

TRANSFORMING THE FUTURE, TODAY



WE LISTEN

WE TRANSFORM

WE LEAD

Annual Report **2024**

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ABOUT SCICOM

Scicom is at the forefront of delivering Artificial Intelligence (AI) driven digital business solutions, helping organisations unlock new possibilities and achieve breakthrough outcomes. Our comprehensive suite of business transformation solutions, including customer lifecycle management, Gov-Tech, digital commerce, and corporate education, empowers clients to navigate the complexities of a rapidly evolving digital landscape.

Since our inception in 1997 and listing on the Main Market of Bursa Malaysia Securities Berhad in 2005, Scicom has grown into Malaysia's leading Business Process Outsourcing (BPO) and Managed Services company, trusted by businesses and governments globally. With a diverse team of over 2,500 professionals, we serve clients across the Americas, Europe, Asia, Africa, and the Middle East. Our AI-led approach enables our clients to stay ahead of market dynamics, enhance customer engagement, and drive operational excellence.

Scicom blends deep industry expertise with advanced AI technologies to deliver innovative, customer-centric solutions that address today's most pressing challenges and position our clients for long-term success:

AI-Driven Customer Lifecycle Management. Scicom leverages AI to transform customer care, enhancing service delivery through predictive analytics, intelligent automation, and data-driven personalisation to elevate customer experiences.

Gov-Tech Reinvented with AI. Our AI-enhanced Gov-Tech solutions are designed to modernise public service delivery, optimise government operations, and enable seamless citizen engagement, making governments smarter and more responsive.

Digital Commerce and Innovation. Through AI and advanced analytics, Scicom helps clients unlock new revenue streams, enhance service effectiveness, and streamline processes, delivering tangible business outcomes that drive growth.

Future-Ready Corporate Education. Scicom's corporate education solutions harness AI to upskill workforces, equipping employees with the digital and analytical skills required to thrive in an AI-enabled world.

Scicom's recognition on Forbes Asia on the "Best Under A Billion 2023" list, underscores our commitment to delivering exceptional performance, robust financial management, and strategic foresight. We continue to invest in next-generation AI solutions that redefine customer experiences and set new benchmarks in digital business transformation.

At Scicom, we are not merely responding to change—we are shaping it. Our AI-powered solutions are designed to empower our clients to reimagine what's possible, driving the future of business in the digital age.

AWARDS AND RECOGNITION

FORBES BEST UNDER A BILLION



In August 2023, the Group was honoured by Forbes Asia as one of the nine Malaysian companies in the "Best Under a Billion" category for 2023, recognising its consistent top and bottom-line growth. This prestigious accolade highlights Scicom's remarkable performance and resilience amid global economic challenges, including inflationary pressures and rising operational costs. The recognition underscores the Group's robust fiscal management, strategic vision, and ability to thrive in a complex economic environment, further solidifying Scicom's reputation as a leader in its industry. This achievement is a testament to the company's commitment to excellence, adaptability, and sustained financial health.

INTERNATIONAL ASSOCIATION OF OUTSOURCING PROFESSIONALS (IAOP)



Our recognition as a "Leader" in the IAOP 2024 Global Outsourcing 100 list reflects our unwavering commitment to excellence and innovation within the outsourcing industry. The International Association of Outsourcing Professionals (IAOP) is a global organisation that recognises excellence in the outsourcing industry. The annual Global Outsourcing 100 list highlights the top service providers based on performance, innovation, and impact. Scicom's inclusion demonstrates its continued strong performance and recognition in the global outsourcing industry.

SERVICE CAPABILITY & PERFORMANCE (SCP) STANDARDS



The Service Capability & Performance (SCP) Standards are globally recognised benchmarks that evaluate the effectiveness of service organisations across multiple dimensions. Developed by Service Strategies, the SCP Certification assesses a company's ability to deliver high-quality service through a detailed examination of foundational and functional criteria, such as planning, strategy, financial management, service delivery, and the use of technology. Achieving SCP Certification signifies adherence to industry best practices, underscoring a commitment to operational excellence, continuous improvement, and customer satisfaction.

Scicom's SCP Certification Index Score of 161.95 significantly outperforms the SCP Community Benchmark of 127.10, highlighting our leadership in key service capability areas. Scicom's outstanding performance in the SCP Standards Certification reinforces our strategic positioning as a leader in service capability and operational excellence. Our above-benchmark scores across foundational and functional criteria validate our approach to strategic planning, financial management, employee development, and technology utilisation. This recognition not only highlights our current achievements but also sets a strong foundation for future growth.

CUSTOMER LIFE-CYCLE MANAGEMENT

Scicom is a global leader in the Customer Service BPO industry, consistently ranked among the top 100 companies worldwide for over 20 years. Our AI-powered autonomous contact centre solutions drive exceptional business outcomes through multi-lingual, omnichannel customer experiences across acquisition, care, and back-office operations.

We partner with leading brands across diverse sectors—including airlines, financial services, telecommunications, consumer electronics, media, travel, e-commerce, healthcare, and governments. Our solutions are tailored to both B2C and B2B markets, transforming every customer interaction into an opportunity to enhance satisfaction and loyalty.

OUR SOLUTION SETS



Customer Engagement and Experience Solutions

- Omnichannel and Multi-Lingual Customer Experience
- Conversational AI
- Automation – Chatbots and IVR Deflection
- Design-Led Customer Experience (CX) Strategy



Core Contact Centre and AI Solutions

- Human + Machine Collaboration
- Generative AI – Large Language Models (LLMs) for Knowledge Base



Data-Driven Insights and Customer Management

- Data Analytics & Customer Insights
- Customer Segmentation, Lead Generation, and Conversion
- Churn Management



Contact Centre Technology and Transformation Services

- Autonomous Contact Centres
- Customer-Centric Digital Transformation Consulting





**DELIVERING EXCEPTIONAL
EXPERIENCES AT SCALE**

AI



”

INNOVATION-DRIVEN,

CITIZEN-CENTRIC

SCICOM GOV-TECH

Scicom Gov-Tech empowers governments to transform public service delivery through innovative, technology-driven solutions. By integrating digital transformation, advanced data analytics, artificial intelligence, and robust cybersecurity measures, Scicom Gov-Tech modernises government operations, enhances citizen services, and enables government clients to achieve strategic objectives, meet performance targets, and reduce operational costs.

OUR SOLUTION SETS



Digital Identity and Verification Solutions

- Digital ID & Citizen Identification Solutions
- eKYC (Know Your Customer) Solutions
- Document Verification Management Solutions



Immigration and Border Control Solutions

- Border Control Solutions
- E-Visa & Permit Solutions
- Advanced Passenger Screening (APS) & Interpol Integration Solutions
- Migrant Worker Management Solutions
- E-Passport Personalisation Solutions



Education Solutions

- International Student Management Solutions



Government Infrastructure and Data Solutions

- Digital Government Platforms, Cloud Computing & Cybersecurity Solutions
- Analytics and Business Intelligence

SCICOM DIGITAL

Scicom Digital drives business growth by transforming traditional operations into digital ecosystems. Specialising in digital strategy, experience design, data analytics, cloud computing, web and app development, automation, cybersecurity, and digital marketing, Scicom Digital optimises performance, streamlines processes, and enhances customer engagement, creating new revenue opportunities.

OUR SOLUTION SETS



Experience Design and Development

- Customer Experience Design
- Website & Mobile App Design and Development
- Content Creation and Management



Digital Strategy and Marketing

- E-Commerce Strategy & Platforms
- Digital Marketing



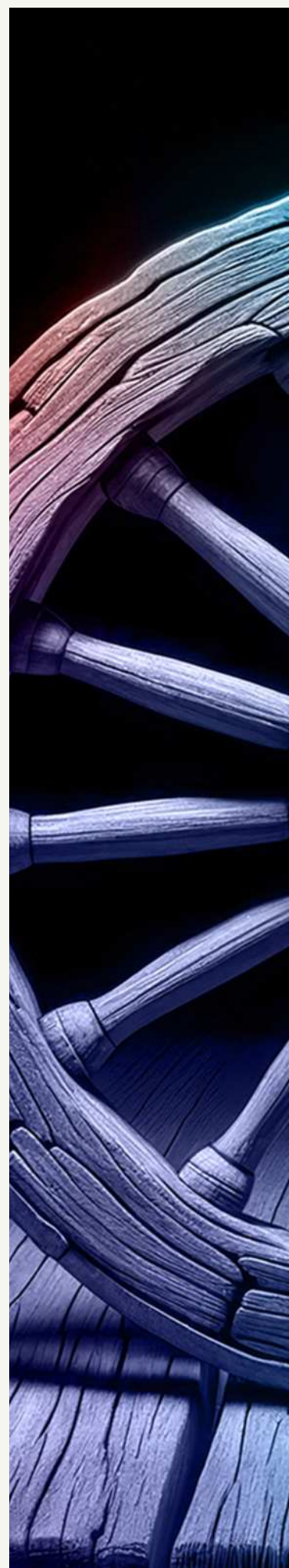
Data and Analytics

- Data Analytics and Insights
- Blockchain Solutions



AI Technology Integration

- Generative AI, Robotic Process Automation, Machine Learning





PIONEERING DIGITAL TRANSFORMATION AND INNOVATION



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UNLOCKING POTENTIAL,

EMPOWERING CAREERS

SCICOM EDUCATION GROUP

Scicom Education, the educational arm of the Scicom Group, specialises in delivering tailored learning solutions designed to elevate workforce skills and competencies. Our training programmes are aligned with clients' business objectives, ensuring employees are not only skilled but also excel in their roles. By combining traditional and digital learning methods, Scicom Education offers a comprehensive range of training services, from interactive eLearning modules to immersive, in-person training sessions.

OUR SOLUTION SETS



Digital Learning Platforms

- Learning Management System (LMS)
- Customised eLearning Modules
- Mobile Learning Solutions and Microlearning Modules



Integrated Blended Learning and Onboarding Programs

- Employee Onboarding Solutions
- Blended Learning Programs



Compliance and Accreditation Programs

- Compliance Training
- Accreditations Programs



Data-Driven Learning Analytics and Skill Development

- Learning Analytics & Skill Gap Analysis

CORPORATE PROFILE

BOARD OF DIRECTORS

Krishnan A/L C. K. Menon
Non-Independent Non-Executive
Director/ Chairman

Dato' Sri Leo Suresh Ariyanayakam
Non-Independent Executive Director/
Chief Executive Officer

Dato' Nicholas John Lough @
Sharif Lough Bin Abdullah
Independent Non-Executive Director

Datuk (Dr.) Joseph Dominic Silva
Independent Non-Executive Director

Mahani Binti Amat
Independent Non-Executive Director

Mior Mokhtar Bin Mior Abu Bakar
Independent Non-Executive Director

Elakumari A/P Kantilal
Independent Non-Executive Director
(Resigned on 28 October 2024)

Fa'izah Binti Mohamed Amin
Independent Non-Executive Director
(Demised on 8 September 2024)

AUDIT COMMITTEE

Datuk (Dr.) Joseph Dominic Silva
Chairman

Dato' Nicholas John Lough @
Sharif Lough Bin Abdullah
Member

Mahani Binti Amat
Member

Mior Mokhtar Bin Mior Abu Bakar
Member

RISK AND SUSTAINABILITY COMMITTEE

Dato' Nicholas John Lough @
Sharif Lough Bin Abdullah
Chairman

Elakumari A/P Kantilal
Member
(Ceased office on 28 October 2024)

Datuk (Dr.) Joseph Dominic Silva
Member

Fa'izah Binti Mohamed Amin
Member
(Demised on 8 September 2024)

NOMINATING & REMUNERATION COMMITTEE

Mahani Binti Amat
Chairperson

Datuk (Dr.) Joseph Dominic Silva
Member

Elakumari A/P Kantilal
Member
(Appointed on 30 September 2024 and
ceased office on 28 October 2024)

Fa'izah Binti Mohamed Amin
Member
(Demised on 8 September 2024)

COMPANY SECRETARIES

Ng Siew Mee (MAICSA 7071920)
(SSM PC No. 202308000561)
Te Hock Wee (MAICSA 7054787)
(SSM PC No. 202008002124)

REGISTERED OFFICE

Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia
Tel : 03 2783 9191 Fax : 03 2783 9111
Email : info@my.tricorglobal.com

SHARE REGISTRAR

Tricor Investor &
Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia
Tel : 03 2783 9299 Fax : 03 2783 9222
Email : is.enquiry@my.tricorglobal.com

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
(Listed since 26 September 2005)
Stock Name : SCICOM
Stock Code : 0099

AUDITORS

PricewaterhouseCoopers PLT
Level 10, 1 Sentral Jalan Rakyat
Kuala Lumpur Sentral
50706 Kuala Lumpur, Malaysia
Tel : 03 2173 1188 Fax : 03 2173 1288

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad
Kuala Lumpur Main Branch, Level 2, Menara IQ
Lingkar TRX 55188 Tun Razak Exchange
Kuala Lumpur, Malaysia

CIMB Bank Berhad
KLCC Branch, C04-C05
Concourse Level, Petronas Tower 3 Suria KLCC
Jalan Ampang, 50088 Kuala Lumpur, Malaysia

AmFunds Management Berhad
10th Floor, Bangunan Ambank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur, Malaysia

UOB Asset Management
(Malaysia) Berhad
Level 20, UOB Plaza 1, 7, Jalan Raja Laut
50350 Kuala Lumpur, Malaysia

Hong Leong Bank Berhad
Level 10, Manara Hong Leong
No. 6 Jalan Damanlela, Bukit Damansara
50490 Kuala Lumpur, Malaysia

Malayan Banking Berhad
Lot C21-C, Concourse Expansion
Suria KLCC, Kuala Lumpur City Centre
50088 Kuala Lumpur, Malaysia

CORPORATE OFFICE

25th Floor Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur, Malaysia
Tel : 03 2162 1088 Fax : 03 2164 9820

WEB

URL : www.scicom-intl.com
E-mail : business@scicom.com.my

GROUP STRUCTURE

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SCICOM (MSC) BERHAD
(Kuala Lumpur and Cyberjaya, Malaysia)
Holding Company

SCICOM (ACADEMY) SDN BHD
(Kuala Lumpur, Malaysia) 100% owned

SCICOM E-SOLUTIONS SDN BHD
(Kuala Lumpur, Malaysia) 100% owned

**SCICOM INTERNATIONAL
COLLEGE SDN BHD**
(Kuala Lumpur, Malaysia) 70% owned

MEDICONNECT SDN BHD
(Kuala Lumpur, Malaysia) 100% owned



**SCICOM CONTACT
CENTRE SERVICES
PRIVATE LIMITED**
(Bangalore, India)
100% owned



**SCICOM LANKA
(PRIVATE) LTD**
(Colombo, Sri Lanka)
100% owned



**SCICOM
INTERNATIONAL
(UK) LIMITED**
(London, UK)
100% owned



SCICOM INC
(Glenview, Illinois, USA)
100% owned



**SCISOLUTIONS
(MAURITIUS) LTD**
(Mauritius)
100% owned



PT SCICOM INDONESIA
(Jakarta, Indonesia)
100% owned



SCICOM (CAMBODIA) CO. LTD
(Phnom Penh, Cambodia)
100% owned

BOARD OF DIRECTORS

KRISHNAN MENON

Non-Independent Non-Executive Director/Chairman

Krishnan Menon, a Malaysian, male, 74, was appointed to the Board of Scicom on 10 March 2004. He is a Fellow of the Institute of Chartered Accountants in England and Wales, a member of the Malaysian Institute of Accountants and The Malaysian Institute of Certified Public Accountants.

He spent 13 years in public practice at Hanafiah, Raslan and Mohamed, 7 of those years as a Partner. He then joined Public Bank Berhad as a General Manager and was subsequently promoted to Executive Vice-President. After serving with two public-listed companies, he joined Putrajaya Holdings Sdn Bhd as its Chief Operating Officer from 1997 until 2000.

He is currently the Chairman of Econpile Holdings Berhad. He has attended all five (5) Board meetings held during the financial year.

A portrait of Dato' Sri Leo Ariyanayakam, a middle-aged man with short dark hair, smiling. He is wearing a dark blue suit jacket, a white shirt, and a red and blue striped tie. The background is a dark, textured blue.

BOARD OF DIRECTORS

DATO' SRI LEO ARIYANAYAKAM

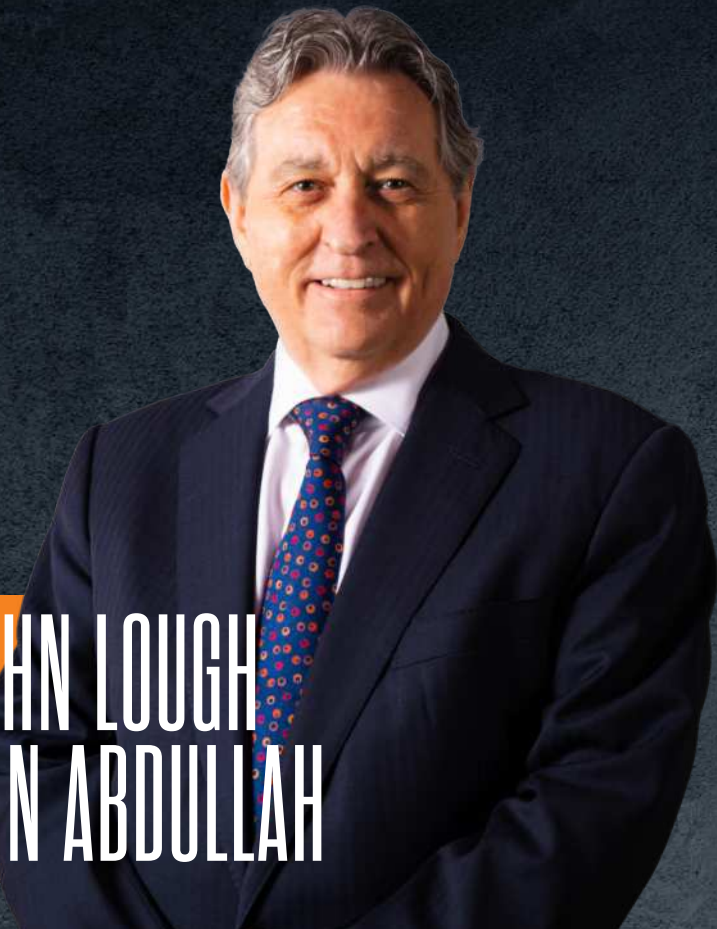
Non-Independent Executive Director/Chief Executive Officer

Dato' Sri Leo Ariyanayakam, a Sri Lankan and Malaysian Permanent Resident, male, 61, was appointed to the Board of Scicom on 30 October 2002. He is the Chief Executive Officer and Executive Director of the Company. He holds a Bachelor's Degree in Biochemistry.

He has over 25 years of senior level experience in technology solutions, process development and the commercial and strategic aspects of business development culminated from senior level positions in startups and global multinationals. His main responsibilities are to maximise shareholders' value, make high-level decisions in terms of the Group's business development, finance, human capital, culture, operations and strategies, and chart the future growth and direction of the Group globally.

He does not hold any directorship in public companies and listed issuers in Malaysia other than the Company. He has attended all five (5) Board meetings held during the financial year.

BOARD OF DIRECTORS

A portrait of Dato' Nicholas John Lough, a middle-aged man with grey hair, wearing a dark blue suit, white shirt, and a patterned tie. He is smiling and standing against a dark, textured background.

DATO' NICHOLAS JOHN LOUGH & SHARIF LOUGH BIN ABDULLAH

Independent Non-Executive Director

Dato' Nicholas John Lough, a British citizen and Malaysian Permanent Resident, male, 72, was appointed to the Board of Scicom on 14 May 2014. He is a member of the Audit Committee (formerly known as Audit and Risk Management Committee) and was appointed as the Chairman of the Risk and Sustainability Committee on 26 September 2023.

He holds a diploma from the National Association of Goldsmith, London, Great Britain and is a member of the Gemological Association of Great Britain. He has extensive experience in the fields of Corporate Finance and Strategic Planning.

He is currently a director of Hong Leong MSIG Takaful Berhad. He has attended all five (5) Board meetings held during the financial year.

A portrait of Datuk (Dr.) Joseph Dominic Silva, a middle-aged man with glasses, wearing a dark suit, white shirt, and a red patterned tie. He is smiling and has his arms crossed. The background is a dark, textured blue.
BOARD OF DIRECTORS**DATUK (DR.) JOSEPH DOMINIC SILVA**

Independent Non-Executive Director

Datuk (Dr.) Joseph Dominic Silva, a Malaysian, male, 59, was appointed to the Board of Scicom on 7 February 2018. He is the Chairman of the Audit Committee (formerly known as Audit and Risk Management Committee) and a member of the Nominating and Remuneration Committee. He was also appointed as a member of Risk and Sustainability Committee on 30 November 2023.

He is a Finance graduate from University of Wales and holds a Master's degree in Research (Business) from the University of Liverpool. In addition, he also completed a Senior Management Program at the Henley Management College in the United Kingdom. He was recently honoured with an Honorary Doctorate in Business Administration by SEGi University Malaysia.

He has over 33 years of experience in the areas of banking, insurance and investments. He worked in a number of local and international banking institutions regionally in Asia, and in international locations. He was a Chief Executive Officer of MIDF Amanah Investment Bank Berhad and a director of MIDF Amanah Asset Management Berhad. Prior to this, he was the Head of Investments at Khazanah Nasional Berhad – Malaysia's Sovereign Investment Fund.

He does not hold any directorship in public companies and listed issuers in Malaysia other than the Company. He has attended all five (5) Board meetings held during the financial year.

BOARD OF DIRECTORS

MAHANI BINTI AMAT

Independent Non-Executive Director



Mahani Binti Amat, a Malaysian, female, 70, was appointed to the Board of Scicom on 15 June 2017. She is the Chairperson of the Nominating and Remuneration Committee, and a member of the Audit Committee (formerly known as Audit and Risk Management Committee). Mahani holds a Bachelor of Economics (Majoring in Business Administration) from the University of Malaya.

She started her career in Bank Negara Malaysia in 1977 where she held various positions in Reserves Management. She then moved on to RHB Bank in Singapore in 1984, and thereafter to the Kuala Lumpur Head Office in 2001, amassing a total of 20 years of experience in commercial banking. In RHB, she held various positions in Treasury and Offshore banking, Consumer Banking, up to Executive Vice President of Operations and Services.

Mahani is currently a Director of AIA Berhad, J.P. Morgan Chase Bank Berhad and AIA Public Takaful Bhd. She has attended all five (5) Board meetings held during the financial year.

A portrait of a woman with short dark hair, wearing glasses and a dark blazer over a patterned top. She is looking directly at the camera with a slight smile.**BOARD OF DIRECTORS****ELAKUMARI A/P KANTILAL**

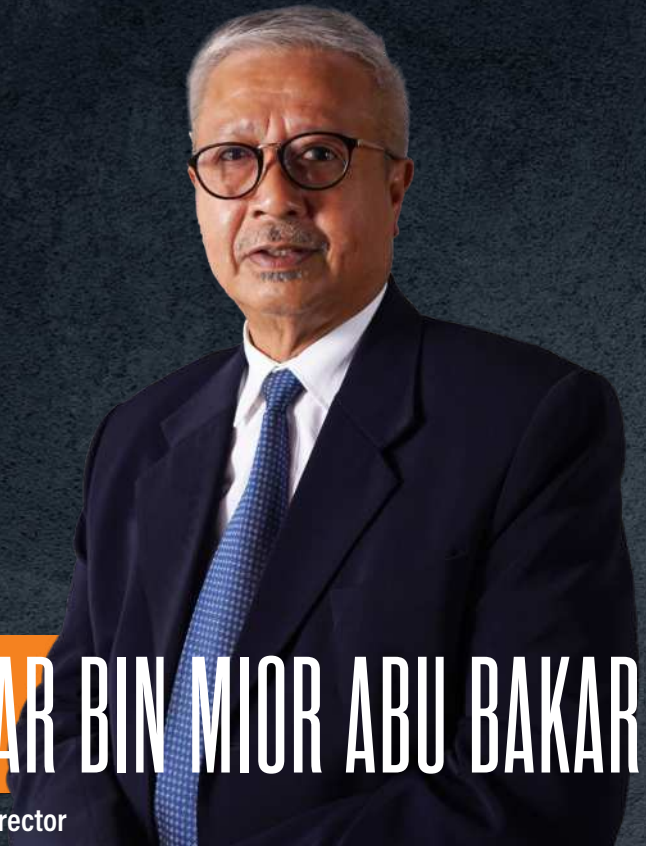
Independent Non-Executive Director
(Resigned on 28 October 2024)

Ela, a Malaysian, female, 67, was appointed to the Board of Scicom on 1 January 2023. She was appointed as a member of the Risk and Sustainability Committee on 26 September 2023 and a member of Nominating and Remuneration Committee on 30 September 2024. She holds a Bachelor's Degree in Accounting from Universiti Kebangsaan Malaysia, a Master of Science in Accounting and Finance from University of East Anglia, and is a member of the Malaysian Institute of Accountants.

She started her career with the Accountant General's office in 1981 and served several ministries during her tenure in civil service which included, inter alia, the Ministry of Agriculture and Ministry of Finance. She was actively involved in the establishment of Khazanah Nasional Berhad and was the Senior Manager of Investments at its inception in 1994, before concluding her tenure as Director of Investments in 2017. She has held a number of executive positions and directorships across the investment and consultancy sectors with a focus on telecommunications, infrastructure, asset maintenance and management. She has previously sat on the Board of Opus International Consultants Limited, Dagang NeXchange Berhad, UEM Edgenta Berhad and Danajamin Nasional Berhad.

She is currently the Non-Independent and Non-Executive Chairman of TIME dotCom Berhad. She has attended four (4) out of five (5) Board meetings held during the financial year.

BOARD OF DIRECTORS

A portrait of Mior Mokhtar Bin Mior Abu Bakar, an older man with grey hair and glasses, wearing a dark suit, white shirt, and blue patterned tie. He is standing against a dark, textured background.

MIOR MOKHTAR BIN MIOR ABU BAKAR

Independent Non-Executive Director

Mior, a Malaysian, male, 69, was appointed to the Board of Scicom on 1 January 2023. He is as a member of the Audit Committee (formerly known as Audit and Risk Management Committee). He is a member of the Association of Chartered Certified Accountants.

He has 30 years of experience in the areas of financial management, commercial, internal audit and risk management, as well as supply chain management. He started his career as a management executive with Petroliam Nasional Berhad in 1981, and remained with Petroliam Nasional Berhad Group, holding various positions including as Vice President, Commercial of Trans Thai-Malaysia (Thailand) Ltd. After leaving Petroliam Nasional Berhad Group in 2010, he was appointed as the Deputy General Manager of PT Radiant Bukit Barisan in Jakarta, and currently he is a Director of Business Development at Cargomind Sdn Bhd.

He is currently an Independent Non-Executive Director of Handal Energy Berhad. He has attended four (4) out of five (5) Board meetings held during the financial year.

None of the Directors have any:

- *family relationship with any Director and/or major shareholder of the Company;*
- *conflict of interest with the Company;*
- *conviction for offences within the past five (5) years (other than traffic offences, if any); or*
- *public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

SENIOR MANAGEMENT TEAM

A portrait of Kelvin Loke Cheong Hian, a middle-aged man with short dark hair and glasses, wearing a dark blue suit jacket over a dark blue button-down shirt. He is standing against a dark, textured background. The text "SENIOR MANAGEMENT TEAM" is positioned to the left of his chest, and his name "KELVIN LOKE CHEONG HIAN" is written in large white capital letters across the bottom of the image.

KELVIN LOKE CHEONG HIAN

Chief Financial Officer

Kelvin, a Malaysian, male, 49, joined Scicom on 20 September 2004 and was appointed as Chief Financial Officer on 31 July 2019. As the Chief Financial Officer, his responsibilities include overseeing both the compliance and commercial aspects of the finance functions of the Group such as financial reporting, budgeting, treasury, corporate finance and risk management.

He has 20 years of accounting experience. Prior to joining Scicom, Kelvin worked as an auditor at Ernst and Young, and as Corporate Analyst at another public listed company in Malaysia. Kelvin graduated with a Bachelors in Accountancy with Honours from the Northern University of Malaysia (University Utara Malaysia) and is a member of the Malaysian Institute of Accountants.

A portrait of Benny Philip, a man with dark hair, smiling, wearing a white shirt and a dark blazer. He is standing with his hands on his hips against a dark, textured background.**SENIOR MANAGEMENT TEAM****BENNY PHILIP****Chief Operating Officer - Outsourcing**

Benny, a Malaysian Permanent Resident, male, 56, joined Scicom on 21 July 2004 and was appointed as COO on 1 July 2008. As COO of Outsourcing, Benny manages Scicom's Outsourcing business and is responsible for overall service delivery and client management across all operations. He also manages the human resources, learning & development, project management and quality functions of the Group.

In 2011, Benny was the recipient of the Malaysia HR leader of the year award. He has over 25 years of experience with 15 of those being in Senior Management roles. Prior to joining Scicom, Benny was employed by HSBC where he held VP level roles in Human Resources and subsequently in Projects & Planning for the Group Global Resourcing division.

He was awarded the Asia Outstanding Leadership Award conferred by CMO Asia in 2014. Benny has a Master's degree in Human Resources Management and a Bachelor's degree in Mathematics and brings to Scicom significant management experience gained from working with Global organisations such as Unilever, Panasonic, Ford Motor Company and HSBC.

SENIOR MANAGEMENT TEAM

A portrait of Jasim Puthucheary, a middle-aged man with grey hair, smiling. He is wearing a dark blue suit jacket, a white shirt, and a maroon patterned tie. The background is a dark, textured grey.

JASIM PUTHUCHEARY

Chief Operating Officer - e-Solutions, eLearning & Gov-Tech

Jasim, a Malaysian, male, 54, joined Scicom on 15 January 2009 and was appointed as the COO for Scicom's GovTech operations on 1 July 2011. He is responsible for Scicom's GovTech strategy and operations and has over 15 years of GovTech industry and consulting experience. Scicom's GovTech drives three aspects of public sector modernisation – citizen-centric public services that are accessible, a whole-of-government approach to digital government transformation, and efficient and transparent government systems.

Jasim started his career in Corporate Finance with RHB Securities. Thereafter, he joined Usaha Tegas' corporate finance division, where he worked on projects for Maxis, ASTRO and Powertech. In 2001, Jasim joined Commerce Dot Com as its Chief Operating Officer. At Commerce Dot Com he was responsible for implementing and operating the Government's e-procurement system. Jasim holds a degree in Law (LLB) from the University of London.

