

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 Extraordinary General Meeting of the Company held on 24 April 2024)

Questions received from Minority Shareholders Watch Group :-

1. The following tables below set forth the disposal consideration for Unigel (UK) Limited (UUK) and Unigel IP Limit (UIP):-

UUK

	Payment terms	Timing	GBP	%
(a)	Cash	By 31 January 2024	130,000	10.00
(b)	Cash	By 31 March 2024	260,000	20.00
(c)	Cash	By 31 May 2024	910,000	20.00
		Total	1,300,000	100.00

UIP

	Payment terms	Timing	GBP	%
(a)	Cash	By 31 January 2024	40,000	10.00
(b)	Cash	By 31 March 2024	80,000	20.00
(c)	Cash	By 31 May 2024	280,000	20.00
		Total	400,000	100.00

The first payment was received by respective solicitors of the purchasers on 31 January 2024. Have the respective purchasers of UUK and UIP made payment for the second installment which was due on 31 March 2024?

- Yes. The second payment was received by respective solicitor of the purchasers on 26 March 2024 and 28 March 2024 respectively.
2. The Placement Shares will be issued at a price of not more than 20% discount to the 5-Day Volume Weighted Average Market Price (5DVWAMP) of HexCap Shares immediately preceding the price fixing date(s).

Appendix 6B Part A (9) of the ACE Market Listing Requirements requires that the issue price of the new issue of securities, the basis of determining the issue price and justification for the pricing to be included in the Circular to shareholders.

- (a) What is the reason for not including the justification for issuing the placement shares at a price of not more than 20% discount to the 5DVWAMP of HexCap Shares.
- The justification for issuing the placement shares at a price of not more than 20% discount to the 5DVWAMP of HexCap Shares are taken into consideration the funding requirements of HexCap Group as set out in Section 3 of the Circular as well as to provide the Board the flexibility to fix at any price range up to a maximum discount of 20% discount to the 5DVWAMP of HexCap Shares at the pricing fixing date in order to entice investors to subscribe for the Placement Shares. The same disclosures are included in Section 2.3.1 of the Circular.
- (b) In view of the aforementioned discount as well as the placement size, this placement exercise is diluting the existing shareholders' shareholdings. Please provide justification for pricing the placement shares at a discount of up to 20% to the 5DVWAMP of HexCap Shares, taking into consideration the prospects of HexCap Group.
- Pricing the placement shares at a discount of up to 20% to the 5DVWAMP of HexCap Shares can entice investors to subscribe for the Placement Shares and expedite the capital-raising process.

In conjunction with the prospects of HexCap Group as mentioned in Section 6.4 of the Circular, pricing placement shares at a 20% discount can facilitate raising the

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necessary funds more efficiently. This enables the Company to pursue strategic opportunities and enhance its competitive position in the market.

3. The Group plans to use RM34.50 million from the proceeds of the Proposed Disposals and Proposed Private Placement for various purposes including funding performance bonds, purchasing raw materials, covering insurance and mobilisation costs, and staffing for existing and future contracts. HexCap also intends to allocate funds for expenses related to tendering for future contracts in its telecommunication network infrastructure solutions and power generation and transmission businesses. The Company cannot provide a detailed breakdown of these expenses yet, as each contract has unique requirements and specifications. (Page 9 of the Circular to shareholder dated 5 April 2024).

What contingency plans are in place to address any unforeseen circumstances or changes in contract requirements that may impact the allocation of funds earmarked for specific purposes?

- The proposed private placement serves as an additional source of funding for the Group without incurring interest expenses as compared to borrowings. We will prioritize allocating funds to contracts that align closely with our core business objectives, demonstrate strong growth potential, and offer favorable risk-adjusted returns. By leveraging funding sources and strategic allocation approach, we aim to address unforeseen circumstances or changes in contract requirements that may impact the allocation of funds.

4. In the event that the payment of the TP-Tied Consideration for FYE 31 December 2023 to the vendor of Transgrid Venture Sdn Bhd (“TVSB”) is less than RM9.80 million (if TVSB fails to attain the TPAT of RM20.00 million for FYE 31 December 2023), any excess of proceeds allocated for the payment of the TP-Tied Consideration for FYE 31 December 2023 shall be adjusted against the utilisation for the working capital requirements of the Group. (Page 11 of the Circular to shareholder dated 5 April 2024).

In the reply to MSWG dated 29 November 2023, it was mentioned that TVSB Group has already achieved the TPAT of RM20.00 million in respect of FYE 31 December 2023 in September 2023.

- (a) Please clarify if TVSB has achieved the TPAT in respect of the FYE 31 December 2023.

- TVSB has achieved the TPAT for the FYE 31 December 2023.

- (b) “Opcom expects to fund approximately 30.0% of the Cash Consideration via bank borrowings and the remaining via internally generated funds. However, the final proportions will be determined later after taking into consideration Opcom’s gearing level, interest costs and cash reserves.” (Page 13 of Circular dated 9 November 2023 relating to acquisition of TVSB).

In the reply to MSWG dated 29 November 2023, it was mentioned that the Group is waiting for the final approval for a banking facility to cater for the acquisition of TVSB.

- (i) Please clarify if HexCap has obtained any banking facilities to fund the acquisition of TVSB. If yes, what is the amount of the bank borrowings and the effective interest rates?

- Yes. HexCap has secured a banking facility amounting to RM10million to facilitate the Tranche 1 cash consideration related to the acquisition of TVSB. The effective interest rate for this facility is 1.75% per annum above the i-COF.

- (ii) What are the reasons to raise funds via private placement to pay for the TP-Tied Consideration (as compared to the source of funding disclosed in the circular to shareholders dated 9 November 2023)?

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- Following subsequent assessment, we determined raising funds through private placement would optimize overall financial position by maintaining an appropriate balance between debt and equity financing. Private placement also improve liquidity and provides financial flexibility in securing the necessary funds to fulfil our financial obligations associated with the acquisition.
- (iii) How often does HexCap review the funding requirements of the Group to ensure they fulfil its short-term and long-term financial obligations and align with the Company's objectives?
- HexCap regularly reviews funding requirements monthly for short-term needs and annually for long-term planning.

Questions received from Shareholders/Proxy Holders

5. Any free gift or voucher as a token of appreciation to the shareholders who attended the EGM today?
- Thank you for your suggestion/request for free gifts, vouchers, or similar items during the EGM. We noted your request and assure you that we will take it into consideration for future EGMs. We appreciate your interest and support as a shareholder.