

HEXTAR CAPITAL BERHAD**(formerly known as Opcom Holdings Berhad)****Registration No.: 199401036979 (322661-W)**

Appendix I (Questions and Answers during the Extraordinary General Meeting held on 29 December 2023)

Questions received from Minority Shareholders Watch Group :-

1. Please tabulate the acquisitions undertaken by the Company since the beginning of 1 July 2021 (beginning of the financial year ended 30 June 2022) to include information such target company/ stake, purchase price, net assets (“NA”) as at date of sale and purchase agreement, net assets as at latest reported results, return on investment (“ROI”), as set forth in the table below:-

Target company/stake	Purchase price (RM' million)	NA (RM)	Latest NA (RM)	ROI to-date (%)
T&J Engineering Sdn Bhd / 100%	Up to 90	(1,751,777) as at 31 December 2021	43,000,000 (unaudited as of 30 September 2023)	29% (unaudited as of 30 September 2023)
Binasat Communications Berhad / 18.03%	39.2	126,637,081 as at 30 June 2022	N/A (acquisition completed on 2 Oct 2023, the latest reported results will be for the period ending 31 December 2023).	N/A
Transgrid Ventures Sdn Bhd/ 49%	98	75,916,240 as at 31 December 2022	N/A (pending completion of the deal)	N/A

2. For acquisition with negative ROI in (1) above,
- (a) Were there any unforeseen challenges or issues discovered post-acquisition that may have impacted the performance?
- We are not aware of any unforeseen challenges or issues discovered post-acquisition that may have impacted the performance.
- (b) What are the measures in place to mitigate potential losses from underperforming acquisitions?
- We are not aware of any underperforming acquisitions and the consequential potential losses that warrant any mitigation remedies.
3. The Binasat Communications Berhad (“Binacom”) shares has been trading below RM0.56 for the past 1 year. What are the reasons for not buying the shares from the markets?

HEXTAR CAPITAL BERHAD

(formerly known as Opcom Holdings Berhad)

Registration No.: 199401036979 (322661-W)

Appendix I (Questions and Answers during the Extraordinary General Meeting held on 29 December 2023)

- The reasons for buying the shares directly from the existing shareholders of Binacom instead of buying the shares from the markets were mainly attributable to the following:-
 - (i) With the proposed 6.75% equity interest acquisition, Binacom will subsequently become an associate of the Company, whereby the Company could have significant control or influence in Binacom's decision-making process;
 - (ii) The Company is of the view that the prospects of Binacom are good, which is supported by the favourable industry outlook stated in Sections 4.2 and 4.3 in the Circular; and
 - (iii) The acquisition of the shares is more efficient via direct negotiation as opposed to acquiring from the open market, which could potentially be time-consuming and more expensive for a block of that size.
4. The Purchase Consideration of RM14,684,332 or RM0.56 per Binacom Share was arrived at on a willing-buyer and willing-seller basis, after taking into consideration, amongst others, the prospects of Binacom Group.
- (a) Please elaborate on the process that the Board or management of HexCap undertook to determine the acquisition price.
- The management of HexCap was taking into consideration the share price of Binacom Share and the same price (i.e. RM0.56 per Binacom Share) that was offered to Na Boon Aik in the 18.03% Acquisition. Additionally, the management of HexCap also taken the prospects of Binacom Group in which Binacom Group secured contracts to provide internet services via satellite and 4G connectivity and telecommunication equipment installation, commissioning, integration, acceptance service, radio network optimisation service as well as its appointment as the Maxis Exclusive Partner ("MEP") to manage and operate the 3 CODO MEP outlets located in Kelantan and Pahang. Further, the management of HexCap was also taken into consideration the Independent Valuation Letter prepared by QuantePhi in determining the acquisition price.
- (b) Has the Company considered alternative strategies or negotiated a more favorable price for the acquisition?
- We believe that Hexcap has negotiated the price considering the Independent Valuation Letter prepared by QuantePhi, as mentioned in item 4(a) above. At the same time, Hexcap has also performed an alternative assessment based on the implied Price Earning (PE) Multiple of Binacom compared to the selected comparable companies in the telecommunications industry. Please refer to our announcement dated 22 September 2023. As such, the Company is of the view that the price for the acquisition is reasonably fair.
- (c) According to the efficient market hypothesis, investors believe all public information is reflected in security prices. In the weak form, they acknowledge that new information might not be incorporated, leaving opportunities for skilled analysts.

Does the Company anticipate any significant changes in Binacom's market value or trading price that could justify the premium paid in the acquisition?

- The Company anticipates a positive prospect for Binacom, considering that Binacom has secured several projects as mentioned in 4(a) above. We are optimistic that the favourable industry outlook stated in Sections 4.2 and 4.3 in the Circular will enhance the earnings base and shareholders' value of Binacom.

HEXTAR CAPITAL BERHAD

(formerly known as Opcom Holdings Berhad)

Registration No.: 199401036979 (322661-W)

Appendix I (Questions and Answers during the Extraordinary General Meeting held on 29 December 2023)

5. “HexCap is able to realise further synergies through collaborations with Binacom to leverage on each other’s resources and expertise to provide a more comprehensive suite of services which may be offered to their existing customers or marketed to new customers”

Please provide an example on how potential synergies maybe realised via collaboration between HexCap and Binacom.

- HexCap and Binacom could collaborate to bundle their services such as, but not limited to, the provision of support services for satellite, mobile, and fibre optic telecommunications networks, manufacturing and distribution of fibre optic cables, and provision of telecommunication network infrastructure solutions into a package, to offer a one-stop solution for their communication needs and to an expanded clientele portfolio, wherever applicable.

Questions received from Shareholders/Proxy Holders

6. Will the Board consider giving door gifts such as e-voucher or e-wallets for members who participated in the EGM as token of appreciation?

- The Board noted on the requests and giving the challenging time of HexCap is facing currently, HexCap is putting efforts to reduce the operating cost.