SENIOR MANAGEMENT TEAM

CHANDIMA HEMACHANDRA

Chief Technology Officer

Chandima, a Sri Lankan, male, 61, joined Scicom on 20 January 2011 as CTO. He is an information technology professional with over 33 years of experience. He has broad-based knowledge and skills in implementing large scale and highly technologically complex projects in major financial institutions in the UK, Malaysia, Sri Lanka and Kenya. As a Fellow of the British Computer Society (FBCS) – Chartered Institute for IT, UK, he takes his place among the most senior and respected professionals in the field of IT.

Prior to joining Scicom, Chandima worked as the Chief Information Officer (CIO) at the Government owned Sri Lanka Insurance Corporation (SLIC), the oldest and one of the largest insurance service providers in Sri Lanka. He has provided consultancy services to many government/private institutions and has been serving as an advisor to three national advisory councils in Sri Lanka. In his early years, he worked as a Systems Analyst with British Hartford-Fairmount Engineering, UK. Thereafter he held the positions of Chief Manager ICT at the Commercial Bank of Ceylon, the Head of ICT and Banking Operations (Deputy General Manager/ CIO) at Hatton National Bank in Sri Lanka, and the Head of ICT (CIO) at CfC Stanbic Bank, the East African Headquarters of Standard Bank Africa in Nairobi, Kenya. He was also a Board Director and former Member of the Board Integrated Risk Management Committee of National Savings Bank, Sri Lanka. Chandima holds an Honours degree in Mathematics & Computer Science from the University of Middlesex, UK.

SENIOR MANAGEMENT TEAM

A portrait of Deivendran Pathmanathan, a middle-aged man with a mustache, wearing a dark blue suit, white shirt, and a red tie with a small white pattern. He is smiling and looking towards the camera. The background is a dark, textured wall.

DEIVENDRAN PATHMANATHAN

Chief Digital and Disruption Officer

Deivendran, a Malaysian, male, 58, joined Scicom on 1 July 2024 as the Chief Digital and Disruption Officer (CDDO). With over three decades of experience in the technology and engineering sectors, he has been pivotal in founding and leading his own company, Infinite QL, while spearheading numerous innovative projects.

These include designing the M-BIKE biometric clearance system for motorcyclists at the Johor-Singapore border, developing the i-DERAS high-security network management system for the Ministry of Defence, and pioneering the shift to digital video recording for the Genting Group. He co-developed an RFID-based cargo tracking system for KLIA, created a system to monitor ATM fraud for BSN Bank, and designed award-winning pedestrian turnstile technology, consistently pushing the boundaries of technological innovation across various industries through his entrepreneurial ventures. His forward-thinking approach and technical expertise in technology-driven solutions have earned him prestigious accolades, including the Deloitte Technology Fast 500 and Red Herring Global 100 awards.

As CDDO, Deivendran is responsible for leading Scicom's AI transformation, driving innovation, and identifying disruptive business opportunities. His leadership will be essential in advancing AI-driven solutions and ensuring Scicom remains competitive in the fast-evolving digital landscape.

A portrait of Wong Yee Ling, a woman with long dark hair, wearing a black short-sleeved top and a black and white geometric patterned skirt. She is smiling and has her hand near her chin.

SENIOR MANAGEMENT TEAM

WONG YEE LING

Chief Risk Officer and Head of Internal Audit

Yee Ling, a Malaysian, female, 51, joined Scicom on 1 March 2011 and was appointed as Chief Risk Officer and Head of Internal Audit on 1 October 2023. She is responsible for the internal audit, risk and governance aspects for the Group.

Prior to joining Scicom, Yee Ling was attached to PricewaterhouseCoopers LLP in the United Kingdom and PricewaterhouseCoopers Malaysia.

She has over 15 years of working experience in the areas of auditing, financial, management accounting and reporting, operational effectiveness, risk management & governance and corporate transactions (mergers and acquisitions, in-country and cross borders funds raising and initial public offers).

Yee Ling holds a Bachelor of Arts (Hons) in Economics from the University of Manchester and she is a member of the Malaysian Institute of Accountants and an affiliate of the Association of Chartered Accountants (UK).

SENIOR MANAGEMENT TEAM

A portrait of Shanti Jacqueline Jeyaraj, a woman with shoulder-length brown hair, wearing a grey and white patterned blazer over a black top. She is smiling and standing against a dark, textured background.

SHANTI JACQUELINE JEYARAJ

Senior Vice President - Human Resources, Learning & Development & Total Quality Management

Shanti, a Malaysian, female, 59, joined Scicom on 3 January 2000, as a Customer Relationship Executive, and within one year, was spearheading the Group's Training Department for both internal and external clients. She was subsequently appointed as Head of the Customer Experience Team, where she developed service quality standards for Scicom's operations.

Her next appointment was as an Operations and Training Consultant at Scicom (Academy) Sdn Bhd, where she was involved in numerous projects across the Group. In her current capacity, she is responsible for all aspects of human resources, learning & development as well as ensuring that the Group's quality initiatives (including its processes) comply with ISO and SCP, and that all accreditations are constantly reviewed, monitored and enhanced. In a nutshell, she is entrusted with the task of continuously enhancing operational effectiveness and efficiencies across the Group's operations. She was appointed as Senior Vice President (SVP) on 1 July 2008. Prior to joining Scicom, she worked in various multinational corporations over a 13 year period, with her areas of expertise covering marketing communications, training and development and client services.

Shanti holds a Bachelor's Degree in Business Studies and a Diploma in Public Relations. She is also a certified trainer of the Service and Support Professionals Association in the United States, for its Certified Support Professional programme.

 SENIOR MANAGEMENT TEAM

SHEREEN DYER

Senior Vice President - Legal Affairs

Shereen, a British national, female, 49, joined Scicom on 1 November 2012 and was appointed as SVP on 1 July 2017. In her role as Head of Legal Affairs, she is responsible for reviewing and managing regulatory/legislative compliance (with the exception of matters relating to the corporate secretarial function), the preparation and management of contracts, and the advising and assisting of all internal departments.

Shereen was called to the Bar at Lincoln's Inn in 2003 and before joining Scicom, she was in independent practice for 9 years. Her experience both at the Bar and in outsourcing gives her the special skills required to provide legal support to Scicom.

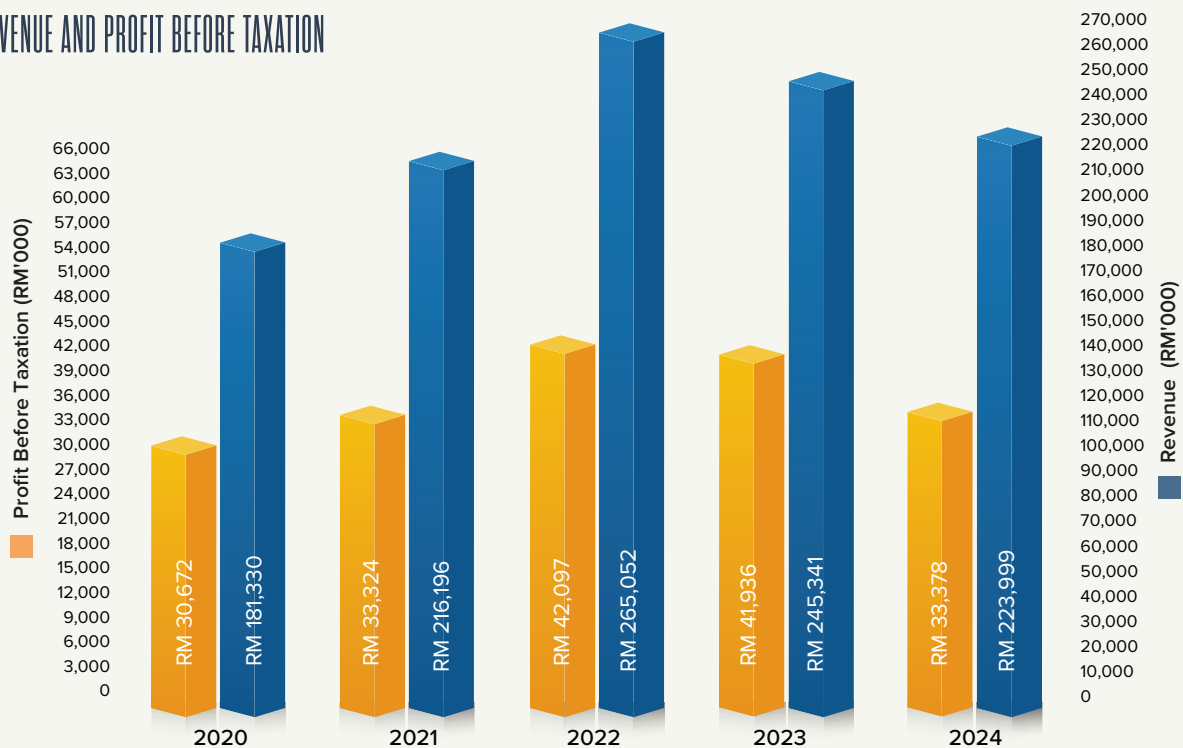
None of the Senior Management Staff have any:

- family relationship with any Director and/or major shareholder of the Company;
- conflict of interest with the Company;
- directorship in public companies and listed issuers;
- conviction for offences within the past 5 (five) years (other than traffic offences, if any); and
- public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

GROUP FINANCIAL HIGHLIGHTS

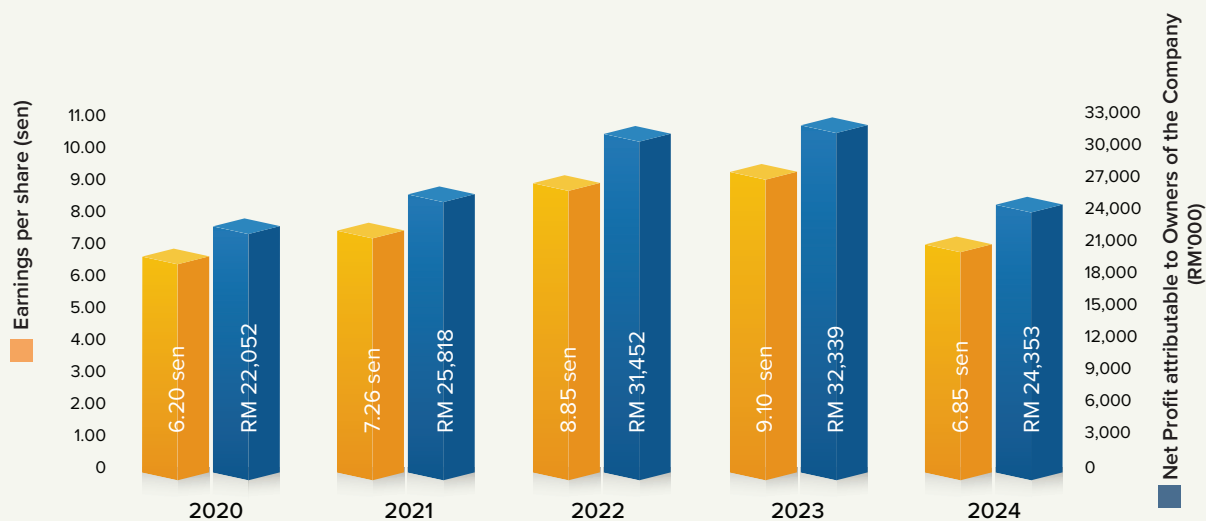
	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
PROFITABILITY (RM'000)				
Operating revenue	223,999	245,341	218,258	239,600
Profit before taxation ("PBT")	33,378	41,936	33,435	40,871
Net profit for the financial year	24,348	32,334	24,780	31,388
Net profit attributable to the equity holders of the Company	24,353	32,339	24,780	31,388
KEY BALANCE SHEET DATA (RM'000)				
Total assets	155,342	162,008	148,209	154,307
Total liabilities	40,654	45,663	36,522	41,630
Capital and reserves attributable to equity holders of the Company	116,317	117,969	111,687	112,677
Net cash position	44,238	36,069	43,725	35,706
FINANCIAL RATIOS				
Profitability:				
- Revenue growth (%)	-8.7%	-7.4%	-8.9%	-7.5%
- PBT growth (%)	-20.4%	-0.4%	-18.2%	-2.0%
- Net profit growth (%)	-24.7%	2.8%	-21.1%	0.2%
- Basic earnings per share (sen)	6.85	9.10	N/A	N/A
- Diluted earnings per share (sen)	6.85	9.10	N/A	N/A
- Asset turnover (times)	1.44	1.51	1.47	1.55
- Net return on equity (times)	0.21	0.27	0.22	0.28
Liquidity:				
- Current (times)	4.74	4.57	5.39	5.01
- Cash over total assets (%)	28.5%	22.3%	29.5%	23.1%
- Trade receivables turnover (months)	2.82	2.73	2.75	2.70
Financing (excluding lease liabilities):				
- Debt over equity (times)	-	-	-	-
- Gearing (times)	-	-	-	-
Market Based (as at 30 June):				
Market capitalisation (RM'000)	321,685	412,326	-	-
Price-earning ratio (times)	13.21	12.75	-	-
Dividend Yield (%)	7.2%	6.9%	-	-
Net Asset Per Share (sen)	32.72	33.19	-	-

REVENUE AND PROFIT BEFORE TAXATION

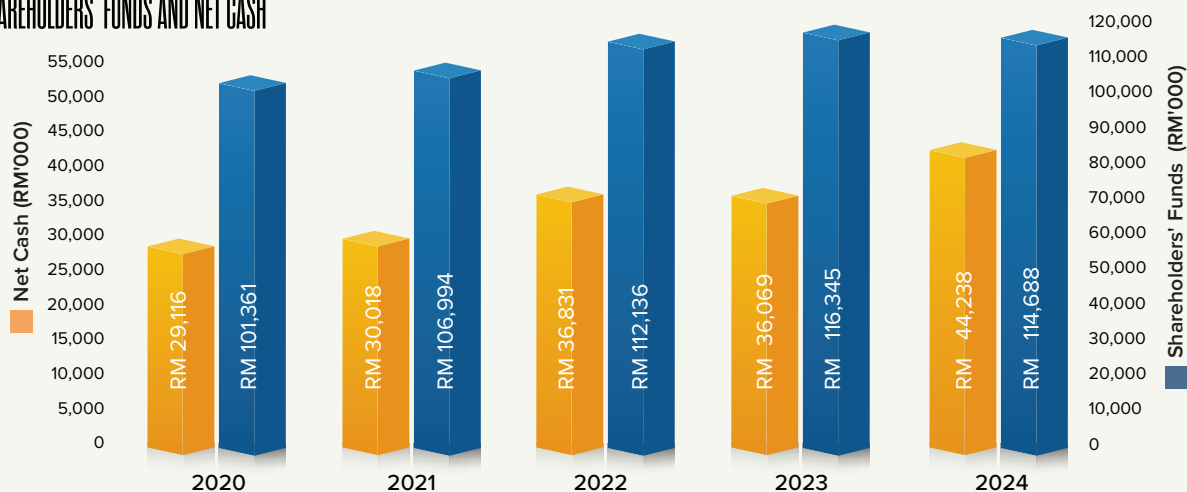


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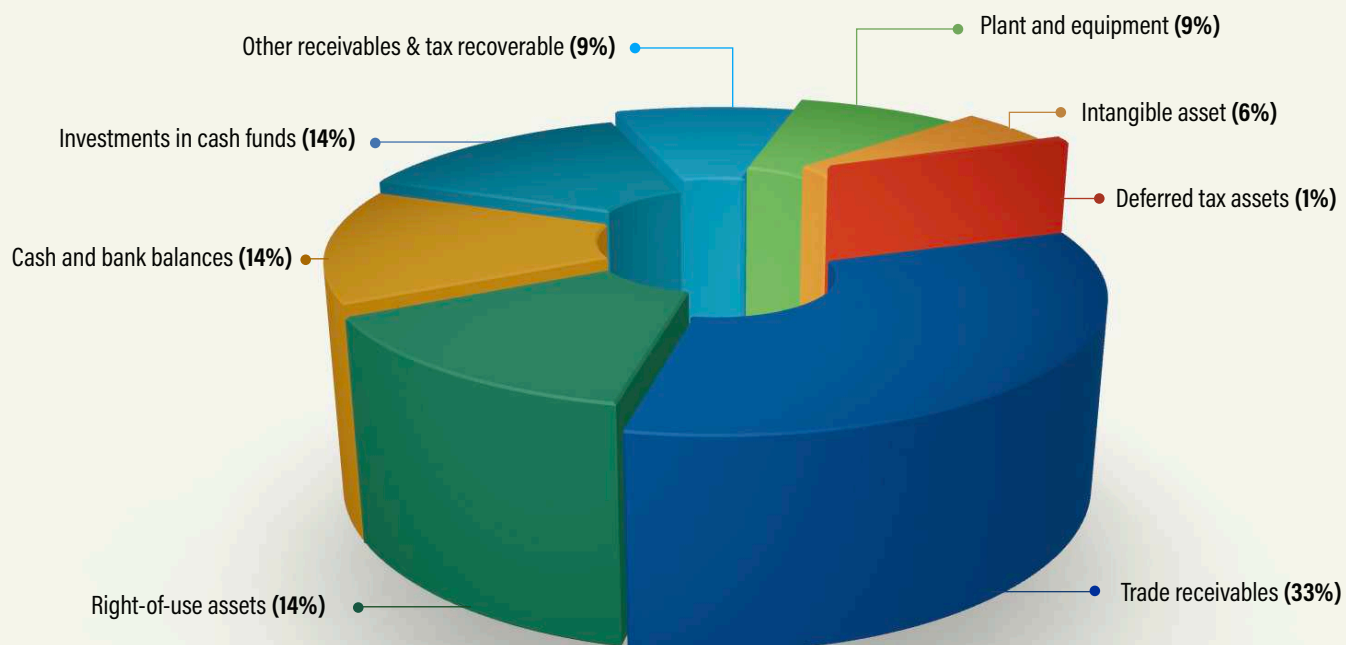
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY AND EARNINGS PER SHARE



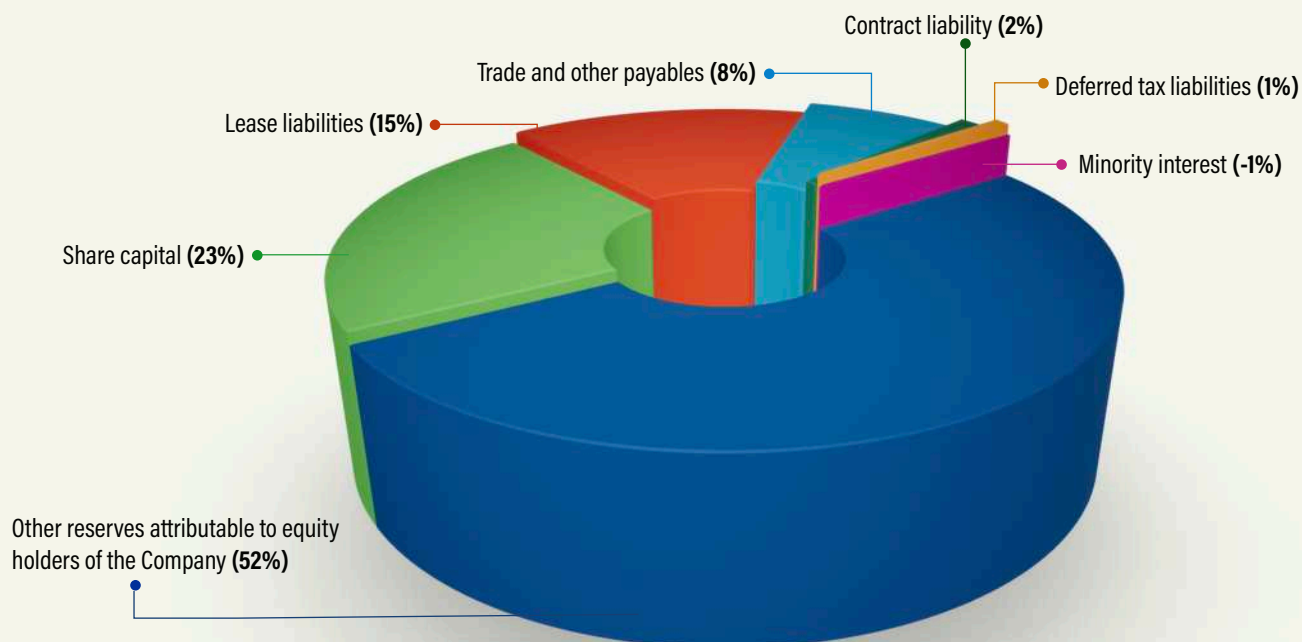
SHAREHOLDERS' FUNDS AND NET CASH



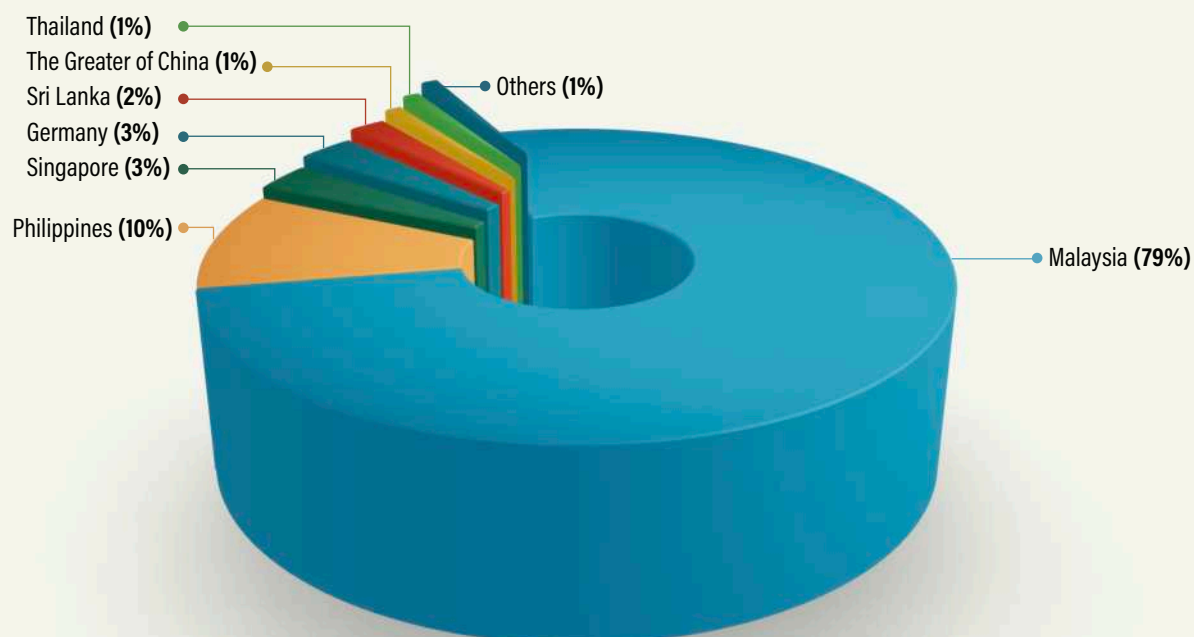
TOTAL ASSETS



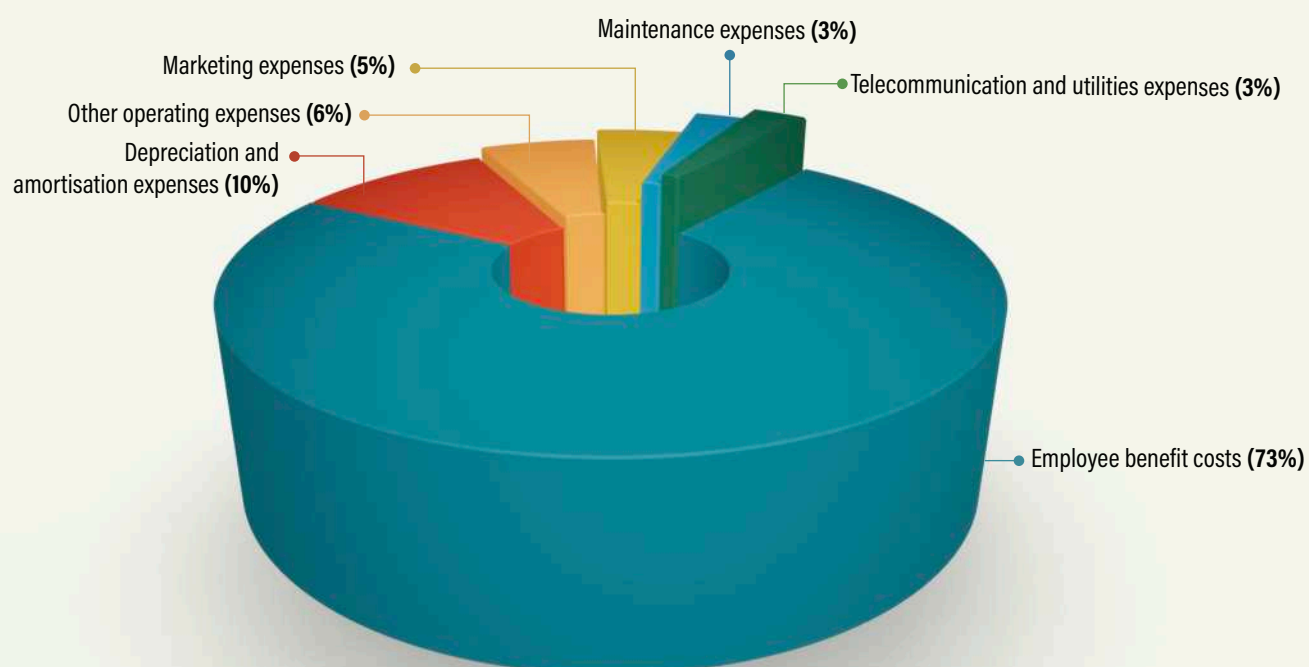
TOTAL LIABILITIES, CAPITAL AND RESERVES



REVENUE BY LOCATION



OPERATING EXPENSES



MANAGEMENT DISCUSSION AND ANALYSIS

Scicom (MSC) Berhad and its subsidiaries ("Scicom", "the Group", "we", or "our") is Malaysia's leading digital solutions company that provides Business Process Outsourcing (BPO) services to both public and private sectors globally. We enable global brands and governments to improve their customer experience and lower their total cost to serve by providing innovative digital solutions with exceptional service capabilities. Incorporated in 1997, Scicom became a publicly listed company in 2005 and is traded on the Main Market of Bursa Malaysia Securities Berhad, the Malaysian Stock Exchange.

YEAR IN REVIEW - FY2024 PERFORMANCE SUMMARY

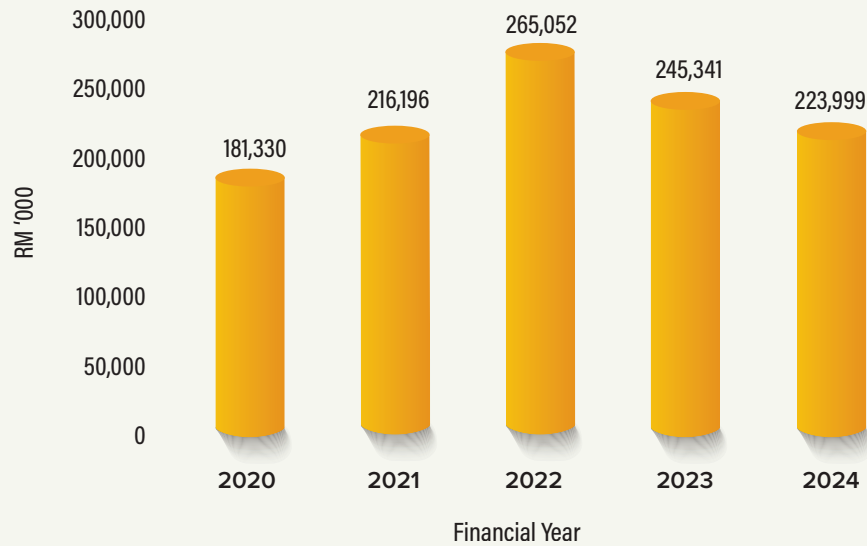
In FY2024, the Group recorded a revenue of RM223.999 million and reported a Profit Before Tax and Profit After Tax of RM33.378 million and RM24.348 million, respectively. The Company declared a dividend payout of 6.5 sen per share, resulting in a dividend payout ratio of 94.9% in FY2024.

RM ('000)	FY2023	FY2024	%
REVENUE	245,341	223,999	- 8.7%
PROFIT BEFORE TAX (PBT)	41,936	33,378	- 20.4%
PROFIT AFTER TAX (PAT)	32,334	24,348	- 24.7%
DIVIDEND PAYOUT (SEN)	8.0	6.5	- 18.8%

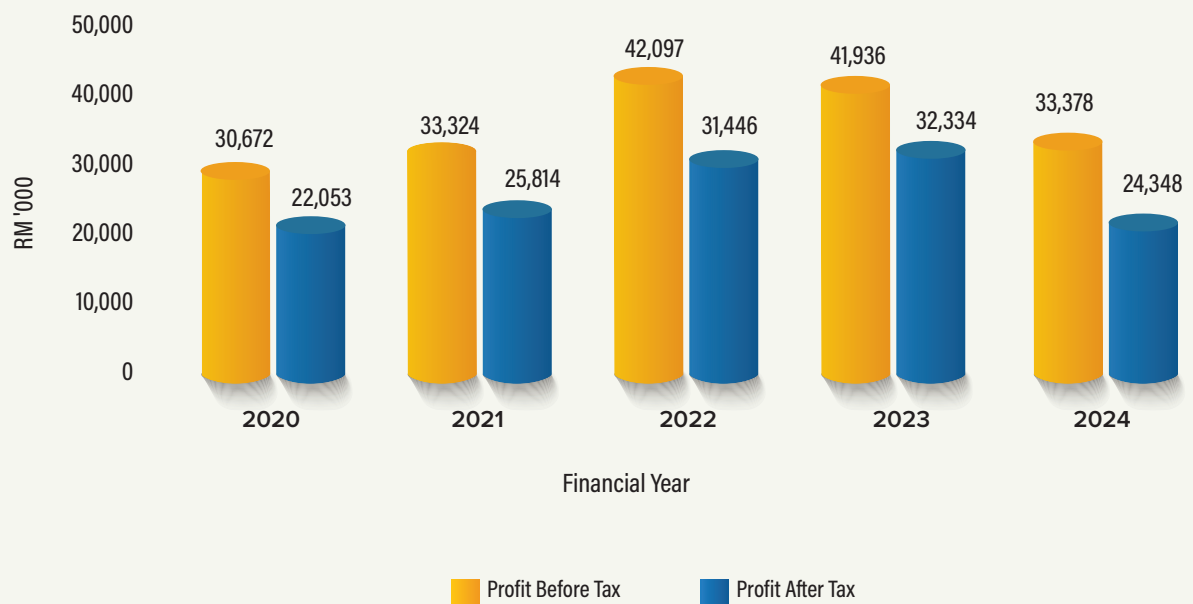
The Group successfully completed 253.9 million transactions this year, up from 218.6 million transactions in the previous year. These transactions encompassed voice, social media, data processing, and visa processing, showcasing significant growth and expanded service capabilities. We continued to invest in sustainable growth initiatives and made significant strides in fulfilling our ESG commitments, highlighting our dedication to social responsibility and environmental stewardship.

