

COMINTEL CORPORATION BHD (“COMCORP” OR “COMPANY”)

Transfer of the entire issued share capital of Total Package Work Sdn Bhd (formerly known as Indusmatic Corporation Sdn Bhd) (“TPW”) and Comintel Mobility Sdn Bhd (“CMSB”) from Comintel Sdn Bhd (“Comintel”), a wholly-owned subsidiary of Comcorp to Comcorp pursuant to the internal reorganisation (“Transfer of Subsidiaries”)

1. INTRODUCTION

The Board of Directors of Comcorp (“**Board**”) wishes to announce that the Transfer of Subsidiaries that was undertaken by the Company pursuant to the Reorganisation Agreement dated 22 July 2020 entered into amongst Comcorp, Comintel, TPW, CMSB, Comintel (HK) Limited, Comintel Tech Services Sdn Bhd, Comintel System Technologies Sdn Bhd, Comintel Green Technologies Sdn Bhd and PT. Intelcom Indonesia has been completed on 7 September 2020, upon receipt of the duly executed and stamped instrument of transfer on the even date.

Further details of the Transfer of Subsidiaries are set out in the ensuing sections.

2. DETAILS OF THE TRANSFER OF SUBSIDIARIES

The Transfer of Subsidiaries entails the transfer of 100% equity interest in the following subsidiaries from Comintel to Comcorp:

- (i) 100,000 ordinary shares in TPW, representing the entire equity interest in TPW for a cash consideration of RM2.00; and
- (ii) 250,000 ordinary shares in CMSB, representing the entire equity interest in CMSB for a cash consideration of RM2.00.

The consideration for the Transfer of Subsidiaries is based on the nominal value of each company in view that TPW and CMSB are loss making and in net liabilities position as at 31 January 2020. TPW and CMSB are wholly-owned subsidiaries of Comcorp upon completion of the Transfer of Subsidiaries on 7 September 2020.

2.1 Information on TPW

TPW was incorporated in Malaysia under the Companies Act 1965 on 6 July 1985 as a private limited company under the name of Indusmatic Corporation Sdn Bhd and subsequently assumed its present name on 5 February 2020.

TPW is principally engaged in the provision of research and development services and dealers in all kinds of telecommunication and electronic equipment and the provision of related services.

2.2 Information on CMSB

CMSB was incorporated in Malaysia under the Companies Act 1965 on 8 July 2000 as a private limited company under the name of Comintel.Com Sdn Bhd and subsequently assumed its present name on 21 November 2011.

CMSB is principally engaged in providing services for mobile applications, hosted mobile devices management platform and as a mobile virtual network operator.

3. RATIONALE FOR THE TRANSFER OF SUBSIDIARIES

The Transfer of Subsidiaries is part of the Company's initiatives to streamline the business segments of the group to achieve operating efficiency. It is also consistent with the Company's long term business plan to strengthen its system integration and defence maintenance segments whereby TPW and CMSB will be undertaking future projects secured by the group.

4. EFFECTS OF THE TRANSFER OF SUBSIDIARIES

The Transfer of Subsidiaries will not have any effect on the earnings, net assets, gearing, share capital and substantial shareholders' shareholdings of Comcorp for the financial year ending 31 January 2021.

5. APPROVALS REQUIRED

The Transfer of Subsidiaries is not subject to the approval of the shareholders of the Company or other relevant authorities.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED

None of the Directors, major shareholders of Comcorp and/or persons connected to them have any interest, whether direct or indirect, in the Transfer of Subsidiaries.

This announcement is dated 9 September 2020.