

HEXTAR CAPITAL BERHAD**(formerly known as Opcom Holdings Berhad)****Registration No.: 199401036979 (322661-W) (“HexCap”, “HCB” or “the Company”)**

Appendix I (Questions and Answers during the Annual General Meeting of the Company held on 29 March 2024)

Questions received from Minority Shareholders Watch Group :-**Operational And Financial Matters**

1. Opcom VC Sdn. Bhd., a wholly-owned subsidiary of HexCap, had completed the acquisition of a total of 24.78% equity interests in Binasat Communications Berhad (“**Binacom**”) in January 2024 (Page 149 of the Annual Report 2023 “**AR2023**”).

Has HexCap initiated any collaboration with Binasat to-date? If yes, please provide a brief summary on project that HexCap and Binacom are collaborating on. If not, when is HexCap expected to commence collaboration with Binacom?

- We wish to highlight that our acquisition of Binacom was completed less than three months ago. Notwithstanding, we are currently in discussions with the management of Binacom on potential collaborations for projects and areas to integrate to capitalize on synergies between the two groups of companies. Any forthcoming collaboration or corporate developments will be duly announced where required.

2. There were non-deductible expenses of RM5.78 million for the FPE 30 September 2023 (FYE 2022: RM1.43 million) (Page 133 of AE2023). Please tabulate the top 5 non-deductible expenses and the corresponding amount.

- Kindly refer to the table below:-

Descriptions	2023 (RM'mil)	2022 (RM'mil)
Impairment loss on investment in associates	3.4	-
Share-based payment expenses (ESOS)	-	1.2
Modification loss on financial assets	0.9	-
Professional fee	0.4	*
Impairment loss on property, plant & equipment	0.2	-
Impairment loss on short term investment	0.1	-
	5.0	1.2

* Amount less than RM0.1 mil

3. On 5 December 2023, a wholly-owned subsidiary of the Company, Opcom Trading Sdn. Bhd. obtained a moneylender license issued under the Moneylenders Act 1951 and the Moneylenders (Control and Licensing) Regulations 2003 from the Ministry of Housing and Local Government.” (Page 149 of AR2023).

Please elaborate on the strategic rationale behind acquiring a moneylender license through Opcom Trading Sdn. Bhd., especially considering that it diverges from the Company's core businesses.

- Our core business activities remain unchanged. The intention for acquiring a moneylender license through Opcom Trading Sdn. Bhd. aligns with our strategic objective of providing financial support to our contractors and buyers when needed for project financing purposes.

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Corporate Governance Matters

4. Mr. Ong Soon Lim is a Non-Independent Non-Executive Director of the Company. He is also the Group Managing Director of Binacom. His nephew, Dato’ Ong Choo Meng is the substantial shareholder of HexCap (27.27% equity interests). Please provide more clarity on Mr. Ong Soon Lim’s roles within HexCap and his involvement with Binacom? Specifically, how does the Board ensure that his positions do not create conflicts of interest that may adversely impact the interests of HexCap shareholders?
 - Mr. Ong Soon Lim serves a crucial role in providing oversight and strategic guidance, particularly concerning synergy and integration with Binacom. Additionally, he advises on major decisions, sets policies, and contributes to ensuring the long-term success of the organization. He also represents HexCap’s investment interests in Binacom. To address potential conflicts of interest, our Audit Committee diligently reviews and reports to the Board any situations that may adversely affect the interests of HexCap’s shareholders. Furthermore, they propose measures to resolve, eliminate, or mitigate such conflicts, if they arise.
5. Please provide clarification on the increase in directors fees from RM204,000 for the financial period ended 30 September 2023 to RM350,000 for 1 October 2023 until the next Annual General Meeting of the Company.
 - The director's fees of RM204,000 for the financial period ended 30 September 2023 covers the period from 1 October 2022 to 30 September 2023 (12 months). Whereas the director's fees of RM350,000 encompass the period from 1 October 2023 until the next Annual General Meeting (“AGM”) in year 2025 (Approximate 18 months). This increase is thus primarily attributable to the provision of directors’ fees for the extended period. Should this be insufficient for the payment of the Directors’ fees due to an increase in Board or Board Committee meetings, or an expansion in Board size, the Company will seek shareholders' approval at the subsequent AGM.
6. What governance structures and oversight mechanisms are in place to ensure prudent management and supervision of Opcom Trading Sdn. Bhd.'s activities as a licensed moneylender?
 - Opcom Trading Sdn. Bhd. adheres to the Moneylenders Act 1951 in Malaysia, overseen by the Ministry of Housing and Local Government [Kementerian Pembangunan Kerajaan Tempatan (“KPKT”)]. The money lending license is granted by KPKT after thorough evaluation of the Company's financial stability, business practices, and compliance with licensing requirements to maintain its legal status as a money lender. The Board of Directors of HexCap is also required to ensure compliance with the ACE Market Listing Requirements, in particular Rule 8.25.
 - At present, Opcom Trading Sdn. Bhd. has not extended to any loan/advances to any party in the ordinary course of business as a licensed moneylender.

Sustainability Matters

7. Please provide specific metrics or targets related to HexCap’s sustainability initiatives, such as reduction targets for energy consumption, waste generation, or carbon emissions? How are these metrics monitored and evaluated for progress?
 - We are in the midst of collecting data and setting the target for common sustainability matters. Specific metrics and targets for energy management will be disclosed in our annual report of 2025, as required by the ACE market listing regulations. Similarly, metrics related to waste management and emissions reduction will be outlined in our annual report of 2026.

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Questions received from Shareholders/Proxy Holders

8. Any free gift or voucher as a token of appreciation to the shareholders who attend the AGM today?
- Thank you for your suggestion/request for free gifts, vouchers, or similar items during the AGM. We noted your request and assure you that we will take it into consideration for future AGMs. We appreciate your interest and support as a shareholder.
9. When can the investors expect a dividend pay-out?
- The Group do not have any formal dividend policy. Distribution of dividends to shareholders in future is our intention. Nevertheless, there are some factors that will impact our Board’s decision on dividend pay-out, including financial performance, capital expenditure requirements, general financial condition and any other factors considered relevant to our Board. However, no dividend was proposed or declared in the financial year 2023.
10. Will the Company diversify into new range of production?
- Our Company is exploring new potential products to facilitate the Group’s growth and advancement. Currently, we are satisfied with the products and services that we offer to our customers and clients. We remain dedicated to seeking sound investments for our business, prioritizing sustainability, and focus on delivering exceptional services to our customers.
11. The Company’s share price has not been performing and there is no dividend declared for the shareholders. Please advise the Directors’ action for the above.
- Dividend pay-out considerations are addressed in the response provided in question 9. Whereas, the Company’s share price is determine by the market. Our primary focus is on delivering exceptional services to our customers which this drives us to long-term success and thereby generate rewarding values to all stakeholders. This remains our core objective and focus.
12. When does the Company plan to distribute the treasury shares and what is the expenditure allocated for this meeting platform?
- The Company does not possess any treasury shares and there is no expenses associated with utilizing this Broadcast Venue for the meeting.
13. The Company's shares have declined to RM0.40 from a peak of RM1.30. What strategies does the Company plan to implement or consider to enhance profitability?
- The Board will refrain from commenting on the market forces influencing the Company's share price. Nevertheless, we remain committed to providing exceptional products and services to our customers, aiming to drive long-term success and create value for our stakeholders.