GROUP REVENUE

The Group's revenue for FY2024 experienced a decline mainly due to reduced demand for customer service outsourcing in our BPO segment, as some clients cut back on spending in a challenging business environment. However, our diversified BPO operations across various regions position us well to capitalize on growing market opportunities in other geographical areas.

GROUP REVENUE**GROUP PROFIT**

In FY2024, the Group recorded a Profit Before Tax and Profit After Tax of RM33.4 million and RM24.3 million, respectively.

GROUP PROFIT

In FY2024, we made investments in the development of AI driven autonomous contact centres, as well as developing new Intellectual Property in digital identity, digital government, and eLearning solutions. Digital technology and customer experience remain central to driving change and differentiating our business. Moving forward, we will continue to invest in both our business and our people to maintain our competitive edge in the marketplace.

GROUP FINANCIAL POSITION

The Group's balance sheet remains healthy and strong as the Group ended the financial year with a higher cash and bank balances (including investment in cash funds) of RM44.2 million (FY2023: RM36.1 million) and zero-debt (excluding the recognition of lease liabilities from the Group's tenancy agreements as required by MFRS 16 Leases) to support its operations and dividend requirements. The Group generated Free Cash Flows (FCF) of RM43.1 million for FY2024 as compared to RM37.4 million for FY2023.

The Group's FY2024 Earnings per Share (EPS) stands at 6.85 sen which is 24.7% lower as compared to FY2023, while the Group's Net Assets per Share remained consistent at 0.33 sen in FY2024.

CAPITAL EXPENDITURE

The Group has invested RM5.4 million in capital expenditure for FY2024 mainly for revenue generating purposes. As of 30 June 2024, the net book value of fixed assets (comprising of plant, equipment, and software licenses) amounted to approximately RM22.4 million. The Group's Fixed Assets Turnover Ratio for FY2024 was 9.8 times, compared to 9.1 times in the preceding year.

SHAREHOLDER VALUE

Scicom's share price at the end of FY2024 was at RM0.905 per share (FY2023: RM1.16), with a corresponding market capitalisation of RM321.7 million (FY2023: RM412.3 million). Since our IPO in 2005, Scicom shares have delivered a Compound Annual Total Return to Shareholders (including dividends reinvested at spot prices) of 1044.02%.

DIVIDENDS

The Group is committed to rewarding its shareholders with a dividend payout. Although there is no formal dividend policy in place, the Group has declared an average pay-out of approximately 90% of its net profit to shareholders in the form of dividends over the last five financial years.

In FY2024, the first interim dividend of 2.0 sen per share (equivalent to RM7.1 million) was paid on the 28th of December 2023. The second interim dividend of 2.0 sen per share (equivalent to RM7.1 million) was paid on the 25th of March 2024. The third interim dividend of 1.25 sen per share (equivalent to RM4.4 million) was paid on the 28th of June 2024. The fourth interim dividend of 1.25 sen per share (equivalent to RM4.4 million) was paid on the 30th of September 2024.

This brings the total dividend declared for FY2024 to 6.5 sen per share, equivalent to approximately RM23.1 million or 94.9% of the Group's PAT for FY2024. The dividend yield improved from 6.9% in FY2023 to 7.2% in FY2024.

AWARDS AND RECOGNITION

Forbes Best Under a Billion



In August 2023, the Group was honoured by Forbes Asia as one of the nine Malaysian companies in the “Best Under a Billion” category for 2023, recognising its consistent top and bottom-line growth. This prestigious accolade highlights Scicom’s remarkable performance and resilience amid global economic challenges, including inflationary pressures and rising operational costs. The recognition underscores the Group’s robust fiscal management, strategic vision, and ability to thrive in a complex economic environment, further solidifying Scicom’s reputation as a leader in its industry. This achievement is a testament to the company’s commitment to excellence, adaptability, and sustained financial health.

International Association of Outsourcing Professionals (IAOP)



Our recognition as a “Leader” in the IAOP 2024 Global Outsourcing 100 list reflects our unwavering commitment to excellence and innovation within the outsourcing industry. The International Association of Outsourcing Professionals (IAOP) is a global organisation that recognises excellence in the outsourcing industry. The annual Global Outsourcing 100 list highlights the top service providers based on performance, innovation, and impact. Scicom’s inclusion demonstrates its continued strong performance and recognition in the global outsourcing industry.

Service Capability & Performance (SCP) Standards



The Service Capability & Performance (SCP) Standards are globally recognised benchmarks that evaluate the effectiveness of service organisations across multiple dimensions. Developed by Service Strategies, SCP Certification assesses a company’s ability to deliver high-quality service through a detailed examination of foundational and functional criteria, such as planning, strategy, financial management, service delivery, and the use of technology. Achieving SCP Certification signifies adherence to industry best practices, underscoring a commitment to operational excellence, continuous improvement, and customer satisfaction.

Scicom’s SCP Certification Index Score of 161.95 significantly outperforms the SCP Community Benchmark of 127.10, highlighting our leadership in key service capability areas. Scicom’s outstanding performance in the SCP Standards Certification reinforces our strategic positioning as a leader in service capability and operational excellence. Our above-benchmark scores across foundational and functional criteria validate our approach to strategic planning, financial management, employee development, and technology utilisation. This recognition not only highlights our current achievements but also sets a strong foundation for future growth.



STRATEGY IN REVIEW BPO OPERATIONS

The contact centre landscape is undergoing significant change, propelled by the rapid integration of AI technologies that are transforming these operations into highly automated, data-centric environments. By 2025, Gartner predicts that 80% of customer service organisations will adopt generative AI to boost agent productivity and enhance customer experiences. This shift towards autonomous contact centres presents a critical opportunity for Scicom as we continue to align our strategy with industry trends.

While FY2024 posed financial challenges, Scicom remains committed to investing strategically in AI-driven solutions, recognising their potential to drive long-term operational efficiencies. The global call centre AI market is projected to grow significantly, from USD 1.95 billion in 2024 to USD 10.07 billion by 2032, according to Fortune Business Insights, reflecting strong market demand for advanced AI applications. Scicom's focus on conversational AI, generative AI, and Robotics Process Automation (RPA) forms the backbone of our approach to developing a fully autonomous contact centre model that enhances both productivity and customer satisfaction.

Key AI-Driven Solutions Implemented

At Scicom, we are redefining the contact centre landscape with cutting-edge technologies that create a fully autonomous and intelligent customer service ecosystem. Our advanced solutions integrate Artificial Intelligence (AI), Natural Language Processing (NLP), and Machine Learning (ML) to power intelligent bots and virtual assistants, handling customer inquiries with exceptional accuracy and speed.



Automation Technologies

- **Advanced AI Chatbots and Virtual Assistants.**

Scicom's AI-powered chatbots leverage Natural Language Processing (NLP) to understand and respond to customer queries in real time across multiple channels. These virtual assistants continuously learn from interactions, improving their accuracy and reducing the need for human intervention in routine inquiries.

- **Speech-to-Text Technology for Agent Assistance.**

Scicom's speech-to-text technology transcribes customer conversations, allowing agents to quickly access critical information without manual note-taking. AI-driven tools analyse the transcriptions, providing agents with real-time insights and suggested responses, enhancing the overall quality and personalisation of support.

- **Robotic Process Automation (RPA).**

RPA automates repetitive tasks such as data entry, customer verification, and order processing, accelerating operations and reducing errors. This frees agents to focus on complex, high-value tasks that require personal interaction and more complex problem-solving skills.

AI-Driven Insights and Applied Intelligence

- **Natural Language Processing (NLP).**

NLP enables a deep understanding of customer intent, context, and sentiment, making interactions more relevant and accurate. It powers Scicom's chatbots, voice assistants, and other AI-driven customer engagement tools.

- **Sentiment Analysis.**

AI-driven sentiment analysis tools detect the emotional tone of customer interactions, adjusting responses accordingly or escalating calls to human agents when needed. This helps maintain high customer satisfaction, even in fully automated environments.

- **AI-Powered Quality Monitoring and Analytics.**

AI tools automatically monitor customer interactions to ensure quality, compliance, and performance. They provide real-time feedback to agents and generate actionable insights that help continuously refine and enhance customer service processes.

Leading the Future of Customer Care

As a leading BPO provider, Scicom is driving the transformation of the contact centre industry by integrating AI solutions that redefine customer care. Our strategic vision is centred on three core pillars, positioning us at the forefront of customer service excellence. This strategic initiative will foster long-term client relationships, drive innovation, and position us at the forefront of customer service excellence. Ultimately, this will complete Scicom's transformation into a fully autonomous, AI-driven customer engagement and business process outsourcing leader, ensuring we remain agile, competitive, and future-ready in a rapidly evolving marketplace.

- **AI-Driven Transformation for Contact Centres.**

We are enhancing our capabilities to guide businesses through AI and digital transformation journeys. Leveraging our expertise in customer care, we empower organisations to deploy, optimise, and scale AI technologies, improving both service delivery and operational efficiency. This approach ensures businesses can respond faster to customer needs while reducing costs and maximising productivity.

- **Next-Generation AI-Driven Omnichannel Platforms.**

We have invested in an AI Centre of Excellence dedicated to developing AI-powered omnichannel platforms that seamlessly integrate every customer touchpoint—chat, voice, email, and social media. These platforms leverage AI and machine learning to anticipate customer needs, proactively resolve issues, and deliver tailored responses in real time. This technology enhances the customer experience by fostering personalised interactions, strengthening relationships, and transforming each engagement into an opportunity for satisfaction and long-term value creation.

- **Proprietary, Industry-Specific AI Solutions.**

Scicom is investing in the development of customised AI solutions tailored to address unique challenges across different industries. These proprietary technologies are designed to drive operational excellence, reduce overheads, and elevate customer satisfaction. Our strategic focus is on expanding autonomous contact centre solutions into high-growth sectors such as e-commerce, airlines, and financial services, positioning us as a leader in industry-specific customer engagement technologies.



In-House AI Development to Gain Control and Competitive Edge

Scicom's decision to develop in-house AI solutions, rather than relying on third-party platforms, has fundamentally transformed our operations, financials, and service offerings. This strategy allows us to gain greater control over our technology, enhance competitive differentiation, and offer more tailored solutions to clients.

- **Cost Savings and Agility**

In-house development will result in long term cost savings by reducing the licensing fees and subscription costs typically associated with third-party vendors. It will also give us full control over our technology roadmap, allowing us to customise solutions to meet specific client needs and maintain agility without being locked into external vendor ecosystems.

- **Innovation and Competitive Differentiation**

Our proprietary AI solutions allow us to create bespoke offerings that provide deeper integration capabilities and personalised services. This innovation not only enhances client value but also differentiates Scicom from competitors, unlocking new service models and enabling high-value contracts.

- **Enhanced Data Ownership and Security**

Developing our own AI solutions ensures full control over data governance and security, mitigating risks associated with third-party platforms. This is particularly crucial for clients in regulated industries, ensuring compliance with regulations such as the Personal Data Protection Act (PDPA) and the General Data Protection Regulation (GDPR).

- **Improved Operational Efficiency**

In-house AI solutions have improved operational efficiency by allowing full control over automation processes and analytics. Real-time language translation, sentiment analysis, and AI-driven customer insights are now seamlessly integrated into our services. This capability allows us to respond to client needs and market changes with agility, free from vendor-imposed delays.

- **Customised Service Models that can generate New Revenue Streams**

Our proprietary AI tools empower us to introduce service models tailored specifically to our clients' needs. AI-driven services, such as virtual assistants, customised chatbots, and real-time dashboards, will enhance client relationships and open new revenue streams, setting us apart from competitors reliant on off-the-shelf solutions.

Balancing Investment with Long-Term Benefits

While our shift to in-house AI development provides significant strategic advantages, it also demands considerable investment in talent, research, development, and infrastructure. Building and maintaining these AI solutions will require the recruitment of specialised AI talent, data scientists, and engineers. To address this challenge, we are actively expanding our talent acquisition strategies to attract the best AI minds, and investing in upskilling our existing workforce. Continuous platform updates will also be essential to keep Scicom at the forefront of technological innovation, ensuring we strike the right balance between innovation and operational sustainability.

We recognise the challenges involved in building AI platforms from the ground up, particularly with regard to scalability and time to market. To ensure smooth deployment and sustainable growth, we are implementing a phased development approach that allows us to scale efficiently while maintaining high service quality. Additionally, we are investing in robust infrastructure and leveraging agile methodologies to shorten time to market without compromising on quality. By doing so, we are positioning Scicom to overcome these challenges and ensure that vendor independence delivers long-term benefits, including protection from external disruptions and better cost management. This enables us to swiftly adapt to emerging trends and maintain our competitive edge in a rapidly changing marketplace.



STRATEGY IN REVIEW

GOV-TECH

Citizens expect higher service levels and digital services from their governments, and Scicom is leading the charge by providing Gov-Tech solutions that modernise and streamline public services. Gov-Tech integrates advanced technology into government operations, promoting efficiency, transparency, and citizen-focused governance.

The global Gov-Tech market, valued at USD 531.6 billion in 2023, is expected to reach ~USD2 trillion by 2032, growing at a CAGR of 15.8%. Key drivers include rising government investments in digital transformation, the adoption of cloud solutions, AI, and cybersecurity measures.

Scicom's Role in Public Sector Transformation

Scicom is at the forefront of public sector innovation, leveraging the latest advancements in Gov-Tech to improve service delivery and operational efficiency. Our focus on sustainability, innovation, and operational excellence positions us as a trusted partner for governments looking to future-proof their operations. Through the integration of AI-driven solutions and scalable platforms, we empower governments to navigate complex challenges, enhance service delivery, and deliver impactful outcomes in a digital and interconnected world.

- **AI-Powered Decision-Making and Data Management**

We enable governments to integrate AI-driven decision-making tools and programmatic data management, allowing for streamlined processes, optimised resource allocation, and proactive responses to evolving public needs. Our investments in real-time analytics ensure data integrity and compliance with evolving privacy regulations.

- **Omnichannel Citizen Engagement Platforms**

Scicom is advancing AI-powered omnichannel platforms that unify citizen interactions across multiple channels—chat, voice, and social media. These platforms provide seamless, personalised service experiences, improving citizen satisfaction and fostering stronger relationships between governments and the public.

- **Adaptive Cyber Security Solutions**

With the rise of cybersecurity threats, our adaptive security solutions offer continuous threat detection and proactive responses. These solutions ensure service continuity and safeguard government operations, even in dynamic environments, reinforcing trust and security for both governments and citizens. Scicom provides solutions that comply with the latest Gov-Tech regulatory requirements, including the Personal Data Protection Act (PDPA) and the General Data Protection Regulation (GDPR). This ensures that governments can meet rising citizen expectations while maintaining compliance and security in an interconnected world.

Driving Growth through Strategic Engagement in Emerging Markets

Scicom's strategy for growth in emerging markets focuses on three core areas: Identity Management, Border Control, and Migrant Worker Management Solutions. Our managed service delivery model provides cost-efficient and high-impact solutions that optimise processes, improve service outcomes, and reduce the operational burden on public sector agencies.

- **Identity Management**

Scicom leverages digital technologies to streamline identity verification, ensuring faster and more reliable authentication processes. These solutions not only reduce administrative workloads but also minimise fraud risks, enhancing public trust.



- **Border Control**

Scicom provides cutting-edge systems that improve the efficiency and accuracy of immigration management. Our platforms enable seamless traveller processing and real-time data management, helping governments enhance security while facilitating the smooth movement of people.

- **Migrant Worker Management Solutions**

This solution set supports both public and private sectors in managing labour flows effectively. These solutions improve transparency and accountability, ensuring compliance with regulations while fostering better integration between migrants, employers, and government agencies.

Public-Private Partnership Framework

Central to our Gov-Tech delivery model is the public-private partnership framework, which enables collaboration between Scicom and governments in developing markets. This model allows us to reduce risks and costs for public sector entities while improving service delivery, ensuring that governments can focus on policy outcomes rather than operational challenges.

Financial Strength and Flexibility

Scicom's strong financial position provides us with the capacity to fund large-scale projects independently. Our solid balance sheet ensures that we have the financial flexibility to invest in innovation, pursue growth opportunities, and absorb risks associated with complex public sector initiatives. This financial strength reinforces our ability to scale solutions efficiently and deliver long-term value to clients and stakeholders.

Scalability and Customisation

Scicom's commitment to scalability and customisation ensures that our solutions can adapt to evolving needs and changing regulations. By acting as a trusted managed services provider, we empower governments to deliver enhanced public services with improved efficiency, supporting sustainable economic growth and societal development.

With a proven track record in these key focus areas, Scicom is well-positioned to play a pivotal role in the transformation of public sector service delivery. Our blend of operational expertise, technological innovation, and collaborative partnerships enables us to remain at the forefront of delivering value-driven solutions in developing markets. By aligning our efforts with the priorities of emerging nations, Scicom is well-positioned to secure new contracts and partnerships, driving sustainable growth while reinforcing our reputation as a leader in public sector solutions.



STRATEGY IN REVIEW

SCICOM DIGITAL

Scicom Digital continues to be a pivotal part of our growth strategy, driving digital transformation across multiple sectors, including healthcare, financial services, and retail. We specialise in developing and deploying cutting-edge digital commerce solutions that encompass digital strategy, experience design, data analytics, cloud computing, digital marketing, web and app development, automation, and cybersecurity. Our mission is to help companies transition from traditional to digital operations, improving efficiency, creating new revenue streams, and enhancing customer engagement.

Strategic Focus and Technological Integration

Scicom Digital harnesses advanced technologies such as AI, data analytics, and cloud computing to create customer-centric platforms that deliver next-generation digital experiences. We implement agile business models to develop scalable and adaptive solutions, enabling our clients to meet the growing consumer demand for seamless, digital-first interactions.

In FY2025, Scicom Digital is expanding its focus to include innovative solutions for the eCommerce sector. By leveraging AI-driven insights and automation, we aim to revolutionise service delivery and operational efficiency for our clients. Our proprietary full-stack platform supports robust, tech-enabled solutions that cater to evolving market needs, positioning us as a leader in digital transformation.

Transforming Business through AI-Driven Solutions

Scicom Digital is reimagining operations through AI and automation to enhance data use, optimise customer experiences, and drive operational efficiency. We focus on developing AI-powered solutions for eCommerce transactions, data-driven decision-making, and advanced customer insights, which allow financial institutions to stay competitive in a rapidly evolving market. We are helping brands leverage data and AI to personalise customer interactions, enhance digital marketing strategies, and streamline supply chain operations. By integrating our digital capabilities, we enable retailers to deliver tailored, engaging, and efficient shopping experiences that meet modern consumer expectations.

Healthcare Innovations

Building on our success in FY2024, Scicom Digital continues to prioritise healthcare, where we are transforming traditional medical benefits systems into modern, tech-enabled models. We partner with healthcare providers and insurers to offer streamlined digital health solutions that are convenient, cost-effective, and focused on improved health outcomes. Our goal is to simplify access to health and wellness services, benefiting members, payors, and providers alike.

Scicom Digital is committed to staying at the forefront of the digital revolution by continuously innovating and expanding our offerings. Through strategic partnerships, advanced technology integration, and a focus on customer-centric solutions, we are positioned to lead in digital transformation, delivering exceptional value for our clients and stakeholders across all sectors.





STRATEGY IN REVIEW

SCICOM EDUCATION

Scicom Education is redefining corporate training by leveraging AI-powered eLearning platforms built to meet the evolving demands of future workplaces. These platforms are designed to align learning paths with industry trends, offering real-time analytics, personalised content, and adaptive features that enhance learner engagement and performance. As companies shift towards automation and digital transformation, Scicom's innovative approach equips both businesses and employees with the critical skills needed to excel in an AI-centric economy. By focusing on technology-driven education, Scicom Education is positioning itself at the forefront of workforce development, ensuring that organisations stay agile and future-ready in an increasingly competitive landscape.

Scicom Education is committed to driving innovation in corporate training with AI-powered eLearning platforms designed to meet the needs of future workplaces. These platforms leverage real-time analytics, adaptive learning paths, and personalised course recommendations to enhance learner engagement and retention. As part of our growth strategy, Scicom will introduce eLearning courses focused on artificial intelligence (AI), equipping professionals with essential AI knowledge and practical skills to thrive in a technology-driven economy.

In FY2025, we will collaborate with industry partners to develop targeted training programs that address emerging skill gaps in high-demand sectors. Scicom Education aims to empower organisations and individuals to navigate the complexities of an evolving digital economy, reinforcing our position as a leader in future-ready eLearning. Our mission is to equip both individuals and businesses with the knowledge and skills needed to thrive in an increasingly AI-powered landscape. By focusing on forward-thinking educational strategies, we empower the workforce to adapt to emerging challenges and successfully navigate the complexities of the evolving digital economy.

CLOSING REMARKS

Scicom's journey through FY2024 highlights the resilience of our business model and the strength of our team. This year brought challenges and required adjustments, but it also served as a pivotal period of learning and adaptation. These experiences have enabled us to lay the foundation for a more agile and future-ready organisation. Our strategic initiatives, focused on responsible growth, position us to deliver greater value to our clients, investors, and the communities we serve.

Scicom is committed to long-term growth through innovation. Our strategy is built around three core pillars: AI-Driven Transformation, Scalable & Adaptable Platforms, and Proprietary Technology Development. Our portfolio of intellectual property (IP), the result of years of R&D and deep industry expertise, reflects this commitment. Our proprietary technologies span Identity Management, eKYC, Worker Management, Med-Tech, Blockchain-based Document Verification, and Integrated Border Management. These innovations empower us to address complex challenges, optimise client operations, and create sustainable value across diverse industries.

In addition, Scicom remains committed to aligning our growth strategy with Environmental, Social, and Governance (ESG) principles. We recognise that sustainable growth is vital for long-term success, and we continue to strengthen relationships with clients and stakeholders while adhering to responsible business practices. By integrating our focus on innovation with our commitment to ESG, we are positioned to drive profitable growth and generate lasting positive impact.

Anchored by business agility, advanced technology, and responsible growth, Scicom is well-positioned to leverage its strengths. Our dedication to continuous innovation and operational excellence provides a solid foundation for enhanced performance and sustainable value creation in the years to come. We remain focused on delivering exceptional outcomes for all our stakeholders, ensuring Scicom's ongoing success in an increasingly digital and interconnected world.

SEGMENTAL RISK

The tables below outline the key enterprise risks faced by the Group and the corresponding mitigating controls. The Group is committed to continuously monitoring the risk environment and taking appropriate actions to address these risks effectively.

Managing Key Segmental Risk - Information Security			
Information Security	BPO Segment	Gov-Tech Segment	Education Segment
	✓	✓	✓
How We Manage Information Security Risk The Group faces considerable risks related to information security due to the growing volume and complexity of data it manages. With the adoption of advanced information technologies, including artificial intelligence (AI), Internet of Things (IoT) and Large Language Model (LLM), the potential for data breaches and unauthorised access increases. These risks can lead to operational disruptions, financial losses, and damage to the Group's reputation. Additionally, regulatory requirements for data protection and information security add complexity to managing these risks. To address these risks, the Group has established a comprehensive Information Security Management Framework. This framework includes rigorous policies and procedures designed to ✓protect sensitive data and ensure compliance with regulatory standards such as the Personal Data Protection Act (PDPA). The Group's ISO 27001 certification further demonstrates its commitment to high standards in information security management. The Group remains proactive in enhancing its information security measures to safeguard its data assets and ensure compliance. This is achieved by continuing to stay vigilant and up to date with both technological advancements and regulatory requirements.			

Managing Key Segmental Risk - Cyber Security			
Cyber Security	BPO Segment	Gov-Tech Segment	Education Segment
	✓	✓	✓
How We Manage Cyber Security Risk The Group's reliance on digital platforms and interconnected systems exposes it to significant cyber security threats, such as hacking, malware, and phishing attacks. These threats jeopardise the confidentiality, integrity, and availability of the Group's systems and data assets. Regulatory requirements, such as those from the Cybersecurity Act and sector-specific guidelines, add an additional layer of compliance that must be managed alongside these risks. A successful cyberattack could result in operational disruptions, financial losses, and reputational damage. To manage cyber security risks, the Group employs a multi-layered security strategy that includes threat detection systems, firewalls, and encryption technologies. Compliance with regulatory requirements is ensured through regular vulnerability assessments, penetration testing, and adherence to cyber security industry standards. Employee training programmes are also in place to enhance awareness of cyber threats and regulatory obligations to the Group. The Group continuously updates its cyber security practices to keep pace with evolving threats and regulatory changes. Regular reviews of the Group's cyber security policies ensure they align with current regulations and effectively mitigate potential risks.			

Managing Key Segmental Risk – Business Continuity

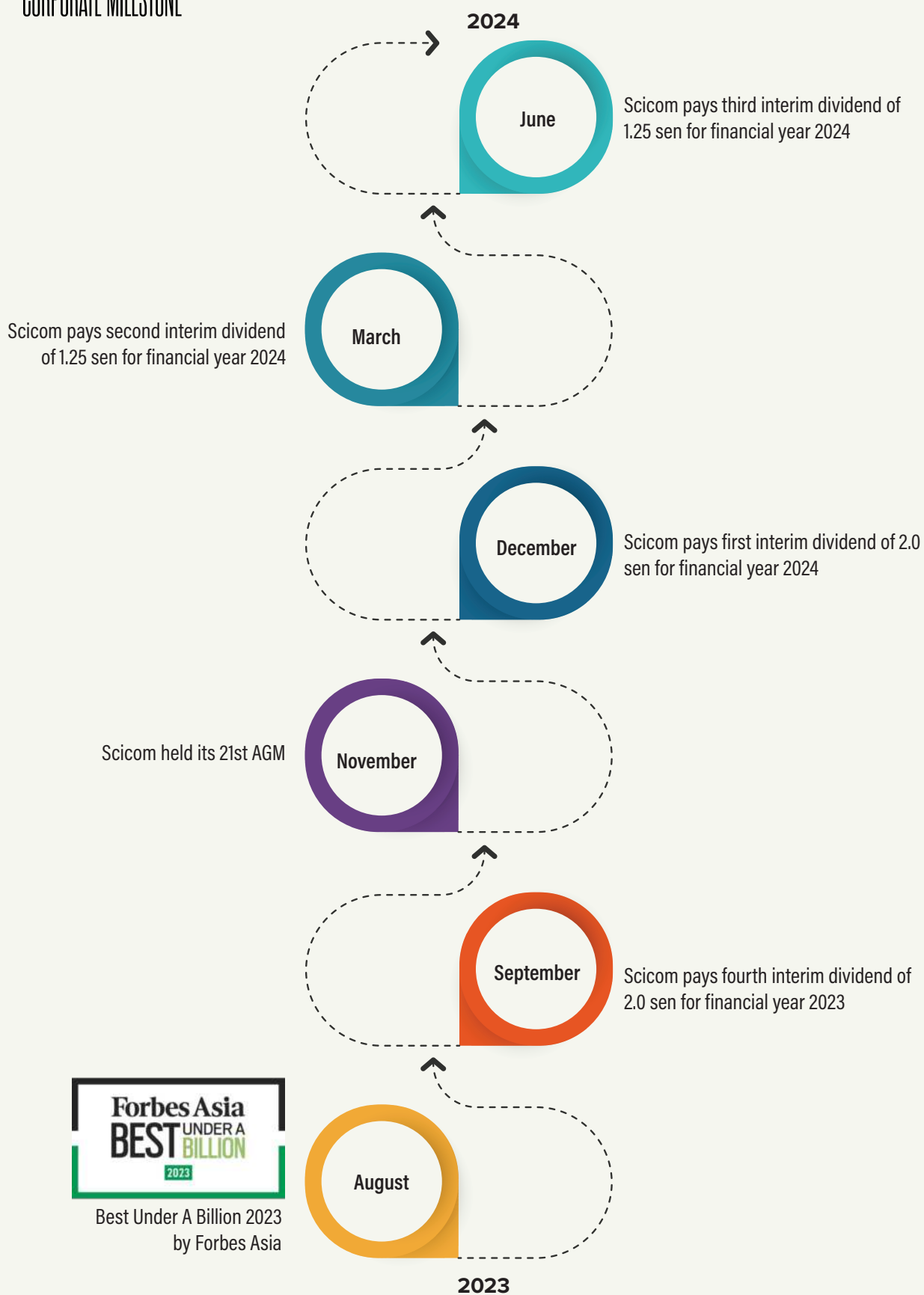
	BPO Segment	Gov-Tech Segment	Education Segment
Business Continuity	✓	✓	✓
How We Manage Business Continuity Risk The Group faces significant business continuity risks due to potential disruptions from various sources such as natural disasters, cyber-attacks, IT failures, operational failures, and supply chain interruptions. These disruptions could adversely affect the Group's ability to maintain essential operations, deliver services, and meet customer expectations. To manage business continuity risks, the Group has developed and implemented a comprehensive Business Continuity Plan (BCP). This plan includes detailed procedures for responding to various types of disruptions, ensuring the continued operation of critical functions, and minimising impact on services and operations. The BCP is regularly tested and updated to address emerging risks and regulatory requirements. Key components include disaster recovery plans, backup systems, and crisis management protocols to ensure rapid recovery and continuity. The Group is dedicated to continuously improving its business continuity capabilities. This includes regular testing and simulation exercises to validate and refine the BCP, as well as staying informed about best practices and regulatory changes related to business continuity. Ongoing training for employees ensures they are prepared to respond effectively to disruptions. By maintaining a proactive approach and adapting to new challenges, the Group aims to ensure resilience and continuity in its operations.			

