,000	1

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 OPCOM 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 is 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 the business and affairs of the OPCOM Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

3. BOARD EFFECTIVENESS (CONT'D)

3.2 The Board Meeting

The Board meets regularly, at least once in every quarter, to review the OPCOM 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 2022, the Board held five (5) meetings. Directors' attendance at these meetings can be found in the Board of Directors' profile on pages 20 to 22. At Board meetings, strategies and performance of the OPCOM 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/ briefings on regulatory and industry trends were held at Board and Committee meetings.

The Board continuously encourages 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 the financial year ended 31 March 2022, the Company has in place an AC which comprises three (3) Independent Non-Executive Directors. The role of the AC is to oversee the processes for the preparation and completion of the financial data. The AC reviews financial reports, related party transactions, situations of potential conflict of interests and the internal controls of the OPCOM Group.

The AC 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 AC 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

The Risk Management Committee holds monthly meetings and reports to the AC. 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 OPCOM Group is always on alert for 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 OPCOM Group's procurement activities as well as the OPCOM 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 that require Board approvals.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

3. Tender Committee (Cont'd)

The Committee also looks into and reviews 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 OPCOM Group's assets and therefore shareholders' investments in the OPCOM Group. This system, by its nature, can only provide reasonable but not absolute assurance against material misstatement, fraud or loss.

Currently, OPCOM Group does not maintain an Internal Audit Department but outsourced its Internal Audit function to Wensen Consulting Asia (M) Sdn. Bhd., who reports directly to the AC, to ensure independent reviews be carried out on the adequacy and integrity of the OPCOM Group's system of internal controls. The Board considers the system of internal controls instituted throughout the OPCOM Group sound and sufficient. The total cost incurred for the Internal Audit activities of OPCOM Group for the financial year under review was RM29,500. The Statement on Risk Management and Internal Control furnished on pages 43 to 47 of the Annual Report provides an overview of the state of internal controls within the OPCOM Group.

5. Relationship with the Auditors

Through the AC, the Board has established and maintained a formal and transparent relationship with OPCOM Group's External and Internal Auditors. A summary of the activities of the AC during the financial year is set out under the AC Report on pages 37 to 39 of the Annual Report.

The AC will have a private session with the External Auditors without the presence of any executive of OPCOM Group at least twice a year. Liaison and unrestricted communication exist between the AC and External Auditors. The AC 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 OPCOM 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 the Annual Report to the shareholders. The AC 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 OPCOM 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 OPCOM Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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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 OPCOM Group keeps accounting records which disclose with reasonable accuracy the financial position of the OPCOM 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 OPCOM 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 OPCOM Group known as www.opcom.com.my;
- the yearly annual report; and
- participating in investor forums with research analysts, fund managers and investors.

The Shareholders' Communication Policy is made available for reference on 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 votes for and against the resolution, is 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 MCGG

The Board is supportive of all the recommendations of the MCGG and has ensured that the recommendations set out in the MCGG 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 22 July 2022.

Key Focus Areas And Future Priorities In Relation To Corporate Governance Practices

In view of the enhancements in the corporate governance regulations, the Board has reviewed and updated the existing policies and procedures to ensure that they are kept contemporaneous and relevant to the Company's needs. The Board will further look into the enhancements or developments of corporate governance policies and procedures, as the case may be.