Managing Key Segmental Risk – Technological Changes

	BPO Segment	Gov-Tech Segment	Education Segment
Technological Changes	✓	✓	
How We Manage Technological Changes Risk Rapid advancements in technology are transforming the Group's BPO operations and Gov-Tech product offerings. These changes can introduce risks such as system or business obsolescence, integration challenges, and increased operational costs. Additionally, staying compliant with evolving regulations related to new technologies and data usage adds complexity to managing these risks. Failure to adapt quickly to technological shifts could impact the Group's competitive edge and operational efficiency. The Group actively monitors technological trends and evaluates their impact on operations, product offerings and compliance requirements. By adopting a agile and rapid approach to align its strategies with the latest technological developments, the Group addresses potential risks related to system or business obsolescence and regulatory compliance. This involves regular technology assessments, strategic investments in new technologies, talent acquisition and development as well as a continuous review and update of operational procedures. The Group is committed to continuous improvement and adaptation in response to technological advancements. By proactively managing technological changes and ensuring regulatory compliance, the Group aims to maintain its business relevance and operational efficiency in a dynamic digital landscape.			

Managing Key Segmental Risk – Environmental, Social & Governance (ESG)			
Environmental, Social & Governance (ESG)	BPO Segment	Gov-Tech Segment	Education Segment
	✓	✓	✓
How We Manage ESG Risks Scicom faces several environmental risks, including high energy consumption from operating multiple call centres, offices, and IT infrastructure. Business travel and operations contribute to carbon emissions, while the disposal of obsolete IT equipment presents challenges in managing e-waste responsibly. To mitigate these risks, Scicom has implemented smart thermostats to optimise energy usage and is exploring further automation to enhance efficiency. The company also ensures responsible e-waste practices to reduce its environmental impact. On the social front, Scicom operates in high-stress environments that can affect employee well-being and retention. Offshore operations require strict adherence to fair wage policies, diversity initiatives, and inclusive workplace practices to mitigate reputational risks. Additionally, the handling of sensitive customer and client data involves risks of data breaches and regulatory non-compliance, such as under GDPR. Service disruptions could impact customer satisfaction and damage the company's reputation. To address these risks, Scicom offers employee well-being programmes, promotes diversity in its workforce, enforces strong cybersecurity protocols, and ensures operational excellence to maintain service continuity. From a governance perspective, Scicom is exposed to compliance risks due to the complexity of operating across multiple jurisdictions, with varying tax laws, employment regulations, and outsourcing policies. The reliance on third-party vendors and subcontractors introduces risks of unethical practices, which require continuous monitoring. As a publicly listed company, Scicom maintains high standards of governance and transparency to meet stakeholder expectations and ensure accountability. To mitigate these governance risks, Scicom conducts regular audits of vendors, ensures compliance with all relevant regulations, and follows best practices in corporate governance to safeguard business integrity and foster sustainable growth. For more information on the Group's comprehensive ESG framework, strategy, and initiatives, please refer to the Corporate Sustainability Statement. This document provides detailed insights into the Group's ongoing efforts to integrate ESG considerations into its operations, ensuring that its practices align with global standards and contribute to sustainable development.			

CORPORATE MILESTONE



CORPORATE SUSTAINABILITY STATEMENT

Sustainability Achievements & Highlights for FY2024

As Scicom navigates the ever-changing business landscape, we continually adapt our Environmental, Social, and Governance (ESG) approach and goals to ensure that we are operating in a responsible and sustainable manner.

For the FY2024, Scicom has achieved the following sustainability milestones:



Recognised by Forbes Asia in its "Best Under a Billion 2023" list, which acknowledges 200 small and mid-sized publicly traded companies in the Asia-Pacific region that have outperformed despite global headwinds such as inflation and rising costs



FTSE4Good

3.1 FTSE4 Good Index Score

(included in the FTSE4Good Bursa Malaysia Index since 2022)



3 stars in Bursa Malaysia's ESG Ranking

(This puts Scicom in the top **36th** percentile of companies for good ESG disclosure and performance, ICB super sector: Industrial Goods & Services)



SCICOM'S SUSTAINABILITY

VISION STATEMENT

"Scicom is committed to fostering sustainable growth by embedding environmental responsibility, social equity, and economic resilience into our operations. We aim to minimise our environmental impact, support community well-being, and drive innovation for a sustainable future, creating long-term value for our stakeholders."



SCICOM'S SUSTAINABILITY

MISSION STATEMENT

"To harmoniously blend our core values of people, integrity, teamwork, innovation, and quality into sustainable practices. We are dedicated to achieving total customer delight while ensuring our operations reflect an abiding commitment to environmental and social responsibility."



Scicom's commitment to the SDGs

Scicom is committed to building a sustainable future by aligning our organisational goals with the United Nations' 2030 Agenda, focusing on Sustainable Development Goals (SDGs) 3, 4, 5, 8, 10, and 13. Through targeted initiatives and the adoption of responsible business practices, we aim to create meaningful, lasting impact in areas such as health and well-being, quality education, gender equality, decent work and economic growth, reducing inequalities, and climate action. Our approach not only supports global sustainability efforts but also enables us to contribute positively to both society and the environment.

We remain committed to continuously enhancing our sustainability practices, improving our disclosures, and strengthening our overall performance. We welcome any feedback or inquiries regarding the Sustainability Statement 2024 and encourage you to contact us at sustainability@scicom.com.my.



1. Scicom's Sustainability Approach

Scicom's ESG approach takes a holistic view in ensuring sustainable business practices that create long-term value for stakeholders. Our ESG framework outlines specific goals and actions that will enable us to accelerate sustainable growth in Scicom's influence extends to multiple stakeholders, including employees, clients, and the communities it serves.

Economic	→ Develop and deliver sustainable business solutions that create value for our customers, employees, shareholders, and communities. → Invest in digital solutions to improve operational efficiencies and enhance customer experience and satisfaction. → Implement and enhance cybersecurity measures to protect our IT infrastructure from cyberattacks, data breaches, and other risks.
Environmental	→ Continuously identify, evaluate, and implement energy efficiency initiatives to reduce our consumption of energy and resources. → Reduce waste through waste prevention, recycling, and promote awareness and participation among employees and stakeholders. → Increase awareness and understanding of environmental policy initiatives within the Group through training, communication, and engagement.
Social	→ Provide a safe and healthy workplace for all employees. Prevent sexual harassment and violence. → Promote equal employment opportunities and prevent discrimination of any kind. → Offer competitive compensation and benefits packages and create a positive work environment for all employees. → Improve employee competency levels by providing relevant training programs. → Actively encourage employees to get involved in community-based initiatives, charity, and/or other social work.
Governance	→ Ensure that all ESG and sustainability initiatives have top-down buy-in from the Board of Directors and Senior Management Team. → Establishment of a Sustainability Working Committee made up of representatives from all departments to design and coordinate sustainability initiatives. → Engage and maintain meaningful relationships with stakeholders to ensure that their perspectives are considered in the development and implementation of sustainability initiatives.

Scicom is dedicated to upholding the highest professional, legal, and ethical standards, ensuring continued trust and confidence from our stakeholders. We foster a culture of integrity and compliance across the Group, with our policies, standards, and procedures addressing the following key areas:

Environmental	Social	Governance
• Environmental Policy • Sustainability Policy • Terms of Reference – Sustainability Committee	• Personal Data Protection Policy • Whistleblowing Policy • Human Rights Policy • Non-Discrimination Policy • Health & Safety Policy • Diversity Policy • HR Policy • Physical Security Policy	• Board Charter • Limits of Authority • Code of Business Conduct and Ethics • Anti-Bribery and Anti-Corruption Policy • Investor Relations Policy • Directors' Assessment Policy • External Auditors Assessment Policy • Corporate Disclosure Policy and Procedures • Succession Planning Policy • Remuneration for Director and Senior Management Policy and Procedures • Enterprise Risk Management Policy • Insider Dealing Policy • Procurement Policy

Our policies and professional standards apply to all employees, and any violations will result in serious repercussions, including a thorough investigation followed by appropriate consequence management.

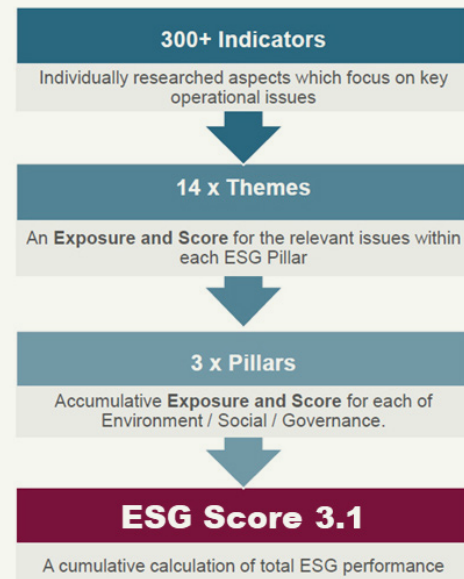
2. FTSE4Good Index and Adoption of Global Sustainability Frameworks

Scicom has been a constituent of the FTSE4Good Index Series since June 2022, which is based on the FTSE Russell ESG Ratings methodology. This index evaluates companies across three main categories—Environmental, Social, and Governance (ESG)—further divided into 14 specific themes, as outlined in the diagram below. However, due to the nature of Scicom's operations as a BPO service provider, many of these Environmental themes are less applicable to our business compared to industries such as manufacturing, energy, or natural resources.

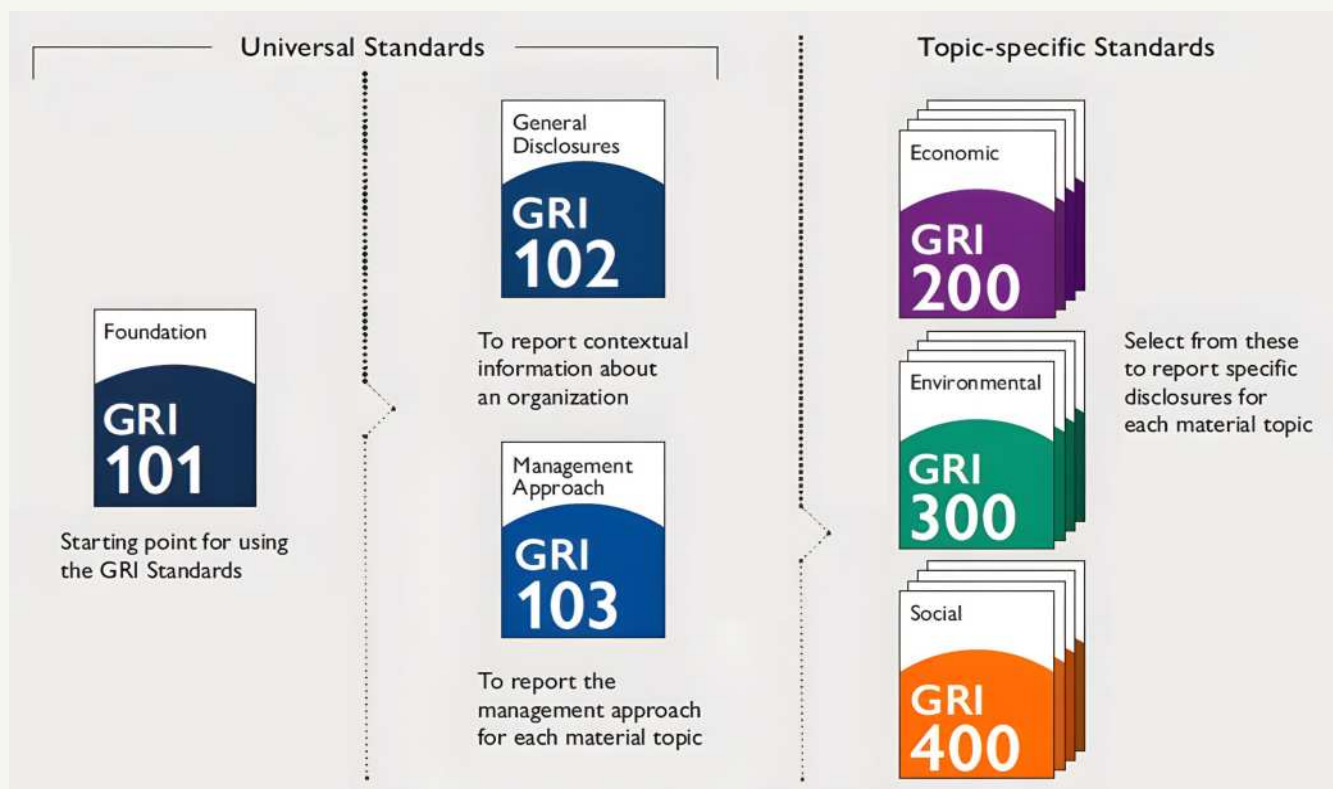
In the latest FTSE4Good Index Series review in June 2024, Scicom achieved an ESG score of 3.1 (up from 2.9 in June 2023) out of a maximum score of 5. This places us on par with the average score for our sub-sector (Industrial Classification Benchmark - Super sector: Industrial Goods & Services) and above the industry average.

In this sustainability report, Scicom has chosen to adopt the Global Reporting Initiative (GRI) Standards Topic Disclosures and Bursa Malaysia Sustainability Reporting Guide (3rd edition). These frameworks provide a globally recognised structure, enabling us to address the ESG challenges and opportunities most relevant to our business.

FTSE Russell ESG Ratings



Global Reporting Initiative - Topic Disclosures



The Global Reporting Initiative (GRI) Standards Topic Disclosures offer a globally recognised framework that is particularly well-suited to addressing the unique ESG aspects of the BPO industry. For Scicom, these GRI material topics form the foundation of our ESG initiatives and reporting, guiding both our strategic planning and day-to-day operations. This approach ensures that our efforts are focused on areas where we can have the greatest impact, making our sustainability practices both effective and meaningful.

Scope and Boundaries

The entities included in the sustainability reporting are the active companies in the Group:

Malaysia

- Scicom (MSC) Berhad
- Scicom (Academy) Sdn. Bhd.
- Scicom E-Solutions Sdn. Bhd.

Sri Lanka

- Scicom Lanka (Private) Ltd.

Scicom's sustainability statement covers the financial period from 1 July 2023 to 30 June 2024, focusing on our key markets, particularly Malaysia and Sri Lanka. Where possible, we provide three years of quantitative data for relevant indicators to ensure a comprehensive and transparent view of our sustainability performance.

Sustainability Reporting Principles

This statement is aligned with the GRI Standards Reporting Principles, ensuring the highest standards of quality in both information and disclosures:

Data Quality

- **Accuracy:** We provide precise information for reliable impact assessments.
- **Verifiability:** Data is collected and analysed to ensure it can be verified.

Information Presentation

- **Balance:** We present both positive and negative impacts for a fair view.
- **Clarity:** Information is clear and easy to understand for all stakeholders.

Comparative and Contextual Analysis

- **Comparability:** Information is reported consistently to track progress and benchmark against others.
- **Sustainability Context:** Our disclosures show how Scicom's impacts align with broader sustainability goals.

Reporting Coverage

- **Completeness:** We provide enough data for thorough impact assessments.
- **Timeliness:** Information is reported promptly for timely decision-making.

Sustainability Report Governance

Effective governance is at the core of our sustainability strategy, ensuring that all aspects of environmental, social, and governance (ESG) practices are integrated into our business operations. The Risk and Sustainability Committee (RSC), acting on behalf of the Board, is responsible for overseeing the company's sustainability initiatives. The RSC reviewed and approved this Sustainability Report, ensuring it meets the highest standards of quality, disclosure, and alignment with our broader organisational vision.

• Board Endorsement and Oversight of Sustainability Reporting

The Board, represented by the Risk and Sustainability Committee (RSC), has reviewed and approved this report. The RSC ensures the credibility of the company's reporting suite by overseeing and approving the quality of reporting, disclosure levels, structure, and design, ensuring alignment with the Group's vision and strategy for Sustainability.

• Statement of Assurance

This Sustainability Statement has not undergone formal assurance by an internal or independent auditor based on recognised standards. However, all data included has been internally validated by Management to ensure its accuracy and reliability.

2.1 Scicom's Material Topics and GRI Standards Alignment

In line with the GRI Standards Topic Disclosures, Scicom has identified a set of material topics that are central to our sustainability efforts. These topics have been carefully selected as areas where we can make a significant positive impact, and which are of high importance to our stakeholders.

Topic Disclosures for Scicom

Topic series 200, 300, and 400 refer to the three main categories of the Global Reporting Initiative (GRI) Standards - Economic, Environmental, and Social.

- Economic topics (series 200) cover the organisation's economic performance and impacts, such as its financial results, employment practices, and economic contributions to local communities.
- Environmental topics (series 300) cover the organisation's environmental impacts, such as its greenhouse gas (GHG) emissions, water usage, and waste management.
- Social topics (series 400) cover the organization's social impacts, such as its labour practices, human rights record, and diversity and inclusion initiatives.

Materiality Assessment and Matrix

The materiality matrix was developed through a combination of external research, industry benchmarking, and stakeholder engagement. Once the key material issues were identified, they were plotted on a matrix with two key dimensions: importance to stakeholders and relevance to the company. This matrix allowed Scicom's Management Team to prioritise the most significant ESG issues that required focused attention. Material matters were assessed annually by the Risk and Sustainability Committee (RSC), with a comprehensive review conducted every three years.

Importance to Stakeholders	High	308 - Supplier Environment Assessment 414 - Supplier Social Assessment	201 - Economic Performance 202 - Market Presence 203 - Indirect Economic Impacts 204 - Procurement Practices 205 - Anti-Corruption 207 - Tax 302 - Energy 303 - Water and Effluents 305 - Emissions 306 - Waste 401 - Employment - Hires/ Turnover 403 - Occupational Health and Safety 404 - Training and Education 405 - Diversity and Equal Opportunity 406 - Non-discrimination 409 - Forced or Compulsory Labour 413 - Local Communities 418 - Customer Privacy	
	Medium			
	Low			
		Low	Medium	High
	Importance to Scicom			

We have identified the following ESG topics as material to our business and stakeholders. In the following sections, we will provide a detailed overview of our performance on each of these material topics, along with our plans for improvement. In this year's materiality assessment, we have added water as a new material topic. Scicom has identified 18 key topic disclosures for its materiality matrix.

Governance (Series 100)					
101 – Foundation					
102 – General Disclosure					
103 – Management Approach					
Economic (Series 200)		Environmental (Series 300)		Social (Series 400)	
GRI Index No.	Sustainability Statement's Ref No.	GRI Index No.	Sustainability Statement's Ref No.	GRI Index No.	Sustainability Statement's Ref No.
201 - Economic Performance	3.2.1	302 – Energy	3.3.1	401 - Employment	3.4.1
202 - Market Presence	3.2.2	303 – Water and Effluents	3.3.2	403 - Occupational Health and Safety	3.4.2
203 - Indirect Economic Impacts	3.2.3	305 – Emissions	3.3.1	404 - Training and Education	3.4.3
204 - Procurement Practices	3.2.4	306 – Waste	3.3.3	405 - Diversity and Equal Opportunity	3.4.4
205 - Anti-Corruption	3.2.5			406 - Non discrimination	3.4.5
207 – Tax	3.2.6			409 - Forced or Compulsory Labour	3.4.6
				413 - Local Communities	3.4.7
				418 - Customer Privacy	3.4.8

Materiality Matrix Stakeholder Engagement

At Scicom, we recognise that the success of our sustainability initiatives is deeply tied to our ability to engage with stakeholders in a meaningful and mutually beneficial way. This commitment drives our approach to understanding and addressing the material matters that influence both Scicom's performance and our stakeholders' expectations.

We continually assess and prioritise the material matters that are most significant to our stakeholders. These are the environmental, social, and governance (ESG) issues that directly affect our operations, as well as our stakeholders' decisions, perceptions, and willingness to engage with Scicom.

In response to stakeholder feedback, Scicom has implemented various initiatives to address key concerns. Our approach includes:

- **Sustainability in Operations:** We have automated our air conditioning systems using smart thermostats, reducing energy consumption in non-24-hour operations, demonstrating our commitment to environmental responsibility.
- **Employee Engagement and Growth:** We have launched targeted programmes for employee development, aligning with stakeholder expectations for continuous learning and innovation within the workforce.
- **Transparent Communication:** To foster trust and transparency, we regularly report on our sustainability initiatives and performance, ensuring stakeholders remain informed of our progress and future goals.

3. Sustainability Topic Disclosures

This section focuses on Sustainability Topic Disclosures. These disclosures cover specific economic, environmental, social, and governance topics relevant to Scicom and our stakeholders.

3.1 Governance (Topic Series 100)

The GRI 100 Series standards align closely with Scicom's overarching sustainability goals, offering a framework that supports our commitment to responsible business practices. Through compliance with these foundational standards, we ensure that our report is not only accurate and reliable but also relevant to our diverse stakeholder group, including investors, clients, employees, and the communities in which we operate.

Board Oversight

The Board of Directors, through the Risk and Sustainability Committee ("RSC"), provides oversight on Scicom's ESG strategy and performance. The RSC currently consists of three (3) members and have a dual focus: oversee the Group's risk management and governance of sustainability issues. The RSC will further strengthen the Group's governance framework, ensuring that ESG considerations are integrated into all aspects of decision making. The RSC will be a key component of the Group's risk management and sustainability governance framework and its responsibilities include:

(i) Risk Management

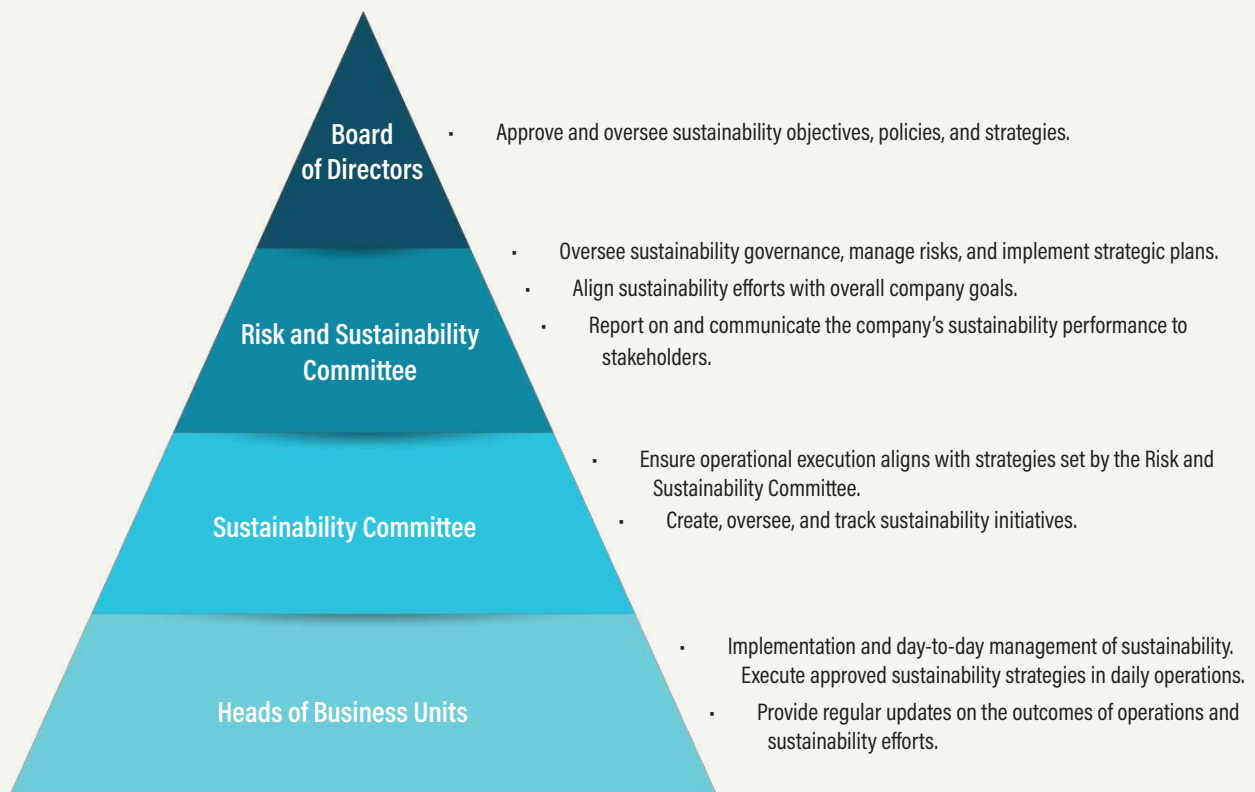
The RSC is responsible for ensuring the adequacy and effectiveness of the Group's risk management processes. Having oversight on the Group's risk appetite, tolerance, and strategy, reviewing and deliberating on key risks, risk profiles, and risk treatments. The RSC directs and monitors the implementation of the Group's risk management framework, policies, system of internal controls, and reporting system. RSC also directs the development of an appropriate risk culture throughout the Group, reviewing risk management reports from the Chief Risk Officer. Additionally, the RSC considers the risks associated with corporate actions, such as acquisitions, divestitures, new ventures, investments, and joint ventures.

(ii) Sustainability

The RSC is responsible for ensuring the effective governance of sustainability within the Group. This includes setting sustainability strategies, priorities, and targets, ensuring alignment with the Group's commitment to integrating sustainability practices into its business operations, overseeing ESG risk management, monitoring the adoption and effectiveness of sustainability-related policies and procedures, reviewing and monitoring the Group's sustainability performance, and driving engagement on sustainability.

Sustainability Committee

The Sustainability Committee, comprising C-level officers and chaired by the Group Chief Executive Officer, sets ESG priorities, monitors progress, and reports to the RSC and subsequently reports to the Board. This committee ensures that Scicom's sustainability strategies and plans are developed, communicated, managed, monitored, measured and reported for the Company to effectively manage risks, create long-term value for stakeholders, and contribute to a more sustainable future.



Scicom follows GRI standards on how to articulate its management approach to various sustainability topics. This involves detailing the policies, practices, and KPIs (Key Performance Indicators) that govern our actions in areas such as environmental management, social responsibility, and governance (ESG). By using these standards, we aim to provide a comprehensive view of how sustainability is integrated into our strategic decision-making and operational activities.

Stakeholder Engagement

Engagement with our various stakeholders is crucial to the effective operation of all our business units. Scicom uses the information from engaging with these stakeholders to define our goals and shape our business practices. We engage with our stakeholder groups through various communication channels - from web-based media platforms, meetings, seminars, and in-person interactions, as listed below:

Stakeholder Group	Forms of Engagement	Issues of Concern
Government & Regulators Governments in key markets in which we operate and regulators that govern our operating environments	- Regular consultations and meetings - Periodic reporting	Compliance with current laws and regulations
Investors/ Shareholders Institutional and retail investors, shareholders & investment analysts	- Annual General Meetings (AGMs) - Corporate announcements - Analyst briefings & media releases - Corporate website	- Financial performance - Return on Investment/ Equity
Customers Users of Scicom's diverse range of solutions	- Customer survey/ feedback exercises - Customer service channel - Corporate website/ social media channels	- User experience - Customer Services - Solution pricing
Business Partners/ Suppliers/ Consultants Third party suppliers, vendors and advisors who contribute to the Group's procurement, production and service delivery capabilities	- Periodic performance evaluations - Periodic meetings/ engagements	Enhancing an ethical and fair procurement system
Employees Employees responsible for the day-to-day operations of our business divisions	- Department meetings - Performance appraisals - Training sessions - Engagements via social media channels	- Job satisfaction - Talent development - Career progression - Recognition, remuneration and benefits - Workplace health and safety - Recruitment and retention of skilled workers
Local Communities Local communities and the general public in the countries we operate in	- Community engagement and outreach events - CSR activities - Social media channels	- Ethical code of conduct - Community welfare - Environmental and social impact

3.2 Economic (Series 200)

This section of our sustainability report focuses on the direct economic impact of the BPO and Gov-Tech industry. As a leading entity in Malaysia's BPO sector, we recognise the imperative of a balanced economic performance, benefiting not just shareholders but also employees, clients, and the wider community. Our approach to economic performance covers not only financial profitability but also long-term sustainability. This extends from the head office in Malaysia to all global markets where Scicom has a presence. Scicom's approach towards Economic Performance is detailed below.

- **Financial Viability.** Consistently provide services and products that contribute towards profitable growth while ensuring sustainable practices.
- **Employee Remuneration.** Offer remuneration packages that are competitive in industry and meet governmental guidelines.
- **Investment in Technology.** Allocate resources for technological advancements to improve operational efficiency and client satisfaction.
- **Ethical Procurement.** Ensure all suppliers adhere to our economic, environmental, and social standards.

Management Approach and Methods

- **Budgeting and Planning.** Utilise a rigorous budgeting and financial planning process to ensure optimal resource allocation.
- **Performance Metrics.** Utilise KPIs and benchmarks to continually assess economic performance. Performance is reviewed on a quarterly basis by the Senior Management Team and by the Board of Directors. Adjustments to strategies are made as required, based on the analysis of both financial metrics and stakeholder feedback.
- **Stakeholder Engagement.** Regularly communicate with shareholders, employees, and clients. The Annual Financial Report and GRI-aligned Sustainability Report serve as the main channels for disclosing our economic performance, providing comprehensive and transparent data for all stakeholders.
- **Regular Auditing.** Scicom utilises third-party auditors to verify the financial and operational metrics, ensuring transparent reporting.

Our economic management approach reflects our commitment to a balanced, responsible, and transparent operation. Through periodic assessment and stakeholder engagement, we aim to continuously improve our economic impact, aligning it with broader sustainability goals.

3.2.1 Economic Performance

The Group recorded revenues amounting to RM224.0 million in FY2024. Profit After Tax (PAT) was RM24.3 million. Dividend payout of 6.5 sen was declared. During the financial year, the Group effectively handled 253.9 million transactions across various channels including voice, social media, data processing, and visa processing.

- Managed over 253.9 million transactions in FY2024 (FY2023: 218.6 million).
- Dividend payout 6.5 sen in FY2024 (FY2023: 8.0 sen).
- Dividend payout ratio increased from 87.9% in FY2023 to 94.9% in FY2024.
- Dividend yield increased from 6.9% in FY2023 to 7.2% in FY2024.
- Total tax paid by the Group and also employees amounted to RM10.0 million (FY2023: RM11.4 million) and RM5.3 million (FY2023: RM5.6 million).

Our financial and operational performance in FY2024 can be attributed to the following factors.

- **Diverse Service Offerings.** Scicom's broad range of services—including BPO, Gov-Tech, digital transformation, and technology outsourcing—positions us to meet diverse client needs, while reducing dependency on any single revenue stream. In FY2024, we onboarded two new clients and successfully renewed 78% of our expiring contracts. The growing adoption of AI-powered solutions and autonomous contact centre technologies allows us to further differentiate our offerings, providing clients with enhanced efficiency and reduced operational costs through automation and machine learning.
- **Client Relationships.** Scicom continues to build long-term, strategic partnerships with clients, enhancing retention and revenue stability. By incorporating AI-driven customer service solutions, we've been able to offer personalised, real-time support to our clients' end customers, significantly improving user experience and retention. The average tenure of our clients increased to 7.3 years in FY2024, with 66% of our clients having been with us for over 5 years.
- **Global Footprint.** Scicom's ability to serve clients worldwide provides revenue diversity and access to a global talent pool. By leveraging AI-driven workforce management systems, we have optimised the utilisation of talent across different regions, ensuring round-the-clock service delivery without increasing operational costs.
- **Innovation and Investment in Technology.** Scicom remains at the forefront of adopting cutting-edge technologies such as artificial intelligence, autonomous contact centres, cloud computing, and data analytics. These technologies have not only enhanced the quality of service we offer but also allowed us to scale our operations efficiently. Autonomous contact centres have enabled us to automate repetitive tasks, reducing the burden on human agents and improving customer satisfaction through faster resolutions.

- **Talent Management.** Attracting and retaining top talent remains a core focus. We have integrated AI tools to assist our teams, ensuring that they are supported by technology in delivering high-quality services. Continuous employee training in AI technologies and automation has empowered our workforce to better adapt to the evolving demands of the digital landscape.

Target Action Plans for FY2025

To achieve positive net profit growth in FY2025, Scicom will continue to prioritise the following strategies:

- **Enhance Client Outcomes.** Leverage AI and automation to exceed client expectations by providing innovative, data-driven solutions that improve efficiency, service quality, and overall value.
- **Drive Revenue Growth.** Strengthen business development efforts to secure new clients and diversify revenue streams, with a specific focus on promoting AI-powered and autonomous contact centre services.
- **Organic Growth.** Cultivate organic growth by deepening relationships with existing clients, enhancing engagement, and expanding the use of AI-driven service offerings to increase client retention and satisfaction.
- **Implement Cost-Saving Measures.** Identify and implement cost-saving measures by utilising AI and automation to streamline operations, reduce overhead costs, and enhance profitability.
- **Drive Technological Innovation.** Continue to accelerate the adoption of autonomous contact centre technologies and advanced AI solutions to generate new revenue opportunities and improve productivity across all business units.

3.2.2 Market Presence

Market Presence primarily relates to the economic value generated and distributed in the regions where a company operates. Scicom takes a holistic approach to its market presence. As a leader in Malaysia's BPO industry, we aim for a market presence that is not merely about growth and profitability, but also social impact and sustainability.

- **Entry Level Wage.** Comparison of the standard entry-level wage offered by Scicom to local minimum wages at significant locations of operation. All Scicom jobs pay above the minimum wage. On average, entry-level wages is 134% (FY2023: 134%) above the minimum wage.
- **Proportion of Senior Management** hired from the local community at significant locations of operation. The proportion of middle and senior management hired from local communities is 73% (FY2023: 78%) in Malaysia and 100% (FY2023: 100%) in Sri Lanka. These metrics serve as benchmarks for our commitment to contribute meaningfully to the local economy.

Scicom conducts annual reviews of its market presence strategies with key performance indicators (KPIs) presented to senior management. An annual review is undertaken by the Board of Directors, involving a comprehensive evaluation of all aspects of market presence including local hiring, wage parity, and customer satisfaction levels.

Target Action Plans for FY2025

In FY2025, we will commit to the following:

Wages and Compensation

- Fair Wage Commitment. Ensure that entry-level wages are consistently above the local minimum wage across all key locations. Conduct an annual wage assessment to adjust for inflation and regional economic shifts.
- Above Minimum Wage Compensation. Ensure that all employees in Malaysia and Sri Lanka earn a wage that is above the minimum wage.

Labour Law Compliance

- Compliance with Local Labour Laws. Ensure full adherence to local labour regulations, including wage laws, benefits, and employee conditions, across all regions of operation.
- Contribution Compliance. Ensure all contributions for eligible employees comply with local labour requirements, ensuring benefits are provided correctly.

Employee Retention and Development

- Employee Turnover. Strive to maintain a turnover rate that is lower than the average BPO rate, focusing on improving the work environment and competitive compensation packages.
- Succession Planning. Enhance the succession plan by monitoring successor development to ensure a smooth transition in leadership roles.

Promotion and Local Employment

- Promotion of Local Employment. Maintain a strong representation of senior management from local communities, ensuring local talent remains integral to leadership.
- Merit-Based Promotions. While prioritising local candidates for promotions, all decisions will be merit-based to ensure the best candidates are promoted.

3.2.3 Indirect Economic Impact

At Scicom, we recognise that our operations extend beyond direct financial performance to create indirect economic benefits for the communities, supply chains, and local economies in which we operate. Our activities contribute to the economic wellbeing of other organisations and individuals, including local suppliers, educational institutions, and community organisations.

Key Impacts of Our Indirect Economic Activities:

- **Local Procurement and Supply Chain Support.** We prioritise sourcing from local suppliers, which contributes to job creation and economic stability in our key regions of operation, particularly in Malaysia and Sri Lanka.
- **Education and Skill Development.** Through partnerships with local educational institutions, we contribute to skill development, helping to prepare students for future employment and contributing to the local economy's talent pipeline.
- **Social Welfare and Community Support.** Our contributions to charities and community organisations help strengthen the social fabric and provide essential services to underserved populations, indirectly benefiting the broader economy.

Target Action Plans for FY2025

In FY2025, Scicom aims to continue supporting communities and contributing to long-term economic and societal value. Our focus will be on the following initiatives:

Community Engagement and Social Welfare

- **Organise Community Events and Charity Drives.** Facilitate and support employee-led community activities and charity drives to strengthen ties within the community and enhance social welfare.
- **Partnerships with Educational Institutions and NGOs.** Strengthen collaborations with schools, universities, and NGOs to provide resources, internships, and apprenticeships, contributing to long-term social and economic development.

Resource Allocation and Donations

- **Donate Excess Equipment.** Donate surplus laptops and PCs to orphanages and underserved groups, enhancing access to technology and education, which can lead to long-term economic benefits through improved digital literacy and job readiness.

Employee Participation and Stakeholder Engagement

- **SPEAK Survey Participation.** Ensure full participation of employees in the SPEAK survey, fostering open communication and feedback, which helps shape Scicom's community and economic engagement strategies.

3.2.4 Procurement Practices

Scicom is committed to responsible and sustainable procurement practices, prioritizing not only cost-effectiveness but also social and environmental factors. We have documented policies and practices in place to ensure that our procurement is sustainable and responsible. These include:

- Sourcing from local suppliers when there are viable local options. We prioritise sourcing from local suppliers whenever possible. This helps to support the local economy and reduce our environmental impact.
- Scicom requires all vendors to complete a vendor declaration pledge, stating that the vendor will adhere to Scicom's Vendor Code of Conduct (VCOC), ABAC Policy, as well as a Human Rights and Non-discrimination Policy. In addition, they commit to the following anti-corruption principles: promoting values of integrity, transparency, accountability, and good corporate governance; strengthening internal systems against corruption; actively fighting corrupt practices; and supporting government and local authority initiatives for corruption prevention. All vendors must abide by all applicable laws and regulations concerning anti-bribery, fraud, and corruption.

Scicom is committed to support local suppliers. In FY2024, 61% (FY2023:80%) of purchases in Malaysia and 95% (FY2023: 93%) of purchases in Sri Lanka were from local suppliers. The percentage of local vendors in Malaysia is 87% (FY2023:91%) and in Sri Lanka is 92% (FY2023:98%). Sourcing from local suppliers has several benefits. It helps to reduce Scicom's environmental impact by reducing the transportation of goods. It also helps to support the local economy by creating jobs and generating tax revenue.

Target Action Plans for FY2025

In FY2025, Scicom will continue to support local vendors where there are viable options, and it is priced competitively. In addition, we are in the process of developing a Procurement System with a Vendor Management Module that will enable us to identify and select sustainable suppliers, manage supplier relationships effectively, and track and report on their own sustainability performance.

3.2.5 Anti-Corruption

Scicom is committed to conducting its business in an ethical and responsible manner. Scicom upholds the highest levels of integrity and ethical conduct, acknowledging that corruption undermines business values and negatively impacts communities. We are committed to preventing, detecting, and responding to corruption in all our operations. We have policies and procedures in place to support our anti-corruption efforts. These include:

- **Anti-corruption policy.** Our anti-corruption policy sets out our standards for ethical business conduct and prohibits all forms of corruption, including bribery, extortion, and conflict of interest.
- **Code of conduct.** Our code of conduct is a comprehensive document that outlines our expectations for employee behaviour in all areas, including anti-corruption.
- **Anti-Corruption and Compliance Training.** We provide training to all employees on our anti-corruption policy and code of conduct. This training helps employees to understand our standards and to identify and report any potential corruption.
- **Monitoring and Auditing.** We conduct regular risk assessments to identify and assess the risks of corruption in our operations. We also utilise internal and external audits to regularly review compliance with anti-corruption policies. This information is used to develop and implement appropriate mitigation strategies.
- **Reporting and investigation.** We have procedures in place for employees to report any suspected corruption. We also have procedures for investigating and responding to reports of corruption.
- **Whistleblower Protection.** We have established secure and confidential channels for employees and stakeholders to report suspected corrupt activities without fear of reprisal.

The Anti-Corruption approach covers all levels of the organisation, from the Board of Directors, Senior Management Team to executive level employees, across all departments and operational locations. By adhering to this management approach, Scicom aims to fortify its reputation as a trustworthy and responsible business entity.

We are committed to making Scicom a leader in anti-corruption compliance. We believe that our anti-corruption efforts are essential to our long-term success as a business. In FY2025, we will focus on the following key areas:

- Raising awareness of our anti-corruption policies and procedures. We will continue to provide training to all employees on our anti-corruption policy and code of conduct. We will also develop and implement new communication initiatives to raise awareness of our anti-corruption efforts.
- Improving our reporting and investigation procedures. We will review our reporting and investigation procedures to ensure that they are effective in identifying and responding to reports of corruption. We will also make it easier for employees to report suspected corruption.

Listed below are the policies Scicom has developed to further cultivate strong corporate and ethical behaviour within the organisation:

Anti-Bribery and Anti-Corruption Policy:

The Group has adopted an Anti-Bribery and Anti-Corruption ("ABAC") Policy that complements our existing Code of Business Conduct and Ethics. This policy applies to employees, directors and all business associates. A business associate is defined as an external party with whom Scicom has or plans to establish some form of business relationship. This includes vendors, suppliers, contractors, sub-contractors, agents, representatives, intermediaries, consultants, advisers, joint venture partners, business partners, consortium partners and investors.

This policy outlines guidelines for conduct with business associates, including entertainment and gift-giving. It aligns with the 'Guidelines on Adequate Procedures' issued by the Prime Minister's Office under Section 17A of the Malaysian Anti-Corruption Commission Act 2009. Both the policy and the Code reinforce the Group's zero-tolerance approach to bribery and corruption, underlining our commitment to integrity in all business dealings.

Scicom does not tolerate any form of bribery or corruption. Any breach of the ABAC Policy will be addressed promptly and in strict accordance with applicable laws and regulations.

Code of Business Ethics and Conduct:

Scicom's Code of Business Ethics and Conduct (the "Code") was reviewed and revised by the Board of Directors in May 2024. The Code outlines fundamental principles and guidelines to deter wrongdoing and promote honest and ethical conduct among all Group employees. It also advocates for full, fair, and accurate reporting, compliance with applicable laws, prompt reporting of violations, and accountability.

The Code sets clear expectations for employee compliance with policies related to lawful and ethical conduct. The Code along with other corporate policies, is accessible to all employees through the Scicom Enterprise System.

Vendor Code of Conduct:

While we strive to improve the standard of our business practices and conduct, we expect the same from our business partners. The Vendor Code of Conduct Policy requires adherence to the minimum requirements in the areas of business ethics, labour and human rights, health and safety, controlled and confidential data, and environmental management, while also complying with applicable laws and regulations.

Whistleblowing Policy:

A Whistleblowing Policy is in place with the aim of providing a structured mechanism for our employees and any concerned stakeholders to raise or report suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, waste, and/or abuse involving the resources of the Group. Complaints can be made directly in writing to Independent Directors of Scicom whose email addresses are stipulated in the Whistleblowing Policy. Whistle-blowers' identities are kept in confidence to the extent possible to facilitate independent investigations for appropriate remedial and follow-up actions. A copy of the Whistleblowing Policy is available on our corporate website at <https://scicom-intl.com/wp-content/uploads/2022/02/Whistleblowing-Policy.pdf>

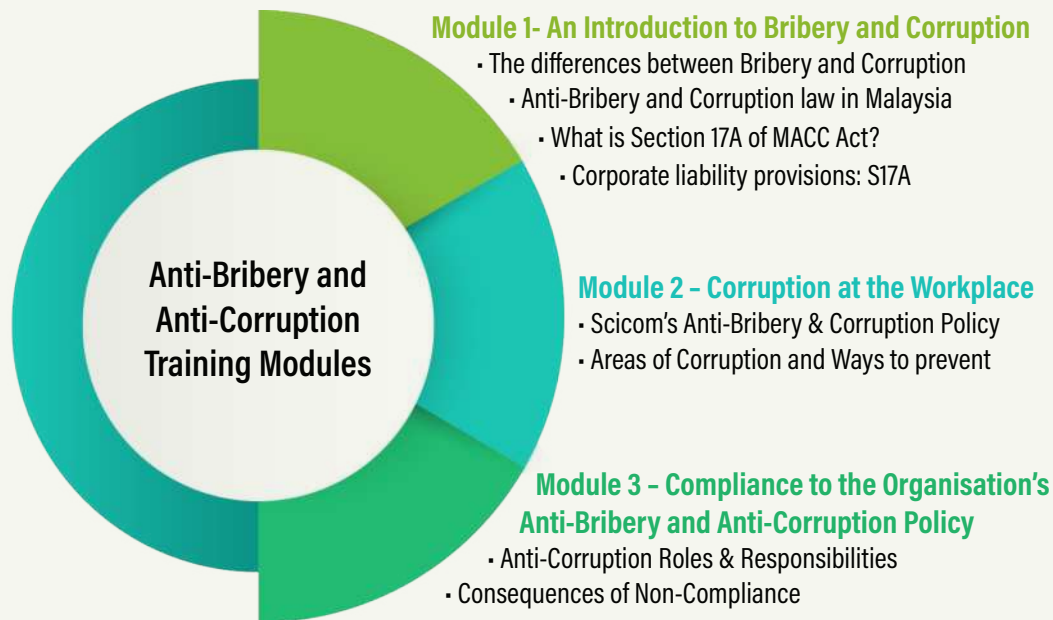
In FY2024, we did not receive any complaints related to corrupt or unethical behaviour from our employees or other stakeholders. We remain committed to maintaining the highest standards of ethics, honesty, and integrity in all aspects of our operations.

Position on Anti-Bribery & Anti-Corruption:

On 1st June 2020, Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 came into effect, stating that commercial organisations would be liable and punishable if found to be involved in bribery. Liability would extend to the company's directors, officers, partners, employees and others who are affiliated with the Group.

In response to this, Scicom introduced its ABAC Policy. The Board has also reviewed and approved the ABAC Policy during the financial year as part of their yearly review process. The Group's ABAC framework, policies, and codes – all are available on Scicom's corporate website under the Investor Relations section. All Board members and members of the senior leadership team have undergone ABAC training. Since FY2022 training sessions are conducted yearly for all employees using our eLearning Management System.

Training sessions will be periodically provided to employees and the Board of Directors, with training content that covers their fiduciary and statutory responsibilities. These modules will be instrumental in ensuring that our employees and the Board of Directors have adequate skills and know-how to set the tone for the Company's culture of integrity and to perform their governance duties. Listed below are the ABAC training modules that are currently available on eLearning Management System.



All ABAC virtual training modules are currently being deployed via the Scicom eLearning Management System (SeLMS) to ensure that all Scicom employees are aware of the Company's ABAC Policy. Additionally, Scicom will continue to provide anti-corruption refresher courses for all employees and the Board of Directors. Basic training regarding our anti-bribery programmes will also continue to be conducted for all employees and Board members. 100% of our employees and Board of Directors have completed the training in FY2024.

Target Action Plans for FY2025

ABAC awareness and messaging will continue to be communicated throughout the organisation through the Group's various internal channels – comprising of social media, bulletin board postings, employee handbooks and manuals, newsletters, employee meetings and helplines.

- **Ongoing ABAC Awareness.** Continue to communicate ABAC awareness and messaging across the organisation using various internal channels, including social media, bulletin boards, employee handbooks, newsletters, staff meetings, and helplines.
- **Managerial Responsibility.** Heads of Departments will regularly remind their teams that any acts of corruption or bribery will lead to serious consequences, including legal action or immediate termination of employment.

- **Induction for New Employees.** Ensure that all new employees are thoroughly informed about the ABAC Policy as part of the induction process.
- **Periodic Audits.** Conduct regular audits to ensure full compliance with the ABAC Policy across the organisation.
- **ABAC Training.** Ensure that all employees successfully complete the ABAC refresher course to stay updated on anti-corruption protocols and ethical standards.

3.2.6 Tax

Scicom is committed to responsible tax practices. We believe that paying our fair share of taxes is essential to the sustainable development of the communities in which we operate. We also believe that transparency in our tax affairs is important for building trust with our stakeholders.

Scicom has policies and procedures in place to support our responsible tax practices. The scope of our tax management approach includes all Scicom's operations and business activities that incur tax obligations. This pertains to corporate taxes, indirect taxes, employment taxes, and any other form of tax or levy imposed by governmental bodies.

In FY2024, Scicom demonstrated a strong commitment to fulfilling its tax obligations. The total tax payment amounted to RM10.0 million (FY2023:RM11.4 million). The Company's effective tax rate was 27%, compared to 23% the previous year. Employee tax contributions in FY2024 was RM5.3 million (FY2023: RM5.6 million).

Target Action Plans for FY2025

In FY2025, Scicom will remain committed to fulfilling its tax obligations in full compliance with all applicable local laws and regulations. This includes adhering to tax filing deadlines and ensuring timely payment of all required taxes.

3.3 Environmental (series 300)

Scicom is committed to managing its energy consumption and reducing its environmental impact. We recognise that energy is a finite resource, and that its use can have a significant impact on the environment. We are also aware of the financial costs associated with energy consumption.

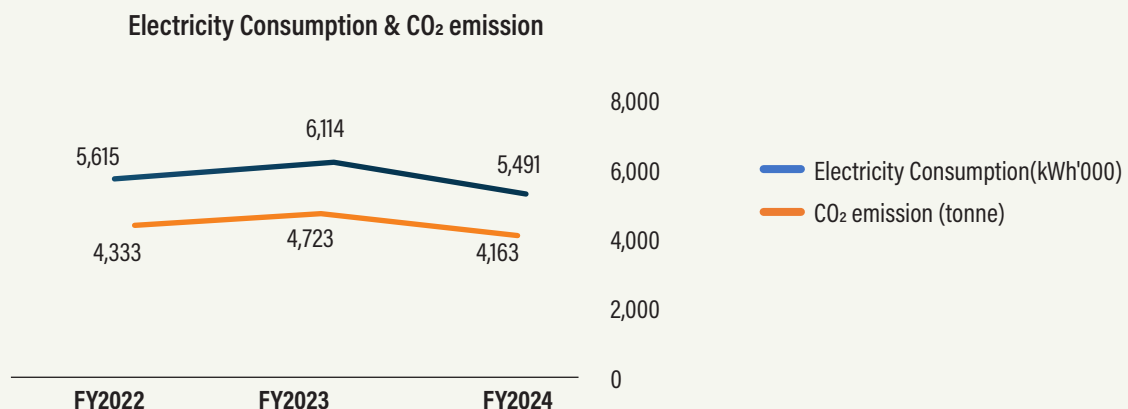
3.3.1 Energy and Emissions

Energy

Our energy management strategy is centred on three key principles:

- **Reduce.** We are committed to lowering our energy consumption through targeted energy efficiency measures.
- **Monitor.** We closely monitor our energy usage to identify areas for improvement and implement necessary adjustments.
- **Engage.** We actively involve our employees in energy management efforts, encouraging them to make informed and energy-efficient choices.

The chart below illustrates our electricity usage in kilowatt-hours (kWh) from FY2022 to FY2024.



*CO₂ emission calculated using: <https://www.mgtc.gov.my/lcos-personal-calculator/>

In FY2024, we achieved a significant reduction in overall electricity consumption, decreasing from 6.114 million kWh in FY2023 to 5.491 million kWh. This equates to a 10% reduction in energy usage. Additionally, the average electricity consumption per staff member decreased from 494 kWh in FY2023 to 444 kWh in FY2024, highlighting the effectiveness of our ongoing energy-saving initiatives.

We have implemented several energy efficiency initiatives, such as energy audits, lighting upgrades, and energy-efficient equipment procurement. We also engage our employees in our energy efficiency efforts by providing them with training and resources to help them conserve energy.

In FY2024, Scicom installed 1,066 new LED lights. LED lights constituted 97% of the Company's total lighting, a substantial rise from 79% in FY2023. As a proactive measure to conserve energy, smart thermostat with timer functions have been installed for air conditioners on every floor.

The implementation of smart thermostats ensures that air conditioning systems automatically shut down after working hours, on weekends, and during public holidays, significantly reducing unnecessary electricity consumption. Additionally, to foster environmental awareness and encourage energy-saving behaviours among employees, 'Save the Planet' posters have been prominently displayed on billboards across all office floors, and staff computer screensavers have been set to reinforce this message.

FY2024 was marked by a sustained focus on environmentally conscious initiatives. Designed to mitigate Scicom Group's carbon footprint, these efforts are aimed at ensuring reduced resource utilisation across all aspects of our operations. These initiatives have been communicated to all Scicom personnel and can be summarised as follows:

- **Smart Thermostats.** Automating the shutdown of air conditioning systems after working hours, on weekends, and during public holidays to eliminate electricity wastage.
- **Mindful Usage of Lights.** Advocating for the practice of turning off lights when they are not required.
- **Conscientious Printing.** Encouraging printing only when necessary and favouring monochrome over colour prints to save on ink.
- **Pre-Printing Protocol.** Detailed review and editing of documents on digital platforms before resorting to print, to minimise paper waste.
- **Paper-Saving Settings.** Defaulting printers to double-sided output as a routine measure to economise paper usage.
- **Reuse and Recycle.** Endorsing the repeated use of products and packaging to extend their functional life span.
- **Energy Conservation.** Recommending the shutdown of computers and the deactivation of all electrical appliances when not in immediate use.
- **Sustainable Drinking.** Promoting the use of reusable mugs over single-use disposable cups for beverages.
- **Power Down Protocol.** Encouraging the practice of unplugging electronic devices at the close of each workday to conserve energy.

At Scicom, we will implement active measures to ensure that these protocols are adhered to by our employees by including this as part of our employment contracts and conducting environmental awareness training sessions for all employees on a periodic basis.

Emissions

Over the past year, Scicom successfully reduced its energy consumption from 6,113,886 kWh to 5,491,399 kWh, achieving a reduction of 622,487 kWh (10% reduction) through the implementation of smart thermostats. These thermostats are set up to automate the air conditioning schedule, allowing the system to operate only during office hours while automatically turning off on weekends and public holidays. By installing smart thermostats to automate the air conditioning systems across non-24-hour operations, Scicom achieved the targeted 10% reduction in energy consumption. Eliminating unnecessary energy use during non-operational periods enable us to significantly reduce energy consumption, support our sustainability objectives while also achieving meaningful cost savings across the organisation.

Scicom initially committed to planting 1,000 trees in FY2024, but after reassessing our approach, we shifted to a more impactful method for reducing carbon emissions. The energy savings from our smart thermostat systems equated to planting 11,796 trees, far exceeding the original target. By focusing on smart energy management, we achieved a more measurable and immediate reduction in energy consumption, offering long-term benefits. Energy efficiency improvements deliver continuous emission reductions, unlike tree planting, which takes decades to produce similar results.

Prioritising energy reduction at the source has lowered both our carbon footprint and operating costs, providing a scalable and measurable solution that aligns with Scicom's sustainability goals and enhances operational efficiency.

Energy & Emissions Target Action Plans for FY2025

Scicom is dedicated to continuous improvement in our sustainability performance, with a strong focus on energy efficiency and reducing our carbon footprint. For FY2025, we are committed to implementing the following key initiatives:

Energy Action Plan

- **Set Energy Reduction Targets.** We are establishing energy reduction targets for our operations in FY2025, aiming to reduce overall energy consumption by at least 5%. This will be achieved through optimising energy use across all facilities, closely monitoring consumption, and implementing energy-saving measures.
- **Invest in Energy-Efficient Technologies.** Scicom will continue to invest in energy-efficient technologies, such as energy meters and smart lighting to enhance operational efficiency and further reduce energy consumption. By the end of FY2025, we aim to achieve 100% LED lighting throughout our facility.

- **Enhance Employee Engagement Programs.** We will expand our employee engagement efforts by introducing an energy-saving challenge and launching an energy champion programme. These initiatives will empower employees to actively participate in energy conservation efforts, contributing to Scicom's energy reduction goals.

Emission Action Plan

- **Incentives for Electric Vehicle (EV) Adoption.** To support employees in reducing their carbon footprint, Scicom will offer incentives to those who transition to electric vehicles. This initiative aligns with our broader mission to lower carbon emissions.
- **ESG Awareness Drive.** Scicom will continue to conduct ESG (Environmental, Social, Governance) awareness campaigns for all employees, highlighting the importance of sustainable practices in both professional and personal contexts.
- **Incorporate ESG in New Hire Inductions.** As part of our commitment to fostering a culture of sustainability, ESG awareness will be incorporated into the induction courses for all new hires. This will ensure that from the start, all employees are aware of Scicom's sustainability goals and how they can contribute.

These initiatives will support Scicom's commitment to sustainability and further our goal of reducing our carbon footprint while improving operational efficiency.

3.3.2 Water

In FY2024, Scicom's operations in Sri Lanka recorded a total water usage of 2.172 megalitres, compared to 1.889 megalitres in FY2023. Unfortunately, no data is available for water usage in our Malaysia premises, as water supply is managed by the building landlord and is not tracked separately for Scicom's floors.

To raise awareness on the importance of water conservation, we have posted informative posters across all departments and projects, encouraging mindful water usage. These posters have also been set as the default screensaver on staff computers to reinforce the message regularly.

As part of the company's broader ESG initiative, an eLearning training programme on ESG was conducted for all employees, highlighting the critical role of sustainability in our daily operations.

Target Action Plans for FY2025

- **Continue ESG Awareness Drive.** We will maintain our focus on ESG awareness, ensuring that all employees remain engaged and informed about sustainable practices.
- **Incorporate ESG into New Hire Induction.** ESG awareness will be integrated into the induction programme for new hires, reinforcing the importance of sustainability from day one.

3.3.3 Waste

3.3.3.1 Paper Usage

In line with Scicom Group's commitment to environmental conservation, we have implemented measures to manage paper usage efficiently across all office premises. Printers are set to default to double-sided printing, and employees are encouraged to only print when necessary.

Looking forward, Scicom aims to transition towards a fully paperless environment by digitising key human resource, procurement, and finance processes. This shift will significantly reduce our reliance on paper and further enhance operational efficiency.

3.3.3.2 Waste Recycling

Scicom has made progress in waste reduction, starting with the installation of recycling bins throughout our office premises in FY2022. Additionally, we have water refilling stations to eliminate single-use plastic bottles.

In FY2023, we introduced an Email Signature Policy that reminds employees to print only when essential. We also implemented a recycling process for IT waste, ensuring that end-of-life IT equipment is disposed of through a licensed and regulated waste recycling facility, as per Environment Agency guidelines. Used fluorescent lamps are disposed of in compliance with the Environmental Quality Act 1974.

Moving forward, we are committed to expanding our recycling efforts to cover additional waste streams, ensuring proper disposal of all end-of-life IT equipment and promoting a reduction and reuse approach where feasible.

Target Action Plans for FY2025

- **100% LED Lighting Conversion.** Ensure all lighting throughout our offices utilises LED bulbs or tubes. All malfunctioning lights will be replaced with LEDs to enhance energy efficiency and reduce environmental impact.
- **Sustainability Engagement Platforms.** Organise companywide sustainability engagement events to promote sustainable practices and behaviours among employees, encouraging active participation in Scicom's environmental initiatives.
- **Promote Public Transportation.** Encourage employees to use public transportation for their daily commutes, reducing the carbon footprint associated with personal vehicle use.
- **Carbon Offset Initiative.** To offset carbon emissions generated by paper consumption, Scicom is committed to achieving further energy reductions across its operations. By investing in energy-efficient technologies and optimising energy use, we aim to directly reduce our carbon footprint and support our broader sustainability objectives.

- **Responsible Waste Management.** Continue to engage certified waste management companies to ensure all waste, including hazardous and IT waste, is disposed of responsibly and in accordance with regulatory standards.
- **Fostering a Recycling Culture.** Strengthen efforts to promote a recycling culture among employees by continuing to provide accessible recycling bins and encouraging the reduction, reuse, and recycling of materials across the organisation.

3.4 Social (GRI Topic Series 400)

At Scicom, we are committed to creating a positive impact on the people and communities we work in. In this section, we disclose information on our performance on the social topics that are most relevant to our business and stakeholders, including human capital, social opportunity, and corporate governance.

- **Human capital strategy.** Our human capital strategy is focused on attracting, developing, and retaining top talent. We offer our employees competitive salaries and benefits, and we provide them with opportunities to learn and grow. We are also committed to creating a diverse and inclusive workplace.
- **Equal Opportunity.** We believe that everyone deserves access to quality products and services. Our social opportunity programs focus on providing access to healthcare, education, and employment opportunities for the local community.
- **Corporate Governance.** We are committed to good corporate governance practices. We have a qualified and committed Board of Directors that is independent, and we have clear policies and procedures in place to manage risk and ensure ethical conduct.

3.4.1 Employment

Scicom is committed to creating a fair and equitable workplace for all employees. We believe that our employees are our most valuable asset, and we are committed to providing them with the opportunity to succeed and grow. Scicom's employment management approach is based on the following principles:

- **Employee well-being.** Scicom provides employees with a safe and healthy work environment, and we offer a variety of benefits and programs to support their physical and mental health.
- **Fair and equitable treatment.** All employees are treated fairly and equitably, regardless of their race, gender, age, religion, or disability. We also provide employees with equal opportunities for advancement and development.
- **Diversity and inclusion.** We are committed to creating a workplace where everyone feels welcome and respected. We value diversity and inclusion, as we believe that a diverse workforce is essential to our success.

We have implemented initiatives to support our employment management approach, including:

- **Fair hiring and promotion practices.** We have fair hiring and promotion practices in place to ensure that all employees are considered for opportunities based on their qualifications and experience.
- **Performance management system.** We have a performance management system in place to provide employees with regular feedback and development opportunities.
- **Compensation and benefit.** We offer a competitive compensation and benefits package to all employees.
- **Diversity and inclusion training.** We provide all employees with diversity and inclusion training to help them create a more welcoming and inclusive workplace.

Employee Engagement

In FY2025 we will be focusing on improving the Employee Experience. Scicom will continue to conduct annual employee engagement surveys, focus groups, and ad-hoc survey to gauge the level of engagement among its employees, identify problem areas and design interventions. The aim is to maximise individual and team performance at each stage of the employee life cycle.

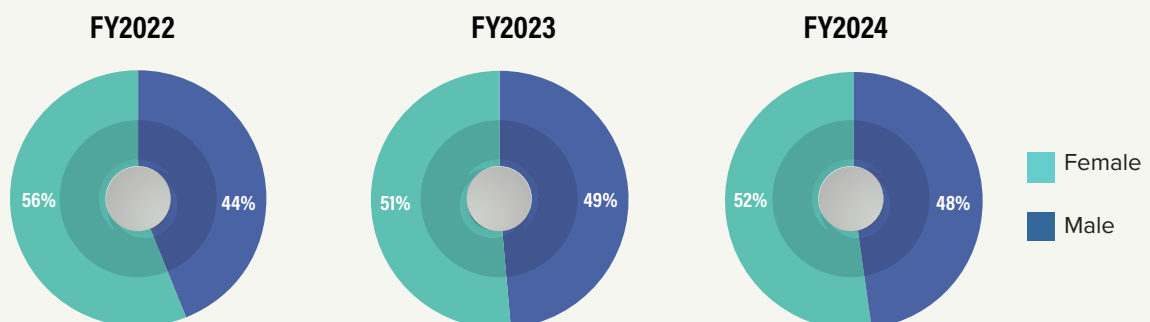
Scicom's GRI data disclosure for "Employment" is based on the following components:-

- New employee hires
- Benefits
- Parental leave

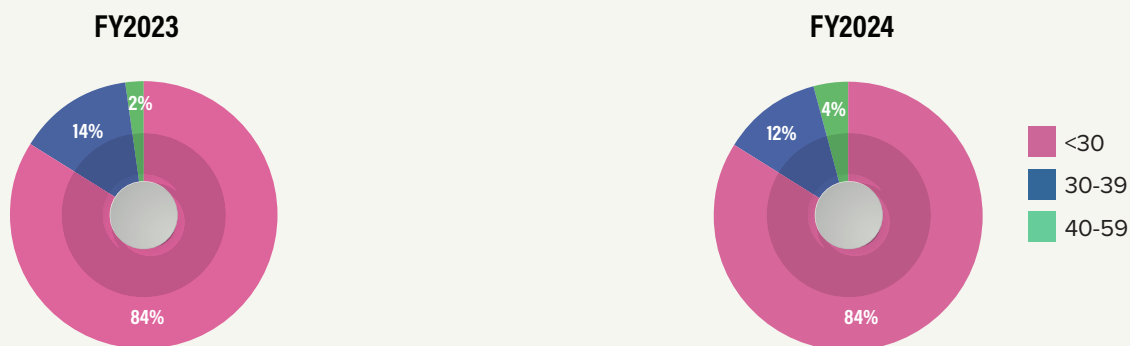
3.4.1.1 New Employees

The total number of new recruits across various employment categories is 1,092 in FY2024, compared to 2,441 in FY2023.

New Employees by Gender

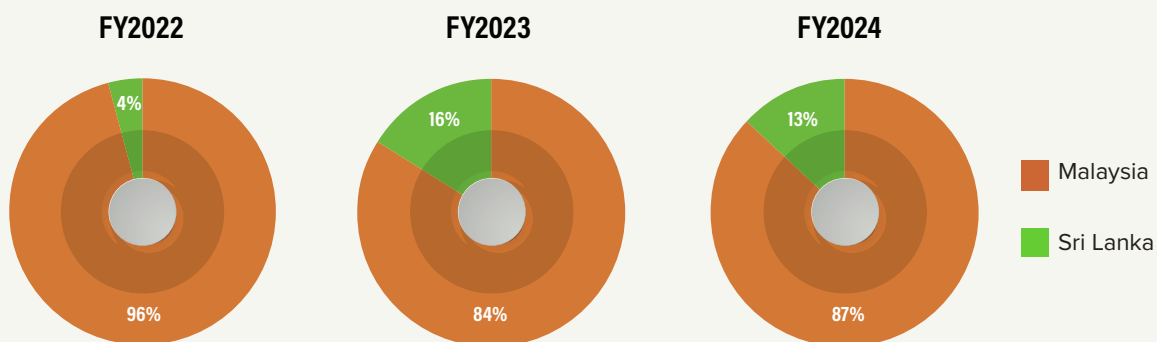


New Employees by Age Group



** Data for FY2022 is not available*

New Employees by Region



Youth Employment Initiatives

The Company remains committed to youth employment, targeting individuals below 30 years old. Our ongoing policy aims to provide valuable opportunities for young, inexperienced job seekers and new graduates. In FY2024, 915 young individuals were employed as compared to 1,570 in FY2023.

Minimum Wage

Minimum Wage Compliance: 100% of our full-time employees earn above the minimum wage. The salary for our lowest-paid employee is 134% of the minimum wage, maintaining consistency with FY2023. Similarly, in Sri Lanka, 100% of our full-time employees are compensated above the minimum wage, with the lowest-paid employee earning 147% of the minimum wage as compared to FY2023 was 131%.

3.4.1.2 Employee Benefits

Scicom offers competitive remuneration packages as the leading BPO service provider in Malaysia and Sri Lanka. Our pay structures are carefully customised to individual qualifications and skills. Additionally, we consistently exceed government minimum wage requirements in all operating markets, with 100% of our workforce earning above this threshold. At Scicom, we value our employees as they are the key reason for the Company's success. To this end, our approach is to provide the following benefits for our employees:

Short-term salary advances

- We continue our practice of extending short-term salary advances to eligible employees during their times of urgent financial need. In FY2024, the total value of loans disbursed to employees stood at RM652,300, closely aligned with the RM689,000 disbursed in FY2023.

Medical and Life Coverage

- Scicom provides competitive medical insurance coverage. We regularly benchmark our medical insurance plans to ensure they align with the market median. All employees are provided medical and life term coverage. Total premium paid in FY2024 amounted to RM4.0 million (FY2023: RM3.5 million).

Staff Entertainment - Monthly Treats

- Providing a monthly treat allowance per employee. These funds are allocated to each project or team for group entertainment activities.

Bowling Night

- In May 2024, Scicom hosted a fun bowling event at Supreme Cosmic Bowl, Mid Valley, bringing employees together for an evening of fun and friendly competition. The event saw enthusiastic participation from all attendees, fostering team spirit and strengthening connections among colleagues. It was a memorable team-building experience, and we look forward to organising similar events in the future.



3.4.1.3 Parental Leave

Scicom currently provides the following leave which is mandated by Employment Law.

- **Maternity Leave** of 98 days for all female employees.
- **Paternity Leave** of 7 days for all male employees who have served a minimum of 12 months.

Target Action Plans for FY2025

Employee Well-being and Benefits

- **Well-being Programmes.** Continue to invest in initiatives that promote employee well-being, including monthly staff treats and employee advances, and introduce at least three new well-being programmes with a target participation rate of 70% or higher.
- **Healthcare and Insurance.** Provide healthcare coverage and life insurance to all employees, ensuring benefits are aligned with market median standards.
- **Flexible Work Environment.** Offer a flexible work environment for employees where client agreements and operational needs permit.

Compensation and Compliance

- **Wage Compliance.** Ensure that 100% of staff in Malaysia and Sri Lanka earn wages that exceed the minimum wage, with the lowest-paid employee earning at least 50% above this threshold.
- **Labour Law Compliance.** Ensure full compliance with all local labour laws and regulations, including timely contributions for eligible employees.
- **Market-Competitive Salaries.** Regularly review employee salaries and benefits to ensure they remain competitive with market standards.

Talent Development and Succession Planning

- **Merit-Based Promotions.** Prioritise local candidates for promotions where possible, while basing all promotion decisions on merit.
- **Succession Planning.** Continuously improve the succession plan, actively monitoring the development and readiness of successors for key leadership roles.

Employee Retention

- **Turnover Rate Management.** Maintain the employee turnover rate by focusing on competitive compensation, employee engagement, and development opportunities.

3.4.2 Occupational Health and Safety (OHS)

Scicom is committed to providing a safe and healthy workplace for all employees. We believe that occupational health and safety is a key priority, and we are committed to preventing all workplace injuries and illnesses.

Our occupational health and safety management approach is based on the following principles:

- **Prevention.** Prevent workplace injuries and illnesses by identifying and addressing hazards and risks. The OHS committee has identified and addressed potential hazards across all floors, enhancing the workspace especially as more employees are transitioning back to the office. Additionally, the OHS committee established three sub-committees, each overseen by a member of the OHS committee - the Fire Marshall, the Emergency Response Team, and the First Aider. Plans are in place for the committee to organise training sessions tailored for members of these sub-committees.
- **Employee participation.** In the past year, we rolled out an online Occupational Health and Safety (OHS) awareness initiative, with an impressive 97% of the workforce completing the training. We recognise that active employee participation is crucial to achieving our OHS objectives. Employees are involved in all aspects of the programme, including risk assessments, hazard control measures, and training. Additionally, Scicom employees participated in the annual fire drill organised by building management in collaboration with Jabatan Bomba dan Penyelamat Malaysia. In FY2024, 2,106 employees were trained on health and safety standards, compared to 3,915 employees in FY2023.

We have implemented initiatives to support our occupational health and safety management approach, including:

- **Risk assessments.** We conduct regular risk assessments to identify and address hazards and risks in our workplaces. We regularly conduct risk materials to identify workplace hazards. Scicom's Occupational Safety and Health Committee meets quarterly to address these risks.
- **Training.** We provide training to all employees on occupational health and safety topics.
- **Employee participation.** We involve employees in all aspects of our occupational health and safety program, including risk assessments, hazard controls, and training.
- **Incident management.** We have a comprehensive incident management system in place to respond to and investigate workplace incidents.

In FY2024, there were no instances of injuries or work-related fatalities.

Target Action Plans for FY2025

Safety Assessments and Risk Mitigation

- Annual Safety Risk Assessments. Conduct comprehensive safety risk assessments across all operations, and implement necessary measures based on the findings to ensure a safe work environment.
- Workplace Hazard Monitoring. Regularly monitor workplace conditions and promptly address any hazardous defects or potential risks.

Employee Wellness and Health Initiatives

- Wellness Programmes. Continue to organise wellness programmes focused on improving the overall health and well-being of employees.
- Health Check-ups and Seminars. Provide employees with access to health check-ups and organise well-being seminars to promote a healthy lifestyle.

Safety Training and Education

- OSHA Training. Provide targeted training for Occupational Safety and Health Administration (OSHA) members to equip them with relevant knowledge and skills.
- Annual OSHA Refresher Courses. Conduct annual refresher courses on OSHA standards for all employees to reinforce safety protocols and best practices.

3.4.3 Training and Education

Scicom is committed to providing our employees with the training and career development they need to be successful in their roles and to grow and develop their careers. We believe that training and education are essential to maintaining a competitive workforce and to providing our customers with the highest quality products and services.

Our training and education management approach is based on the following principles:

- **Needs assessment.** Conduct regular needs assessments to identify the training and development needs of our employees.
- **Training plans.** We develop training plans for each employee based on their individual needs and goals.
- **Variety of training methods.** We offer a variety of training methods, including on-the-job training, classroom training, and online training.
- **Employee feedback.** We collect feedback from employees on their training and development experiences to ensure that our programs are meeting their needs.

We have implemented initiatives to support our training approach, including:

- **Employee Development Program.** Our Employee Development Program is a comprehensive program that provides employees with the opportunity to develop their skills and knowledge in a variety of areas. The program includes a variety of training and development resources, such as online courses, workshops, and mentoring programs.

The Group's education arm, Scicom (Academy) Sdn. Bhd. designs virtual training programmes that are deployed via our Scicom eLearning Management System (SeLMS) to help onboard new employees under Scicom's Global Connect Programme, and to enhance the competencies of existing employees.

- **Leadership Development Program.** We provide leadership development program to help employees develop the skills and knowledge they need to be effective leaders. The program includes a variety of training and development activities, such as workshops, coaching, and mentoring. To ensure that Scicom's position as a market leader is sustainable, Scicom continually invest in enhancing the skill levels of our Senior Management Team, while also identifying candidates for promotion across all divisions, and rotating them through different business functions.
- **Succession Planning.** Scicom has fine-tuned its succession planning framework, which has been reviewed and approved by both the Nominating and Remuneration Committee and the Board of Directors. This approach allows us to continually monitor and develop talented employees.
- **Talent Management.** STARS & Mentorship. We have implemented the STARS concept across Scicom, aiming to highlight and nurture top talent. Additionally, a mentorship program is under development to provide more targeted career guidance.

In FY2024, we continued to invest significantly in the professional development of our employees. We provided a variety of training programmes, designed to broaden skill sets and deepen industry knowledge. A total of 4,386 employees participated in these training sessions this year, compared to 2,999 in FY2023. While the total days saw a slight decrease from 44,696 days in FY2023 to 39,005 days this year, the effectiveness of the training remained a key focus. The average number of training days per employee is 15 days, as compared to FY2023 was 12 days.

In FY2024, Scicom contributed RM0.71 million to the Human Resource Development Fund (HRDF), compared to RM0.75 million in FY2023.

Target Action Plans for FY2025

By implementing these Training and Education action plans, Scicom aims to enhance employee capabilities and foster a culture of continuous learning and development.

Skills Development and Career Growth

- **Annual Skills Assessments.** Conduct annual skills assessments to track the effectiveness of training programmes and link them to career development, targeting at least 70% employee participation.
- **Fast-Track Leadership Programme.** Implement a leadership development programme for high-potential employees to accelerate their path to leadership roles.
- **Diversity and Inclusion Training.** Provide comprehensive diversity and inclusion training for all employees to create a more inclusive and equitable workplace.

Compliance and Onboarding

- **Annual Compliance Training.** Continue to conduct annual compliance training, aiming for 100% completion across the organisation.
- **Enhanced Onboarding Process.** Improve the onboarding process to ensure new employees are well-prepared and integrated into the company.

Partnerships and External Training Opportunities

- **Educational Partnerships.** Partner with educational institutions to offer internships and apprenticeships, providing hands-on learning experiences for students and potential employees.
- **Role-Specific Training.** Identify and offer relevant training that matches the job scope of shared services and management staff, ensuring targeted skill development.

Training Resources and Funding

- **Expansion of SeLMS Modules.** Increase the number of training modules available on Scicom's eLearning Management System (SeLMS) to broaden learning opportunities for employees.
- **Training Funds.** Establish dedicated training funds for each level of management to ensure ongoing professional development and access to learning resources.

3.4.4 Diversity and Equal Opportunity

At Scicom, diversity and inclusion are central to our success, fostering a high-performance workplace culture through the contribution of employees from a range of backgrounds and perspectives. We are committed to creating an inclusive environment free from discrimination, with policies and initiatives aimed at promoting equal opportunity across all levels of the organisation.

Initiatives and Policies

In FY2024, Scicom took several proactive steps to promote diversity and equal opportunity:

- **Inclusive Hiring Practices.** We have implemented measures such as inclusive job descriptions, diverse sourcing strategies, and diverse hiring panels to ensure that diversity and equity are maintained throughout the hiring process. This approach ensures a wide range of perspectives are considered, fostering a more inclusive workplace.
- **Non-discrimination Policy.** Scicom maintains a zero-tolerance stance against any form of discrimination or harassment. Our Non-discrimination Policy was reviewed and adopted by the Board during its annual review, reflecting our commitment to a fair and respectful work environment.

- **Equal Opportunity in Remuneration.** We uphold a meritocratic approach to compensation, ensuring that differences in pay are solely based on skills, experience, and performance. Our compensation structures are rigorously evaluated to maintain equality, preventing any form of inequality based on gender, ethnicity, or other characteristics.

Diversity Metrics

Scicom is proud of its gender diversity across the organisation:

- **Workforce Representation.** In FY2024, 49% of our total workforce are women, compared to 52% in FY2023. We are committed to maintaining a balanced gender representation in the years to come.
- **Board of Directors.** Currently, 29% of our Board of Directors are women, with two female directors serving on the Board. However, further disclosures on the age group representation of the Board members are needed to ensure complete transparency.

Moving forward, we will continue to provide comprehensive data, including breakdowns by gender and age group across all employee categories, to further demonstrate the effectiveness of our diversity efforts.

Women in Leadership

We remain deeply committed to empowering women within Scicom and promoting their representation in leadership positions. In addition to encouraging women to pursue leadership roles, we provide targeted leadership training and support inclusive hiring practices that help women rise through the ranks. Our long-term goal is to increase the percentage of women in leadership roles and Board representation. Future targets will aim to ensure sustained progress in promoting women into leadership positions and advancing fair hiring practices across all levels.

Cultural and Racial Inclusion Initiatives

We have implemented several initiatives to foster racial and cultural inclusion within the workplace:

- **Cultural Celebrations.** Scicom encourages the celebration of cultural holidays through festive meals and gatherings, which promote mutual understanding and respect for different traditions and values.
- **Respectful Workplace Culture.** We cultivate a workplace environment where all employees are treated fairly and empowered to reach their full potential, regardless of their background or identity.
- **Performance Metrics.** Diversity and equality metrics are embedded into our regular performance reviews, enabling us to continuously assess and improve the organisation's effectiveness in promoting inclusion at operational and managerial levels.

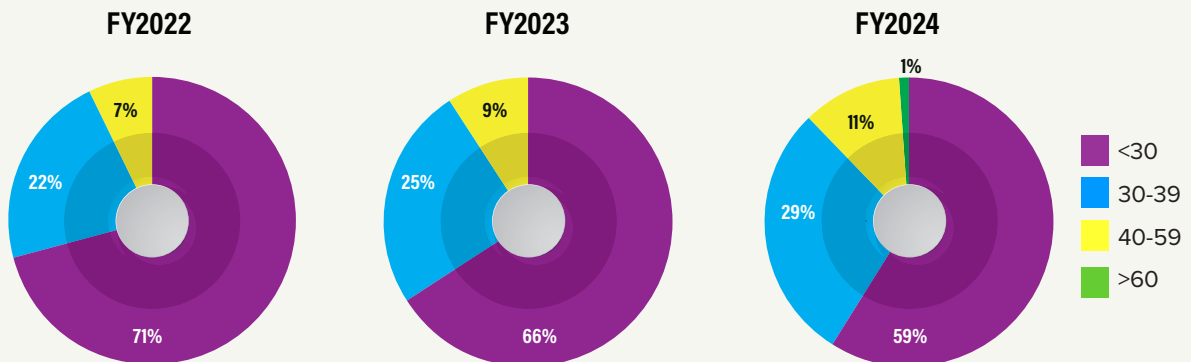
Long-term Value of Promoting Diversity

Promoting diversity and inclusion delivers long-term value, not just for Scicom but for the wider community. By fostering a diverse workforce, we:

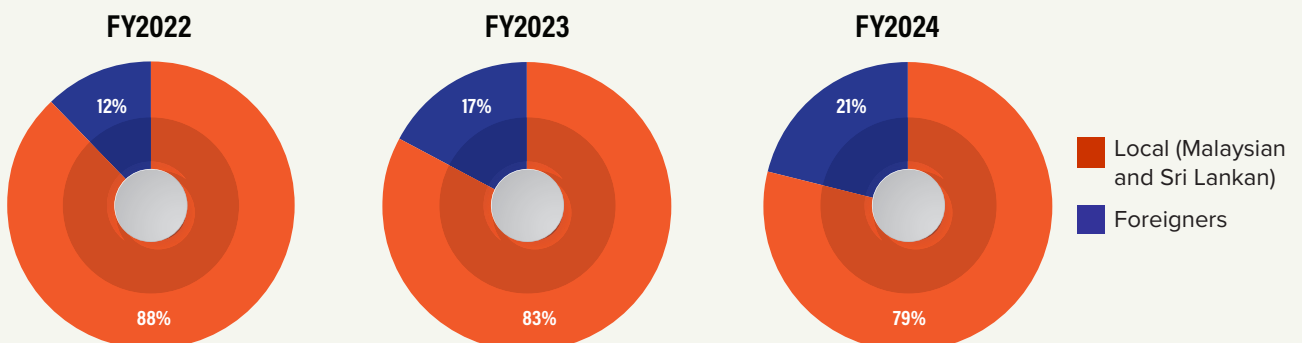
- **Drive Innovation.** Diversity brings a range of perspectives, leading to greater creativity and innovation within teams.
- **Support Economic Growth.** By attracting a broader talent pool and fostering inclusive business practices, Scicom contributes to the economic development of the communities we serve.
- **Build Social Cohesion.** Through our inclusive policies and practices, we help to build a sense of belonging and acceptance, contributing to stronger, more harmonious communities

Workforce Demographics Breakdown by Age, Nationality, and Gender (FY2022-FY2024)

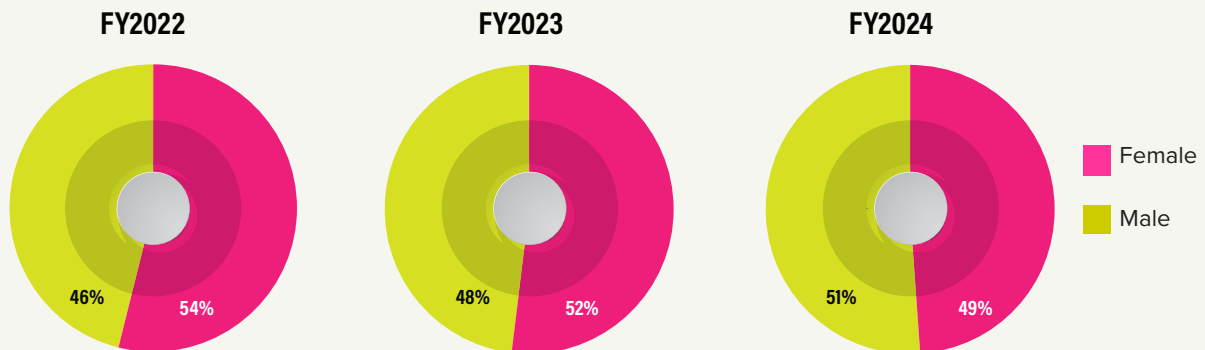
Staff breakdown by Age Group



Staff breakdown by Nationality



Staff breakdown by Gender



3.4.5 Non-discrimination

At Scicom, we uphold a firm commitment to non-discrimination and equal opportunity in every aspect of our operations. Our Non-discrimination Policy strictly prohibits any form of unjust treatment based on race, gender, age, religion, disability, marital status, socio-economic background, or nationality. This policy ensures that all employees are treated fairly and equally with regard to remuneration, career progression, and opportunities for growth.

In FY2024, there were no reported incidents of discrimination. Scicom maintains a zero-tolerance approach towards all forms of discrimination and harassment. During its annual review, the Board reaffirmed and adopted Scicom's Non-discrimination Policy to ensure that it continues to reflect our values and the evolving needs of our workforce.

Target Action Plans for FY2025

In line with our commitment to diversity, inclusion, and non-discrimination, Scicom will continue the following initiatives in FY2025 to enhance equal opportunity and foster an inclusive workplace:

Recruitment and Hiring

- **Merit-Based Recruitment.** Continue the practice of hiring solely based on merit, without discrimination based on race, gender, disability, or age.
- **Diversity in Onboarding.** Incorporate diversity and inclusion training into the onboarding process to raise awareness and instill a culture of inclusion from the outset.
- **Opportunities for New Graduates.** Continue providing entry-level job opportunities for young, inexperienced job seekers and recent graduates, contributing to a diverse workforce.

Pay Equity

- **Equal Compensation.** Ensure that all compensation and benefits are gender-neutral, with no gender discrimination at any level of the organisation.

Inclusive Workplace Culture

- Inclusive Work Environment Campaign. Launch a company-wide initiative to promote a culture of respect, inclusion, and diversity, ensuring all employees feel valued and respected.
 - Diversity Survey Questions. Include diversity and inclusion questions in the Employee Survey to gauge employee sentiment and gather feedback on workplace inclusion.
 - Policy Communication. Communicate Scicom's Non-discrimination Policy to all employees regularly to ensure they are aware of their rights and the company's commitment to equality.

Training and Development

- Diversity and Inclusion Training. Provide mandatory diversity and inclusion training for all employees, with specific focus on unconscious bias, cultural competence, and managing accessibility issues.
- Management Training. Provide specialised training to management staff on how to manage and respond to discrimination cases effectively, ensuring swift and fair resolution.

Policy Compliance and Reporting

- Ensure Policy Adherence. Ensure that Scicom's Non-discrimination Policy is adhered to across all levels of the organisation, including all employees and stakeholders.
- Enhanced Reporting Mechanism. Strengthen the reporting process for discrimination cases, ensuring employees have access to a safe and transparent system for raising concerns.

Equal Employment Opportunity

- Equal Opportunities for All. Ensure equal employment opportunities for all employees, regardless of gender, physical disability, or age, and guarantee equal pay for equal work across the organisation.

By implementing these initiatives, Scicom reaffirms its commitment to diversity, inclusion, and non-discrimination. We will continuously monitor, assess, and refine our policies and processes to ensure they align with global best practices, and we will actively support equal opportunities and fair treatment for all employees.

3.4.6 Forced or Compulsory Labour

Scicom recognises that forced or compulsory labour is a fundamental human rights violation that must be eradicated from any responsible organisation's operations and supply chains. We are fully committed to ensuring that our business practices are free from any form of forced or compulsory labour.

Scicom enforces a zero-tolerance policy toward forced or compulsory labour. This commitment is embedded in our Human Rights Policy and Code of Business Conduct, which explicitly prohibit any such practices. To ensure compliance, we conduct regular internal audits and engage third-party assessments to monitor adherence to these standards.

All employees and business partners are informed about our human rights policies, and they are required to acknowledge their understanding and commitment to compliance. Furthermore, Scicom complies with all relevant labour laws regarding working hours, overtime, and the prohibition of child or forced labour. Every employee contract clearly outlines their rights, benefits, and applicable standard operating procedures.

Scicom also maintains an active whistleblowing channel, providing a secure and anonymous platform for employees to report any incidents of harassment, bullying, or suspected forced labour, ensuring these issues are promptly addressed.

Target Action Plans for FY2025

Continue whistleblower protection for a secure, anonymous reporting mechanism for employees to report suspected cases of forced or compulsory labour.

Policy Compliance and Monitoring

- Human Rights Policy Compliance. Strengthen enforcement of Scicom's Human Rights Policy across all parties, including employees, suppliers, and business partners.

Training and Awareness

- Human Rights and Labour Standards Training. Provide ongoing training for employees, suppliers, and business partners on the importance of adhering to human rights standards, including the prohibition of forced or compulsory labour.
- Supplier Engagement. Conduct supplier engagements to ensure they understand and comply with Scicom's human rights and labour policies.

Whistleblowing and Reporting Mechanisms

- Whistleblower Protection. Continue to protect and enhance the whistleblower system, ensuring a secure, anonymous, and easily accessible reporting mechanism for employees to report suspected cases of forced or compulsory labour.
- Incident Monitoring. Implement regular monitoring and reviews of reports received through the whistleblowing channel to ensure swift action and resolution of any forced labour-related incidents.

Workplace Protection

- Anti-Harassment and Anti-Bullying Measures. Strengthen workplace policies to protect all employees from harassment and bullying, ensuring all work environments are respectful, safe, and compliant with human rights standards.
- Audit and Review. Conduct periodic audits of workplace conditions and practices to ensure they align with Scicom's commitment to eliminating any form of forced labour or mistreatment.

3.4.7 Local Communities

Scicom recognises the important role it plays in supporting and enhancing the well-being of the local communities in which it operates. We are committed to creating long-term positive impacts through education, skill development, social welfare initiatives, and sustainable community programs.

In FY2024, Scicom focused on community development programs aimed at fostering sustainable growth and improving the quality of life in the localities where we operate. These initiatives included skills training, charitable donations, and health and wellness programs.

Key Initiatives and Impacts

Education and Skill Development:

- Recognising the importance of education, Scicom launched various training and employment initiatives designed to equip individuals with valuable skills that enhance their performance.

Charitable Contributions:

- Scicom directed RM6,000 (FY2023: RM61,330) towards charitable donations in FY2024. The reduced amount reflects a strategic reallocation of funds towards sustainability initiatives, employee development programmes, and technological upgrades. Despite the smaller contribution, Scicom ensured that the donations still supported impactful community welfare efforts, while prioritising long-term investments in key areas.

Looking ahead to FY2025, Scicom plans to increase its charitable contributions as it continues to balance long-term investments with its ongoing commitment to making a positive difference in the community.

Blood Donation Drive:

- In May 24, Scicom organised blood donation drives at our KL office and Sri Lanka office, with significant participation from employees. The event was well-coordinated, with medical professionals ensuring a safe and efficient donation process. Participants were also educated on the importance of regular blood donations and the positive impact it has on those in need. This initiative not only highlighted our Company's dedication to making a difference but also fostered a sense of unity and purpose among our staff.

Total Registered Donors:

- KL Office: 203 person
- Sri Lanka Office: 128 person

Total Active Donors:

- KL Office: 147 person
- Sri Lanka Office: 97 person

Total Blood Donated:

- KL Office: 51.45 liters
- Sri Lanka Office: 43.65 liters



Target Action Plans for FY2025

Scicom is committed to creating a lasting, positive impact on the communities where we operate. Through education, social welfare programs, environmental conservation, and partnerships with local organisations, we aim to contribute to sustainable development, build stronger communities, and foster social cohesion. We will continue to monitor, assess, and enhance our community initiatives to align with our corporate sustainability objectives.

Social Welfare and Skills Development

- Social Welfare Programs. Continue to support local charities through financial contributions and launch a mentorship program that helps local youth develop job-ready skills.
- Technology Donations. Donate excess laptops and PCs to orphanages and underserved communities to help bridge the digital divide and provide educational opportunities.

Health and Well-being Initiatives

- Short-term Initiatives. Organise health awareness campaigns and vaccination drives in collaboration with local healthcare providers to address immediate health needs.
- Medium-term Initiatives. Develop sustainable health programs, including regular health screenings, mental health support services, and community education on healthy living.
- Long-term Initiatives. Invest in building healthcare infrastructure, advocate for policy changes, and support research and innovation to address emerging public health challenges.

Community Partnerships and Engagement

- NGO Partnerships. Engage with at least one local NGO to develop joint projects focused on addressing key community issues, ensuring a collaborative approach to social responsibility.
- Employee-driven Community Activities. Encourage and support employees to organise community events, charity drives, and volunteer initiatives, enhancing Scicom's local impact.

Employee Engagement

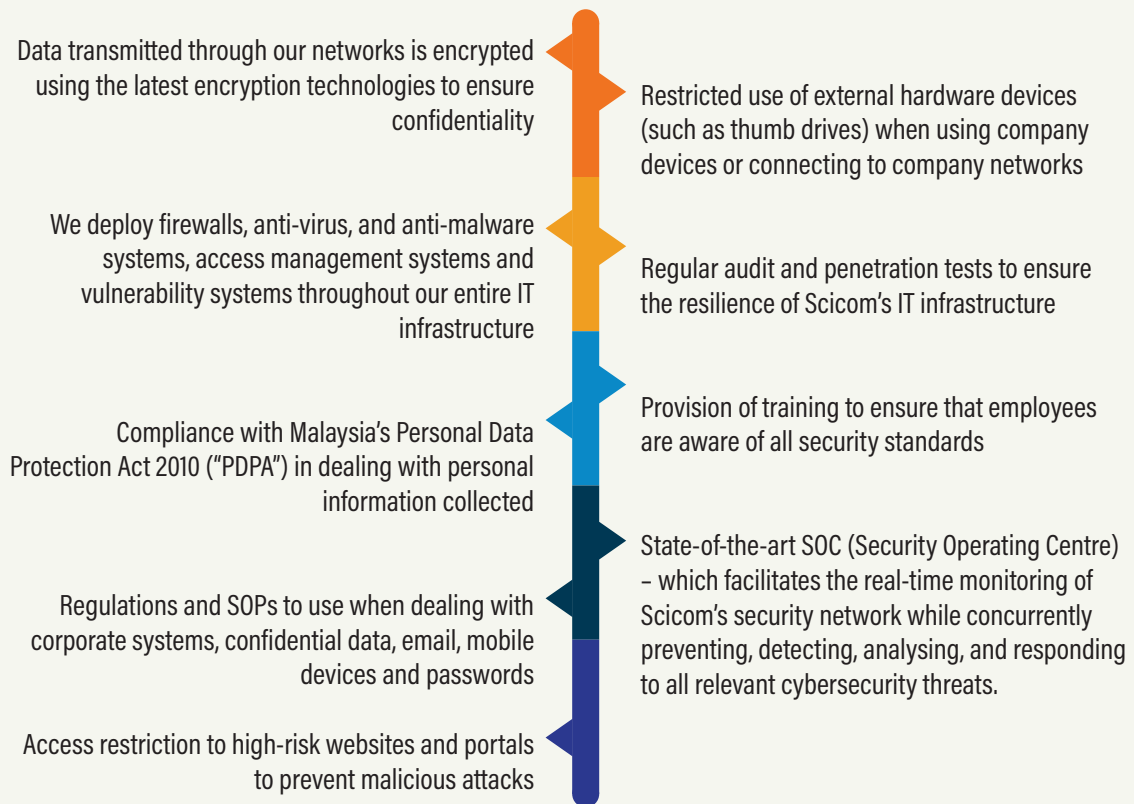
- SPEAK Survey Participation. Ensure full employee participation in the annual SPEAK survey, using feedback to shape future community programs and engagement strategies.

3.4.8 Customer Privacy

In today's digital landscape, safeguarding customer privacy is not just a legal obligation but a critical component of building and maintaining trust. In alignment with GRI standards, this section outlines Scicom's approach to customer privacy, focusing on how we manage and protect customer data. It will detail our policies, procedures, and governance structures designed to ensure that the personal information of our customers is handled securely and responsibly.

FY2024 has seen the escalation of various cyber threats across the globe. As a prominent national government technology (Gov-Tech) provider, Scicom have made it a priority to continually solidify its systems, protocols and best practices to protect IT infrastructure and associated networks. In FY2024, 95% (FY2023:98%) of our employees are trained on Personal Data Protection Act, through Scicom's eLearning Management System.

Scicom's IT Security Protocols & Practices are listed as follows:



In addition to the protocols and practices mentioned above, Scicom has renewed its ISO/IEC 27001:2013 certification for Information Security Management Systems and Standard Operating Procedures (SOPs). While not mandatory in the BPO industry, this certification demonstrates our commitment to robust cybersecurity measures.

Scicom maintained a strong focus on data security, with no significant data breaches and no penalties for non-compliance with data privacy regulations. This further underscores our commitment to maintaining the highest standards of information security and customer privacy.

Target Action Plans for FY2025

Scicom is committed to maintaining high standards for customer privacy in FY2025 through the following key initiatives:

Privacy Policy and Legal Compliance

- Privacy Policy Updates. Review and update the privacy policy bi-annually to ensure alignment with evolving regulations and industry standards.
- Legal Compliance. Continuously monitor and adapt to any new privacy legislation that may impact customer data protection.

Auditing and Data Security

- Internal Audits. Conduct annual internal audits of information storage and processing systems to ensure compliance with privacy and cybersecurity policies.
- Cybersecurity Adherence. Ensure that all parties within the Group comply with Scicom's cybersecurity policies and procedures.
- Cybersecurity Risk Management. Continue to upgrade cybersecurity systems and monitor risks to safeguard the Group's business against emerging threats.

Staff Training and Awareness

- Customer Privacy Training. Achieve 100% staff completion of customer privacy training modules to raise awareness and ensure data protection practices are followed.
- Data Privacy Refresher. Ensure all employees successfully complete the Data Privacy refresher course to stay updated on best practices and regulatory changes.

Data Handling and Transparency

- Data Minimisation. Implement data minimisation strategies to only retain customer data necessary for business operations, reducing potential privacy risks.
- Transparency. Clearly communicate privacy policies and practices to both existing and prospective customers, ensuring they are fully informed about how their data is managed.

Incident Response and Risk Management

- Incident Response Plan. Regularly review and test the incident response plan to ensure preparedness for addressing potential breaches of customer privacy effectively.
- Continuous Monitoring. Ensure ongoing monitoring of all systems and data processes to promptly identify and mitigate potential privacy or security risks.

3.5 Sustainability Data in Numbers

Scicom's sustainability data for the financial period from 1 July 2022 to 30 June 2024 is summarised in the table below.

Material Topics	GRI	Detail	Unit	Malaysia			Sri Lanka		
				2022	2023	2024	2022	2023	2024
Direct economic value generated and distributed	201-1	Direct economic value generated							
		Revenue	RM'million	259.2	241.1	218.4	5.9	4.2	5.6
		Economic value distributed							
		Annual dividend	RM'million	23.1	28.4	23.1	-	-	-
		Employee benefit expenses	RM'million	171.8	153.2	135.1	4.0	2.9	3.9
		Income tax expenses	RM'million	10.7	9.6	9.0	-	-	-
Market Presence	202-1	Ratios of standard entry level wage vs local minimum wage	Male	1.7:1	1.7:1	1.7:1	1.7:1	1.7:1	1.7:1
			Female	1.7:1	1.7:1	1.7:1	1.7:1	1.7:1	1.7:1
	202-2	Local Senior Management	%	79%	78%	73%	100%	100%	100%
Procurement Practices	204-1	Percentage of total purchase value from local vendors	%	88%	80%	61%	55%	93%	95%
		Percentage of local vendors	%	91%	91%	87%	95%	98%	92%
Energy	302-1	Direct Energy consumption	kWh (million)	4,944	5,459	4,797	0.671	0.655	0.694
Emissions	305-1	Direct Energy consumption	Tonnes	3,856	4,258	3,637	477	465	526
Employment	401 – 1	Employees by gender	Male	46%	49%	51%	46%	46%	47%
			Female	54%	51%	49%	54%	54%	53%
		Women in Leadership Positions	%	36%	36%	34%	40%	50%	48%
		Joining the Group - By Gender	Male	45%	52%	49%	40%	49%	46%
			Female	55%	48%	51%	60%	51%	54%
Health & Safety	403-2	Injuries (workforce) Fatalities Lost Day Rate	Number	None	None	None	None	None	None
			Number LTIFR	None None	None None	None None	None None	None None	None None
Training	404-1	Number of training sessions	Sessions	554	479	371	139	215	219
		Number of training programmes conducted	Programmes	83	62	101	10	34	12
		Total training days	Days	56,435	40,284	35,829	2,572	4,412	3,177
	404-3	Employees receiving performance review	%	100%	100%	100%	100%	100%	100%
Diversity	405-1	Employees Diversity – By Age Group	<30 years old	69%	64%	53%	87%	92%	88%
			30-39 years old	24%	27%	34%	9%	5%	9%
			40-59 years old	7%	9%	13%	4%	3%	3%
			>60 years old	-	-	1%	-	-	-

3.6 Performance Data Table

Scicom's Performance Data Table from ESG Reporting Platform is summarised in the table below.

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Top Management	Percentage	100.00
Senior Management	Percentage	100.00
Middle Management and Below	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	6,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	59.00
Senior Management Above 50	Percentage	41.00
Middle Management Under 30	Percentage	19.00
Middle Management Between 30-50	Percentage	77.00
Middle Management Above 50	Percentage	4.00
Executive Under 30	Percentage	68.00
Executive Between 30-50	Percentage	31.00
Executive Above 50	Percentage	1.00
Non-executive Under 30	Percentage	80.00
Non-executive Between 30-50	Percentage	18.00
Non-executive Above 50	Percentage	2.00
Gender Group by Employee Category		
Senior Management Male	Percentage	72.00
Senior Management Female	Percentage	28.00
Middle Management Male	Percentage	64.00
Middle Management Female	Percentage	36.00
Executive Male	Percentage	49.00
Executive Female	Percentage	51.00
Non-executive Male	Percentage	58.00
Non-executive Female	Percentage	42.00
Internal assurance	External assurance	No assurance
(*)Restated		

Indicator	Measurement Unit	2024
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	62.00
Female	Percentage	38.00
Below 30	Percentage	0.00
30 - 39	Percentage	0.00
40 - 59	Percentage	25.00
Above 60	Percentage	75.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	5,491.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	2,106
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	256
Middle Management	Hours	1,720
Executive	Hours	310,065
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	24.00
Bursa C6(c) Total number of employee turnover by employee category		
Below 30	Number	1,644
30 - 50	Number	379
Above 50	Number	6
Male	Number	957
Female	Number	1,072
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	89.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	2.172000
Internal assurance External assurance No assurance (*) Restated		

Bursa C9(a) Total volume of water used are for Sri Lanka's office. Data for Malaysia's office is not available.

3.7 Looking ahead to a sustainable Future

Scicom made progress in FY2024 to advance our sustainability goals and we are committed to continuing this journey in the years to come. We recognise that there is still more work to be done, and we will continue to engage with our stakeholders to work together to create a more sustainable future. We thank our employees, customers, suppliers, and other stakeholders for their support as we work to build a more sustainable future.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Scicom (MSC) Berhad ("Scicom" or the "Company") recognises the importance of maintaining corporate governance best practices. The Board is committed to ensure that a high standard of corporate governance is practised throughout Scicom and its subsidiaries ("the Group") as a fundamental part of discharging its responsibilities to protect and enhance long-term shareholder value while safeguarding the interests of all stakeholders.

The Board believes in playing an active role in guiding the Management through its oversight review while at the same time steer the Group's business direction and strategy.

The Board is pleased to share the manner in which the principles and best practices as set out in the revised Malaysian Code on Corporate Governance ("MCCG") have been applied within the Group during the financial year ended 30 June 2024 ("FY 2024").

The detailed application for each best practice as set out in the MCCG during the FY 2024 is disclosed in the Corporate Governance Report ("CG Report") which is available on the Company's corporate website, www.scicom-intl.com as well as the website of Bursa Malaysia Securities Berhad ("Bursa Securities"). Where a specific best practice has not been applied during the financial year, the non-application, including reasons thereof, and the alternative practice adopted, if any, is also mentioned in the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Roles and Responsibilities of the Board

The Board comprises of competent individuals with specialised skills and knowledge providing clear and effective leadership to the Group. The Board is responsible for charting the strategic direction of the Group as well as overseeing the conduct, performance, risk management and internal controls of the Group's business activities as well as corporate governance practices of the Group. In order to ensure a constantly well-balanced Board, careful consideration is given when selecting and balancing the composition of Independent and Non-Independent Directors.

The Board is guided by the Board Charter and Limits of Authority ("LOA") which define matters that are specifically reserved for the Board and certain authorities and discretion delegated to the Chief Executive Officer ("CEO"). The key matters reserved for the Board's approval include but not limited to setting overall Group strategy and direction, approving major corporate plans, approving quarterly and annual financial statements and annual budgets, as well as monitoring financial and operational performance of the Group.

The Board has also delegated certain roles and responsibilities to its Board Committees namely, Audit Committee ("AC"), Nominating and Remuneration Committee ("NRC") and Risk and Sustainability Committee ("RSC") which operate within clearly defined Terms of Reference ("TOR").

2. Board Composition and Balance

During FY 2024, the Board comprised of eight (8) members. Following the demise of Fa'izah Binti Mohamed Amin, the Independent Non-Executive Director on 8 September 2024, the Board currently has seven (7) members comprising of:

- One (1) Non-Independent Non-Executive Director;
- One (1) Non-Independent Executive Director; and
- Five (5) Independent Non-Executive Directors.

This is in compliance with Paragraph 15.02(1)(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (the "MMLR") which requires at least two (2) directors or one third (1/3) of the Board, whichever is the higher, to be Independent Directors. Further, none of the Directors is an active politician.

A brief profile of the Directors is included in the Board of Directors – Profiles as set out on pages 14 to 21 of the Annual Report.

The Board is well-balanced and comprises highly respected professionals of various backgrounds and industries which are relevant to the Group's business activities. The Directors' wide-ranging experience and expertise provide the Group with the strategic thinking that is vital for the Group's success.

The Board believes that both genders are to be given fair and equal opportunity and any new appointments to the Board shall be based on merit, experience, qualifications and other attributes. Currently, with the demise of Fa'izah Binti Mohamed Amin, there remains two (2) women Directors sitting on the Board, representing 28.57% women representation on the Board. The Company is still in compliance with Paragraph 15.02(1)(b) of the MMLR which requires at least 1 woman director.

The Board is satisfied with the level of independence demonstrated by the Independent Directors during the financial year and their ability to act in the best interest of the Group.

The Independent Non-Executive Directors provide the necessary checks and balances on the Board's decisions and decision-making process. During any decision-making process, the majority view of the Board will be duly considered whereby no single Board member can be dominant.

None of the Non-Executive Directors participate in the Group's day-to-day management activities. The Independent Non-Executive Directors play a pivotal role in ensuring corporate accountability and provide an essential source of impartial and professional advice and judgment to safeguard the interests of the Group and its stakeholders.

In order to achieve a balance of power and authority, there is a clear division of responsibility between the Chairman of the Board and the CEO, via the appointment of separate Board members to hold respective positions.

The Chairman provides leadership and direction at the Board level in order to maintain good corporate governance for the Board to perform its responsibilities effectively. The CEO is responsible for the day-to-day running of the Group's business and ensuring that the Group's policies and strategies as approved and adopted by the Board are implemented with the assistance of the Senior Management Team ("SMT").

3. Board Charter and Responsibilities

The Company has in place a Board Charter that sets out, amongst others, the responsibilities, authorities, procedures, evaluation and structure of the Board and Board Committees including a formal schedule of matters reserved to the Board for consideration and decision as well as relationship between the Board with its management and shareholders. The Board Charter is reviewed and updated periodically.

To facilitate efficient management, the Board has approved authority to the Management for certain specified activities through a clear and formally defined LOA, which is the primary instrument that governs and manages the business and operations decisions in the Group. Whilst the objective of the LOA is to empower Management, the key principle adhered to the formulation of the LOA is to ensure that a system of internal controls and checks and balances are incorporated therein.

The LOA is implemented in accordance with the Group's policies and procedures as well as the statutory and regulatory requirements. The LOA is periodically reviewed and updated to ensure relevance to the Group's operations.

4. Board Meetings

The Board meets at least quarterly to, inter alia, approve the quarterly announcements to Bursa Securities, statutory financial statements, the Group's business plans, and also to review the Group's financial performance and standing. Additional meetings are convened as and when necessary to deliberate on urgent matters.

During the FY 2024, five (5) Board meetings were held. The Directors' attendance for the Board meetings held during the financial year under review is as follows:

Name of Director	Number of meetings attended/ Number of meetings held
Krishnan A/L C.K. Menon (Chairman)	5/5
Dato' Sri Leo Suresh Ariyanayakam	5/5
Dato' Nicholas John Lough @ Sharif Lough bin Abdullah	5/5
Datuk (Dr.) Joseph Dominic Silva	5/5
Mahani Binti Amat	5/5
Fa'izah Binti Mohamed Amin (Demised on 8 September 2024)	4/5
Mior Mokhtar Bin Mior Abu Bakar	4/5
Elakumari A/P Kantilal	4/5

All Directors complied with the minimum attendance requirement of at least 50% of Board meetings held during the financial year as stipulated under Paragraph 15.05 of the MMLR.

Minutes of Board meetings which include a record of the decisions and resolutions of the Board meetings are maintained by the Company Secretary.

5. Supply of Information

The Directors have full, unrestricted and timely access to all information and direct access to the SMT to enable them to discharge their duties and responsibilities effectively. The Board is provided with the meeting agenda and Board papers at least five (5) working days in advance of the Board meeting. This enables the Directors to have sufficient time to review the Board papers and seek clarification or further details from the Management or the Company Secretary before each meeting to ensure preparedness for the meeting.

Access to the Board papers by the Directors is done through a collaborative software which allows the Directors to securely access Board documents electronically.

Where applicable, briefings and presentations by management or relevant external consultants are also held at Board meetings to advise the Board and provide relevant information and clarification for an informed decision making by the Board.

In addition, the Directors have unrestricted access to the advice and services of the Company Secretary and are regularly updated on new statutory and regulatory requirements relating to duties and responsibilities of the Directors. All the Directors, whether collectively as a Board or in their individual capacity, may seek independent professional advice at the expense of the Group in carrying out his or their duties respectively.

6. Directors' Fit and Proper Policy

The Directors' Fit and Proper Policy was last reviewed on 30 August 2024 which aimed to guide the NRC and the Board in their review and assessment of the candidates who are to be appointed to the Board as well as Directors who are seeking re-election, in accordance with Paragraph 15.01A of the MMLR. This Policy sets out the overarching criteria in assessing the candidates' ability to fulfil their duties as Director as well as their integrity and independence of mind. Any candidate for new appointment as Director, and Directors who are due for retirement and subject to re-election at the Annual General Meeting ("AGM") are required to declare their fit and proper criteria via a self-declaration form. The NRC will assess if such candidate has good standing based on the fit and proper declaration, before making recommendation to the Board for consideration or approval.

7. Retirement and Re-election of Directors

The Company's Constitution requires at least one third (1/3) of the Board members to retire by rotation at the AGM, and also for all the Directors to retire once every three (3) years, of which the Directors will then be eligible to offer themselves for re-election.

At the forthcoming AGM, Krishnan A/L C. K. Menon and Dato' Nicholas John Lough @ Sharif Lough Bin Abdullah are retiring pursuant to Clause 76(3) of the Constitution of the Company. The aforesaid Directors have offered themselves for re-election at the forthcoming AGM. The Board has indicated their support of the re-election of the Directors, in the explanatory note to the Notice of Twenty-Second AGM of the Company.

8. Tenure of Independent Directors

Notwithstanding the recommendation of the MCCG that the tenure of an Independent Director shall not exceed a term limit of 9 years, the Board is of the view that the tenure of an Independent Director alone should not be the criterion to determine a Director's independence as there are advantages to be gained from the long-serving directors who possess good insight and knowledge of the Group's businesses and affairs.

Instead, the Board conducted annual assessment on the independence of all Independent Directors. The Board concluded that all Independent Directors have met the independence criteria set out in the MMLR. Dato' Nicholas John Lough @ Sharif Lough Bin Abdullah's independence, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, has not been affected by his long tenure as he has demonstrated his ability to exercise independent judgement, provide objective views and act in the best interest of the Company. Hence, the Board will seek the approval of the shareholders of the Company at the forthcoming AGM through a single-tier voting process to retain him as Independent Non-Executive Director of the Company.

9. Training and Professional Development of Directors

All the Directors have complied with the Mandatory Accreditation Programme as prescribed by Bursa Securities. The Directors are also encouraged to and have attended various conferences and seminars which are conducted both in-house and by external parties, in order to enable them to effectively discharge their duties, as well as keep abreast of the industry, regulatory and other related developments.

Directors are also required to attend the Mandatory Accreditation Programme Part II: Leading for Impact (LIP) by 1 August 2025 ("MAP II"), pursuant to the MMLR. Some of the Directors had attended MAP II, as disclosed below, whilst the remaining Directors will attend it by 1 August 2025.

The seminars and training courses attended by the Directors during the financial year under review are listed below:

Name of Director	Training/Conference Attended
Krishnan A/L C.K Menon	- MAP Part II: Leading for Impact (LIP) by Institute of Corporate Directors Malaysia. - MACC Act 2009 & S17A Guidelines on Adequate Procedures by Vision Ethics Advisory Services Sdn Bhd. - Artificial Intelligence (AI) – Risk and Opportunities by Scicom (MSC) Berhad.
Dato' Sri Leo Ariyanayakam	- Anti Bribery and Anti-Corruption by Scicom Academy Sdn Bhd. - Information Security Management System by Scicom Academy Sdn Bhd. - Building Resilience to Change by Scicom Academy Sdn Bhd. - Fundamentals of ESG by Scicom Academy Sdn Bhd. - Artificial Intelligence (AI) – Risk and Opportunities by Scicom (MSC) Berhad.

Name of Director	Training/Conference Attended
Dato' Nicholas John Lough @ Sharif Lough Bin Abdullah	• ICDM PowerTalk Series – Generative AI - An Opportunity or Risk? by Institute of Corporate Directors Malaysia. • Advocacy Sessions for Directors and CEO of Main Market Listed Issuers by Bursa Securities. • FIDE - Empowering Change through Diversity, Equity & Inclusion ("DEI") by FIDE/Asia School of Business. • Directors' Training: AML/CFT & TFS: Evolving Challenges & Expectations In Regulatory Compliance by Hong Leong Assurance Holdings. • The Wirecard Scandal – A Whistleblower's Perspective by Hong Leong Assurance Holdings. • HLAH Group In-House Directors' Training by HLAH Group In-House Directors' Training. • Introduction to Environmental, Social & Governance (ESG) and Sustainable Finance by Malaysian Institute of Accountants. • Artificial Intelligence (AI) – Risk and Opportunities by Scicom (MSC) Berhad.
Mahani Binti Amat	• Cyber and Technology Risk Training & Talkbot Live Demo by AIA. • Operationalising Resolution Planning – A perspective from the Trenches by FIDE Forum. • Board of Directors Programme Cohort 4 by AIA. • Sustainability In The Digital Age by FIDE. • AML/CFT: Evolving Challenges & Expectations In Regulatory Compliance by JPM/Vision Business Solutions. • Elements of ESG by AIA. • Focus session on the new MFRS17 by AIA. • Shariah Principles and its Application in Takaful by AIA. • BNM FIDE Forum Virtual Dialogue by FIDE. • Engagement Session with Board of Directors of Islamic Financial Institutions: Hajah and Darurah Policy Document by BNM – FIDE FORUM. • AIA Cloud Risk Master Class by AIA. • Engagement: Responsibility Mapping with Directors of Financial Institutions by BNM – FIDE FORUM. • What Amount to a Conflict of Interest by Directors? By Asia School of Business. • Global Forum on Islamic Economics and Finance (GFIEF) 2024 by Bank Negara Malaysia. • In-house Cyberdrill by AIA. • Bank Negara Malaysia Sasana Symposium 2024 by Bank Negara Malaysia. • Artificial Intelligence (AI) – Risk and Opportunities by Scicom (MSC) Berhad.
Datuk (Dr.) Joseph Dominic Silva	• Sustainability In the Digital Age by Asia School of Business. • Environmental, Social and Governance Leadership: A Pathway to Business Sustainability by Cambridge Judge Business School Executive Education. • PNB Public Markets Dialogue & Engagement 2024 Leadership Alignment by PNB. • Forum on Leadership's Role in Managing Technology and Cyber Risk by MBSB/MIDF. • Leadership Alignment by Securities Commission. • BNM Sasana Symposium 2024 by Bank Negara Malaysia.
Fa'izah Binti Mohamed Amin (Demised on 8 September 2024)	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP) by Institute of Corporate Directors Malaysia. • Mandatory Accreditation Program (MAP) by Bursa Saham Kuala Lumpur. • FIDE Core Programme by Financial Institutions Directors' Education Programme.
Mior Mokhtar Bin Mior Abu Bakar	• Talk on Sustainability in Digital Age by Asia School of Business. • Talk on AI & the future of Work panel discussion: Building Digital Economy through Urban Rejuvenation by Asia School of Business. • Artificial Intelligence (AI) – Risk and Opportunities by Scicom (MSC) Berhad.
Elakumari A/P Kantilal	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP) by Institute of Corporate Directors Malaysia. • Management of Cyber Risk by Ernst & Young Consulting Sdn Bhd. • The Future of Cybersecurity with AI by Khazanah Digital & Technology and Asia School of Business. • Environmental, Social & Governance (ESG) - Insights for Directors by SIDC. • Artificial Intelligence (AI) – Risk and Opportunities.

10. Board Committees

In order to enhance the Board's effectiveness as well as to comply with certain fiduciary duties, the Board has established the following standing committees, which operate within clearly defined TOR.

- AC

The TOR of the AC is accessible at the Company's website at www.scicom-intl.com and summary of activities are contained in the AC Report as set out on pages 129 to 133 of this Annual Report.

- NRC

The NRC was formed on 12 May 2010 and is responsible for proposing candidates for directorship and assessing the directors on an ongoing basis.

The TOR of the NRC is accessible at the Company's website at www.scicom-intl.com.

The composition of the NRC complies with the requirements of Paragraph 15.08A of the MMLR. In addition, the NRC assesses the contribution of individual Board members, the effectiveness of the Board and the Board Committees.

The NRC is responsible in determining the remuneration of the Directors and SMT so as to ensure that the Company attracts, retains and motivates the Executive Director and SMT of the quality needed to manage the business of the Group effectively and in alignment to the Group's long-term strategic goals. The remuneration scheme is reflective of the individual Director's and SMT's experience, level of responsibilities and performance. In addition, the remuneration for the Executive Director and SMT is structured to link remuneration and rewards to corporate and individual performance. While the remuneration of Independent Non-Executive Directors shall not be in conflict with their obligation to bring objectivity and independent judgment on matters discussed at the Board meetings.

Following the demise of Fa'izah Binti Mohamed Amin on 8 September 2024, the current members of the NRC are as follows:

1. Mahani Binti Amat - Independent Non-Executive Director (Chairperson)
2. Datuk (Dr.) Joseph Dominic Silva - Independent Non-Executive Director

The NRC held two (2) meetings during the financial year. Mahani Binti Amat and Datuk (Dr.) Joseph Dominic Silva had attended both meetings while the late Fa'izah Binti Mohamed Amin had attended one (1) out of two (2) meetings.

The summary of activities undertaken by the NRC during the FY 2024 are:

- Reviewed and recommended Directors' fees payable to the Directors for the FY 2023;
- Reviewed the effectiveness of the Board, Board Committees and individual Directors and made appropriate recommendations to the Board;

- Reviewed the term of office and performance of the AC and each of its members;
- Reviewed and assessed the independence of the Independent Directors;
- Reviewed the character, experience, integrity, competence and time commitment of key officers;
- Evaluated and determined training needs of the Directors;
- Reviewed the fit and proper criteria of the retiring Directors, and recommended their re-election to the Board;
- Reviewed succession plan for senior management;
- Reviewed salary adjustment and bonus for SMT;
- Reviewed the separation of Audit and Risk Management Committee into AC and RSC;
- Reviewed the employment contract of the CEO; and
- Reviewed the following documents within the scope of the NRC before recommending to the Board for approval:-
 - (a) Diversity Policy
 - (b) Directors' Fit and Proper Policy
 - (c) Directors' Assessment Policy

▪ **RSC**

The RSC was formed on 26 September 2023. The main duties and responsibilities of the RSC as specified in the TOR adopted on 30 November 2023 and updated on 30 August 2024 include but not limited to the following:

- Establish and recommend for the Board's approval the Group's risk management framework, policies and risk appetite level;
- Assist the Board in fulfilling its oversight responsibilities in relation to the Group's sustainability strategy and initiatives comprising economic, environmental and social matters;
- Oversee the implementation of the risk management and sustainability framework, policies and procedures in identifying and managing risks across the Group's business operations;
- Review the enterprise risk rating and determine the critical risks to be escalated to the Board; and
- Review and recommend the integration of sustainability including the Group's Sustainability Statement and Reporting in the Annual Report in line with the MMLR.

In discharging its duties and responsibilities, the RSC is assisted by the Group Risk Department and the Management Sustainability Committee.

The detailed TOR of the RSC is accessible at the Company's website at www.scicom-intl.com.

Following the demise of Fa'izah Binti Mohamed Amin on 8 September 2024, the current members of the RSC are as follows:

1. Dato' Nicholas John Lough @ Sharif Lough Bin Abdullah - Independent Non-Executive Director (Chairperson)
2. Datuk (Dr.) Joseph Dominic Silva - Independent Non-Executive Director
3. Elakumari A/P Kantilal - Independent Non-Executive Director

During FY 2024, four (4) RSC meetings were held. The attendance for the RSC meetings held during the financial year under review is as follows:

Name of Director	Number of meetings attended/ Number of meetings held
Dato' Nicholas John Lough @ Sharif Lough Bin Abdullah (Chairperson)	4/4
Datuk (Dr.) Joseph Dominic Silva	2/4
Fa'izah Binti Mohamed Amin (Demised on 8 September 2024)	2/4
Elakumari A/P Kantilal	4/4

The summary of activities undertaken by the RSC during the FY 2024 are:

- Reviewed and recommended the TOR of RSC, updated Enterprise Risk Management Policy, Sustainability Policy and the TOR of the Management Sustainability Committee to the Board for approval.
- Reviewed and monitored the progress of on-going risk management activities for identifying, evaluating, monitoring and managing risks.
- Reviewed status reports on changes in the Group's risk profile to ensure significant risks are managed effectively in a timely manner on a quarterly basis.
- Reviewed the Group's risk management and sustainability system and practices to ensure that they are operating adequately and effectively.
- Received assurance from the CEO and CFO that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.
- Reviewed the Statement of Risk Management and Internal Control.
- Reviewed the Sustainability Statement.

The Chairman of the Board is not a member of the Board Committees (i.e. AC, NRC and RSC). This is to ensure there is check and balance as well as objective review by the Board.

The Board Committees meetings are conducted separately from the Board meetings, to enable objective and independent discussion during the meetings.

11. Board Members Appointment Process

The NRC considers and recommends new appointment to the Board. In discharging this duty, the NRC will address the suitability of an individual by taking into consideration the individual's skills, knowledge, expertise and experience, professionalism and integrity.

12. Diversity Policy

The Board has adopted a Diversity Policy, having regards to balancing the mix of skills, expertise and industry experience, gender, age, ethnicity and backgrounds of the Directors and SMT for effective oversight of the Group.

The Board is of the view that while it is important to promote diversity, the normal selection criteria of a Director, based on effective blend of competences, skills, experience and knowledge in areas identified by the Board, should remain a priority and not compromised. The Board currently has 28.57% of women representation.

The NRC is delegated with the overall responsibility for implementation, monitoring and periodic review of the Diversity Policy.

13. Board Effectiveness Evaluation

The NRC is responsible to assist the Board to assess the effectiveness of individual Directors, the Board and the Board Committees. The Board evaluation is performed annually with the objective to enhance its effectiveness, strength and to identify areas that needs improvements.

During the financial year under review, the Board, through the NRC, had conducted the annual evaluation on:-

- I. The Board of Directors
- II. Board Committees
- III. Individual Directors
- IV. Chairman of the Board
- V. Independent Directors

The evaluation process was conducted via a pre-set questionnaires approved by the Board. The main criteria considered include the following:

- Skills and experience of individual directors.
- Roles and responsibilities of the Board and individual directors.
- Time commitment.
- Performance in addressing material sustainability risks and opportunities.
- Fit and proper criteria.

The review was based on a Board evaluation process that had been established with the assistance of the Company Secretary in order to determine the effectiveness of the Board as a whole, its committees and the contributing performance of each individual Director.

The results of the evaluation were summarised by the Company Secretary and discussed by the NRC which were then reported to the Board. Based on the report of the NRC, the Board is satisfied with the current composition of the Board members and is well balanced with the right mix of high-caliber individuals with the necessary skills and qualifications, credibility and independence to discharge its duties and responsibilities effectively.

14. Directors' Remuneration

The Remuneration Policy and Procedure for Director and Senior Management was last reviewed on 24 February 2024 and is accessible at the Company's website at www.scicom-intl.com. There is an annual evaluation on the performance of the Executive Director and SMT. The remuneration package for the Executive Director and SMT are structured to link rewards to corporate and individual performance while the remuneration for Non-Executive Directors reflects the experience and level of responsibilities undertaken by individual Non-Executive Director.

The Board will consider and approve the remuneration package of SMT whilst the annual fees payable to Non-Executive Directors will be recommended to the shareholders at the AGM for their approval. The Executive Director does not participate in any way in determining his own remuneration package.

The Directors did not receive any remuneration from its subsidiaries except from the Company. The breakdown of the Directors' remuneration paid for the financial year under review is as follows:

	Fees RM	Salaries RM	Defined contribution plans RM	Benefits-in- kind RM	Total RM
Executive Director					
Dato' Sri Leo Ariyanayakam	-	1,394,880	168,242	7,200	1,570,322
Non-Executive Directors					
Krishnan A/L C.K Menon	120,000	-	-	-	120,000
Dato' Nicholas John Lough @ Sharif Lough Bin Abdullah	92,644		-	-	92,644
Mahani Binti Amat	100,000	-	-	-	100,000
Datuk (Dr.) Joseph Dominic Silva	102,932	-	-	-	102,932
Fa'izah Binti Mohamed Amin (Demised on 8 September 2024)	83,822	-	-	-	83,822
Mior Mokhtar Bin Mior Abu Bakar	85,000	-	-	-	85,000
Elakumari A/P Kantilal	78,822	-	-	-	78,822
Total	663,220	1,394,880	168,242	7,200	2,233,542

15. Whistleblowing

The Group is committed to the highest standard of integrity and accountability in the conduct of its businesses and operations. In striving to conduct its affairs in an ethical, responsible and transparent manner, the Group provides an avenue for all employees and stakeholders of the Group to disclose any improper conduct within the Group vide the implementation of the Group's Whistleblowing Policy which is published on the Company's corporate website at www.scicom-intl.com.

The Whistleblowing Policy establishes the Group's position in encouraging employees and other stakeholders to raise genuine concerns about possible improprieties in matters relating to financial reporting, compliance and other malpractices or misconducts that may have occurred. The whistleblowing channels are established to help employees and other stakeholders raise concerns directly to either of the two designated Independent Directors without fear of reprisals or retaliations.

The identity of the whistleblower will be kept confidential and protection will be accorded to the whistleblower against any form of reprisal or retribution.

Any concerns raised will be investigated by the two Independent Directors and a report along with recommended action plan(s) will be provided to the Board for review and approval as appropriate.

16. Anti-Bribery and Anti-Corruption Policy

The Group has established an Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") which sets out the minimum standards of conduct and guiding principles in respect of bribery and corruption risk which may arise in the business activities of the Group. Accordingly, adequate procedures have been implemented to mitigate bribery and corruption risks of the Group.

The ABAC Policy was last revised on 30 August 2024 and is published on the Company's corporate website at www.scicom-intl.com.

17. Employee Code of Conduct

The Group's Employee Engagement Team conducts regular engagement, dialogue and training programs to inculcate the core values as the corporate culture of the Group.

All employees are required to read, understand and abide by the Code and the Code will be reviewed from time to time by the Board. The Code describes measures put in place to handle issues relating to:

- Conflicts of interest;
- Bribery and corrupt practices;
- Unlawful and unethical behaviour;
- Protection and proper use of company assets; and
- Compliance with laws, rules and regulations.

18. Qualified and Competent Company Secretary

The Company Secretaries are appointed by the Board to provide Directors with advice on compliance and corporate governance issues.

The Board has unrestricted access to the advice and services of the Company Secretaries. The Company Secretaries play an advisory role to the Board in relation to the Company's Constitution, Board's policies, procedures and compliance with the relevant regulatory requirements including codes, guidance and legislations.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Financial Reporting

The Board aims to convey a balanced and understandable assessment of the Group's performance and prospects in its quarterly announcements, annual reports and other public reports to the shareholders. The Board retains the responsibility for the preparation of the Group's and Company's financial statements. The Directors are required by the Companies Act 2016 to prepare the Group's and the Company's statutory financial statements with all material disclosures, ensure accuracy and completeness, in compliance with the Malaysian Accounting Standards Board ("MASB") approved accounting standards in Malaysia for Entities Other Than Private Entities, as well as the rules and regulations under the said Act. In order to properly achieve this, the AC assists the Board in overseeing the Group's financial reporting process and the quality of its financial reporting.

The Statement by Directors pursuant to Section 251(2) of the Companies Act 2016, in relation to the preparation of the financial statements is set out on page 217 of the Annual Report.

2. Risk Management and Internal Controls

The Board continues to maintain and review its risk management process and internal control procedures to ensure a sound system of risk management and internal control to safeguard shareholder's investments and the assets of the Group and the Company.

In discharging its duties in ensuring the effectiveness of the Group's systems of risk management and internal control, the Board has entrusted this responsibility to the AC and RSC. The scope and results of the AC and RSC review are detailed in the Statement on Risk Management and Internal Control as set out on pages 120 to 128 of the Annual Report.

3. Relationship with Auditors

The Board, through the AC, has a professional and transparent relationship with both the Group's internal and external auditors.

(a) Internal Auditors

The internal auditors report directly to the AC and has unrestricted access to the AC. The internal auditors are tasked to independently review the effectiveness of the risk management process and internal controls of the Group.

The AC has appointed an outsourced professional internal audit firm. The internal audit firm conducts regular reviews on the Business Unit operations based on an annually approved Internal Audit Plan. Ad-hoc audits are also commissioned by the AC as and when necessary.

The objective of the internal audit function is to provide a disciplined approach to evaluate and improve the effectiveness of risk management, internal controls and governance processes and serves as source of independent advice to the AC on the state of the internal controls and the results of the risk mitigating strategies and to recommend appropriate improvements.

The internal auditors attend the AC meeting quarterly to present their audit observations, recommendations and report on the status of corrective actions implemented by the Management. The minutes of the AC meetings are tabled to the Board for information and serve as useful references, particularly if there are pertinent issues that any Directors wish to highlight or seek clarification on.

(b) External Auditors

The AC and the Board place great emphasis on the objectivity and independence of the external auditors in providing relevant and transparent reports to the shareholders. The AC undertakes an assessment on the independence of the external auditors annually.

The Board has obtained assurance from the external auditors on their independence in discharging their duties throughout the conduct of the audit engagement.

The external auditors attended the AC meeting thrice during the financial year to discuss their audit plans, fees, audit findings and their review of the Group's and the Company's financial statements.

Disclosure of non-audit fees is included under AC Report as set out on page 131 of the Annual Report.

Other facets of the relationship between the AC and both the internal and external auditors are elaborated in the AC Report as set out on pages 129 to 133 of the Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**1. Communication between the Company and its Investors and Other Stakeholders**

The Board acknowledges the importance of on-going engagement and communication with stakeholders and to ensure that communication is timely, regular, transparent and effective.

The Group has established a dedicated section for Investor Information on the Company's corporate website at www.scicom-intl.com where shareholders as well as members of the public may access the latest information on the Group. Information is also communicated through the following channels:

- Various disclosures and announcements to Bursa Securities including quarterly results;
- Press releases and announcements to Bursa Securities and to the media;
- Publication of the Company's Annual Report; and
- Annual General Meetings.

Annual Report

Annual Report is a vital source of information for shareholders, investors and the general public. Information on the Group's business performance, financials and its management are disclosed in the Annual Report. The contents of the Annual Report are continuously enhanced to take into account the latest development in corporate governance and regulatory requirements.

While the Group endeavors to provide as much information as possible to its shareholders, the Group is mindful of its confidentiality obligations as well as the requirements of the legal and regulatory frameworks governing the release of material and price sensitive information.

The notice of Company's AGM together with the Annual Report are sent to every shareholder at least twenty-eight (28) days before the meeting. The Annual Report is also available on the Company's corporate website.

2. Announcements to Bursa Securities

Announcements on quarterly financial results, circulars and other general announcements are made via Bursa LINK in full compliance with regulatory authorities' disclosure requirements and are also available on the Company's corporate website.

3. Investor Relations

The Board recognises the importance of keeping shareholders and investors informed of the Group's business and corporate developments. The Chairman of the Board and CEO have been appointed as spokespersons to communicate with all audience constituents, providing information, data and analysis and responding to questions concerning the Group's operations and financial position.

The objective is to provide updates on the Group's financial performance, corporate developments as well as to address issues that the institutional investors and analysts may have with regard to the business or operations of the Group.

4. Company Website

The Company's corporate website can be accessed by the public at www.scicom-intl.com. It archives all corporate and financial information made to the public, such as quarterly announcement of the financial results of the Group, announcements and disclosures made pursuant to the disclosure requirements as set out in MMLR and other corporate information on the Group.

The public may also direct queries through a dedicated email contact provided in the said website.

The corporate information section is also on the website where information such as profile of Directors, Board Charter, Code of Business Conduct and Ethics, Whistleblowing Policy, Remuneration for Director and Senior Management Policy and Procedures, Director Fit and Proper Policy, as well as the TOR for the AC, NRC and RSC are made available to the shareholders and public.

5. The AGM and Communication with Stakeholders

The AGM is the principal forum for dialogue and communications which offers an opportunity for the Board and the SMT to interact with the shareholders. During the AGM, the Chairman of the Board, other Board members, SMT and the external auditors of the Company are available to respond to any questions and queries as raised by the shareholders. Where appropriate, the Chairman will endeavour to provide the shareholders with written answers to any significant questions which cannot be readily answered during the AGM.

As recommended by the MCGG, the notice of AGM will be dispatched to shareholders at least twenty-eight (28) days before the AGM, to allow shareholders to have additional time to go through the Annual Report and make the necessary attendance and voting arrangements.

The Twenty-First AGM of the Company was conducted physically at Sime Darby Convention Centre, Kuala Lumpur on 30 November 2023. All resolutions were voted by poll. The poll results were verified by the appointed Independent Scrutineer and announced to Bursa Securities on the same day. The Minutes of the Twenty-First AGM was also published on the Company's website no later than 30 business days after the conclusion of the said meeting.

Focus Areas and Future Priorities

The Board recognises the importance of embedding sustainability practices into strategic priorities of the Group, so as to build long-term viability and value creation for the shareholders. With the increased attention given to sustainability and climate change by the general public and the investment community, the Board will increase its focus in integrating environmental, economic and governance considerations in the strategies and operations of the Group.

This Statement was approved by the Board at its meeting held on 30 September 2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and as guided by the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers, issued by the Task Force on Internal Control, with the support and endorsement of Bursa Securities as well as the Malaysian Code on Corporate Governance, the Board of Directors (the "Board") of Scicom (MSC) Berhad (the "Company") is pleased to provide the following statement which outlines the nature and scope of the risk management and internal control of the Company and its group of companies (the "Group") for the financial year ended 30 June 2024.

BOARD ACCOUNTABILITY

The Board is ultimately responsible for the Group's risk management and internal control systems, and for reviewing its effectiveness to safeguard shareholders' investment and the Group's assets. The Board recognises the importance of maintaining a sound system of risk management and internal controls, which includes the establishment of an appropriate control environment and framework, covering risk management, financial, organisational, operational and compliance controls.

The Board acknowledges its responsibility with regards to the following:

- Identification of principal risks and over-sight over the implementation of appropriate control measures in order to manage risks; and
- Reviewing the adequacy, effectiveness and integrity of the internal control systems and management information systems, as well as systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Group's system of risk management and internal control applies principally to the Company and its subsidiaries.

The Senior Management Team ("SMT") is responsible for implementing the Board's policies on risks and controls, whereas the remaining human capital is made responsible for internal controls through their accountability in achieving the Group's overall objectives.

In view of the limitations that are inherent in any system of risk management and internal control, this system is designed to manage, rather than eliminate risks that may impede the achievement of the Group's business objectives. Accordingly, the internal control systems in place can only provide reasonable but not absolute assurance against material misstatement or losses.

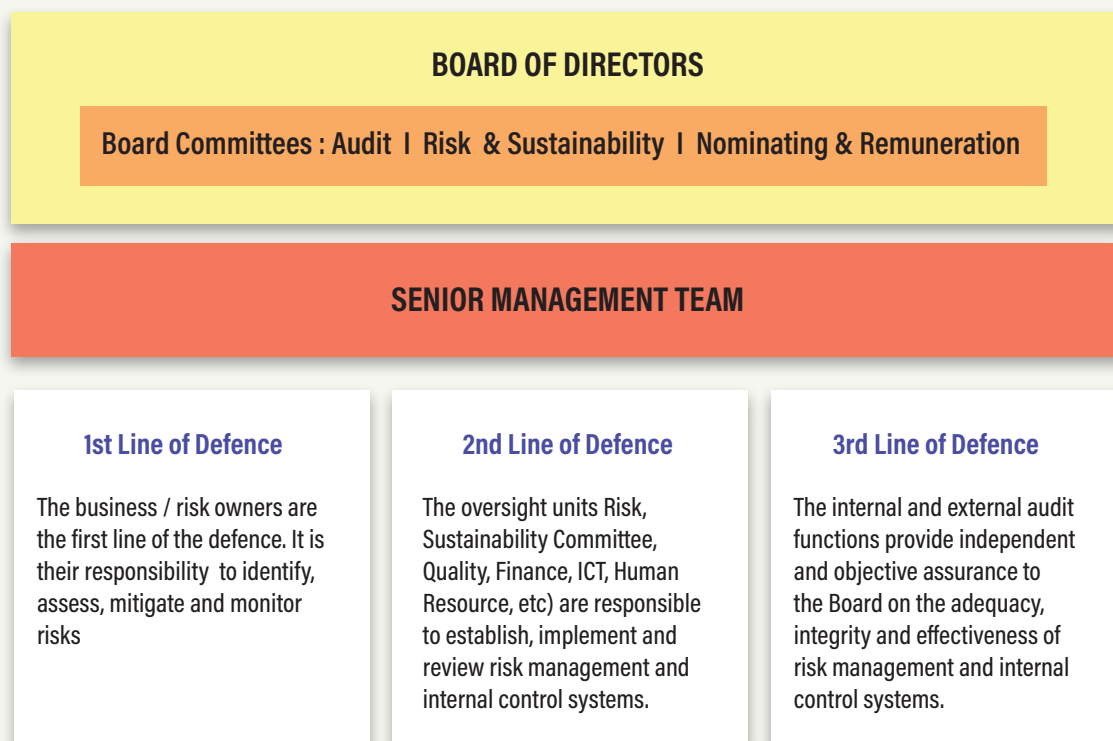
The Board recognises that the continuous enhancement of the system of risk management and internal control of the Group is paramount in responding to the evolving threat landscape.

RISK MANAGEMENT

The Board is fully cognisant of the importance to establish and maintain a structured risk management and sustainability framework to sustain and enhance good corporate governance practices. The Board has established risk governance structure and risk management framework to facilitate on-going risk management processes for identifying, evaluating and managing significant risks faced, or that the Group may potentially be exposed to in pursuing its business objectives.

Risk Governance Structure

The risk governance structure provides a transparent and effective structure involving active participation of the Board and SMT in the risk management process to ensure a uniform view of risk across the Group with clearly defined roles and responsibilities of all stakeholders, taking into consideration the three (3) lines of defense governance model in the risk management process.

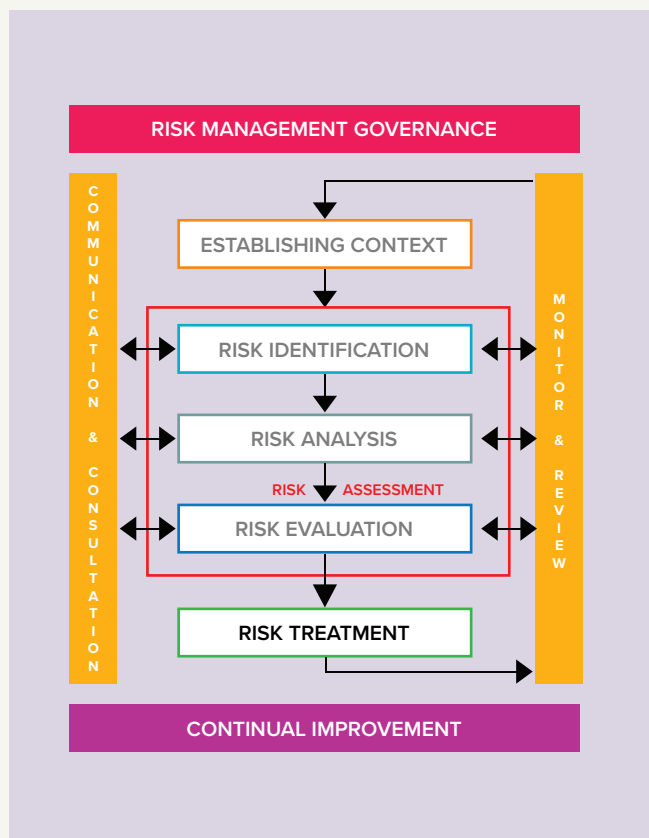


The Risk and Sustainability Committee ("RSC") through the SMT and the Management Sustainability Committee is also responsible for creating and promoting a risk and sustainability aware culture as well as ESG awareness amongst the Group's human capital, via a readily accessible knowledge framework for risk and sustainability management. The Group Risk Department and the Management Sustainability Committee work closely with the SMT in the implementation of the risk management and sustainability policy and procedures as well as in the process of identification, evaluation, implementation and monitoring of action plans to mitigate risks identified. Periodic reviews are conducted by the Group Risk Department and Management Sustainability Committee to ensure compliance and that risks are adequately identified and addressed in a timely manner. Matters arising during the periodic reviews are reported and escalated or cascaded, as the case may be, in a timely manner to the SMT and the RSC as appropriate.

Risk Management Framework

The risk management framework adopted by the Group is generally aligned with the principles and guidelines in the ISO 31000 standard on Risk Management.

RISK MANAGEMENT FRAMEWORK



DESCRIPTION

Risk Management Governance

Define risk management governance structure, roles and responsibilities and risk management framework.

Establishing the Context

Identify internal and external factors and parameters relevant to risk management and defined risk appetite.

Risk Assessment

Identify risks using the six sigma (5W1H) methodology, analyse and evaluate impact of risks (i.e. likelihood and significance of risk).

Risk Treatment

Ascertain the measures in place and to be put in place to manage risks.

Monitoring and Review

Regular risk reporting and monitoring.

Communication and Consultation

Effective communication of risk and how it is managed, including seeking internal/external consultation where applicable.

Continual Improvement

Continuous improvement on risk management framework and processes within the Group.

The adequacy and effectiveness of risk management processes are continually reviewed by the Board in accordance with the Group's risk monitoring and reporting of significant risks that may impact the achievement of the Group's business operations and evaluating the adequacy and effectiveness of controls in place to mitigate these risks.

Principal Risks

The Group has identified the following principal risks which are critical to the success of the Group's business objectives:

- Information and Cyber Security
- Technological Changes
- Business Continuity
- Environment, Social and Governance

Risk Management Activities During the Financial Year

During the financial year under review, the following risk management activities were conducted:

- The Board continually assesses the adequacy and effectiveness of the Company's risk management and internal control practices, as well as determining the acceptable risk appetite, reviewed, refined and approved based on the Group's risk management framework.
- The Board reviewed the significant risks identified for the Group and the mitigation plans associated thereto as well as the changes to Group risk profile on a quarterly basis.
- The Board reviewed the Enterprise Risk Management Policy and Sustainability Policy, and approved amendments thereto on 30 August 2024.

CONTROL ENVIRONMENT AND STRUCTURE

In addition to the risk management process, the Board and SMT have established numerous processes to ensure the effectiveness and integrity of the internal control system, taking into consideration changes to the business environment and/or regulatory guidelines. The key elements of the Group's control environment include the following:

Organisation Structure

The Board is supported by established Board Committees in the execution of some of the Group's fiduciary responsibilities, namely the RSC, Audit Committee ("AC") and the Nominating and Remuneration Committee. Each Board Committee has clearly defined terms of reference.

The Group has in place an organisation structure with a defined scope of responsibility and clear lines of accountability. A process of hierarchical reporting is in place which provides for a documented and auditable trail of accountability. The daily implementation of the Group's strategies is delegated to the SMT, which has established well-structured management reporting procedures for effective supervision of the Group's operations by the Board.

The respective Heads of Departments, for both operations and shared services, report on any deviations in corporate strategy and monitor the Group's progress towards the attainment of its business objectives.

The Board and the AC respectively, communicate their views on the control procedures to the SMT in the following manner:

- On an ad-hoc basis during the Board and the AC meetings; and/or
- As and when updates to both the Code of Business Conduct and Ethics or current internal control policies and procedures are tabled to both the Board and the AC, for their approval.

Audit Committee

The Board has empowered the AC, which meets at least on four (4) occasions each financial year, to review the adequacy and integrity of the Group's system of risk management and internal controls. The AC assumes the overall duties of reviewing the external auditors' annual audit plan and audit reports, as well as findings and recommendations on internal controls, governance and efficiency matters, if any, as highlighted annually in their Internal Control Recommendations.

In addition, the AC also reviews and approves the adequacy of the scope as per the internal auditors' audit plan for the financial year. The AC also receives quarterly updates on the Group's system of internal controls from the internal auditors.

The details of activities carried out by the AC are set out in the AC Report on pages 129 to 133.

Internal Audit

The internal audit function is established by the Board to undertake continuous review and assessment on related party transactions, as well as the adequacy, effectiveness and efficiency of governance, risk management and internal controls implemented by the Group.

Audit reports, along with the observations, root causes and recommendations as well as Management's responses and action plans for improvement and/or rectification, were tabled to the AC for review and deliberation. Any rectification or timeline extension would also be tabled to the AC on a quarterly basis.

The internal auditors report directly to the AC and is independent from the activities or operations of the Group. This function of the Group has been outsourced to an independent third party. The AC has engaged the services of an independent professional firm to provide much of the assurance it requires regarding the effectiveness as well as the adequacy and efficiency of the Group's system of internal controls in discharging their governance responsibilities.

The internal auditors adopt the International Professional Practices Framework ('IPPF') that organises authoritative guidance promulgated by the Institute of Internal Auditors with authoritative guidance organised in the IPPF as mandatory and recommended guidance for internal auditing.

The internal audit plan is prepared using a risk-based approach and presented to the AC for approval on a yearly basis. The audit plan is updated quarterly to take into consideration the changes in the risk profile. The audit area focuses on areas of high risk to ensure that adequate correction actions are in place to mitigate the risk in a timely manner.

Observations arising from the internal audit are presented, together with Management's response and proposed corrective actions, to the AC for review and approval. The internal auditors subsequently perform follow up audit to determine the extent of corrective actions implementation and report the status on the closure of audit issues to the AC on a quarterly basis. It is the responsibility of the Management in ensuring that corrective actions are implemented in a timely manner.

Limits of Authority

The Limits of Authority ("LOA") manual sets out the authorisation limits for various levels and also those matters requiring Board's approval to ensure segregation of duties, accountability and control over the Group's financial commitments. The LOA manual is reviewed and updated periodically to reflect business, operational and structural changes as appropriate.

Formal organisational structure is in place with all the companies in the Group with clear reporting channels established. Appropriate approval process and authority limits are in place on procurement transactions covering both capital and revenue expenditure items, acquisition and disposal of assets and other major business transactions.

Policies, Guidelines and Procedures

The Group's policies, guidelines and procedures are continuously reviewed and further enhanced, on a periodical basis in order to raise the standards of the Group's current system of internal controls as well as to take into account relevant changes to the legal and regulatory requirements that are applicable to the Group (if any). The Board has in place extensive and properly documented policies, guidelines and procedures, which are made readily available to the Group's human capital via the Group's intranet website.

Whistleblowing Policy

The Group has in place a Whistleblowing Policy which was last reviewed on 25 August 2023. The Whistleblowing Policy provides an avenue for employees and general public to report actual or suspected malpractice, misconduct or violations of the Group policies and procedures in a safe and confidential manner.

Code of Business Conduct and Ethics

The Board has in place a written Code of Business Conduct and Ethics which is available on the Group's website that summarises the Group's values, business and ethical principles and standards of professional conduct.

Employees of the Group are also bound by the Employee Code of Conduct and Ethics established which is accessible by all employees via the intranet. This policy outlines the rules and regulations that the Group and all its employees are required to adhere to and non-compliance may be subject to disciplinary action. Included in the policy is a section in relation to the "accuracy of company records", which emphasises the need for accurate recording and reporting of information, all business records and communications to be clear, truthful and accurate, and prohibition of false entries being made in the Group's books and records.

All vendors who are engaged by the Group are required to comply with the terms and conditions as stipulated in the Vendor Code of Conduct.

Anti-Bribery and Anti-Corruption Management

As part of the Company's commitment against all forms of bribery and corruption, the Board has adopted the Anti-Bribery and Anti-Corruption Policy, which was last reviewed on 30 August 2024. The said policy complements the Code of Business Conduct and Ethics and sets out the key guidelines governing areas such as the conduct with customers in relation to entertainment, and the receipt and giving of gifts. The Anti-Bribery and Anti-Corruption Policy and Code of Business Conduct and Ethics reinforce the Group's zero-tolerance stance against any acts of bribery and corruption, and the commitment to act professionally, fairly and with integrity in all business dealings and relationships.

Information Security Management

Confidentiality, integrity and availability of information are crucial at various extents to the day-to-day operations and strategic decision making of the Group. To safeguard the information assets (which can be in various forms – digital, manual, disc, tape, etc.), the Group has established an Information Security Policy and Information Security Management System Policy Manual to clearly define the roles and responsibilities as well as the processes for effective management of information assets (covering the end-to-end life cycle of an information asset from the creation, management, use and handling up to its disposal) and its associated risks.

Cyber Security Management

Cyber security risks are heightened with the increased reliance on the internet and information technology as well as increased instances of offsite network access as the Group expands its hiring strategy to include remote working. The Group has implemented various measures to mitigate cyber security risks which amongst others include the deployment of comprehensive IT security tools (e.g. firewall, antivirus software, intrusion detection and notification systems, etc.), the conduct of regular internal and/or external penetration tests and vulnerability assessments, the establishment of work from home policy and procedures as well as the roll out of periodic information and cyber security awareness training to employees of the Group.

Strategic Business Plan and Annual Budget

The SMT currently has in place a comprehensive business plan and detailed budgeting process where all business units and shared services prepare budgets for the financial year which are approved both at operating unit level and by the CEO and the CFO. The preparation of the annual budget is driven by the Finance Department via inputs from the respective Heads of Departments, Heads of Operations and other shared services.

Upon approval of the annual budget by the Board, the Group's performance is tracked and measured against the approved budget on a monthly basis, with explanation of significant variances being highlighted to the attention of the CEO by the Finance Department.

The Board reviews the Group's unaudited quarterly results before the same was announced to Bursa Securities, to enable the stakeholders to gauge the Group's financial performance and position, in comparison with prior periods.

Business Continuity Planning

The Group's Business Continuity Planning ("BCP") function is headed by the SMT, which is responsible for identifying activities and operations which are critical to the sustainability and continuity of business in the event of a disaster or other adverse circumstances. The SMT's BCP-related activities include the establishment of succession planning, putting in place additional redundancies in network infrastructure and the establishment of a secondary data centre where key operational activities can be resumed in the event of disaster occurrence.

The SMT has employed a risk-based approach in identifying the key initiatives and their respective levels of importance, via the review of the Group's critical systems, single point failures and their impact on the Group's overall business. During the financial year, selected critical areas as identified by the risk priority were tested to assess the effectiveness of the implemented BCP initiatives and these tests were successfully executed. BCP is an on-going process which requires continuous updating and testing.

Human Capital Competency and Talent Management

The competencies of employees are enhanced through structured development programs and potential candidates are subject to a stringent recruitment process. A Performance Management Process is established with performance indicators to measure employee performance and performance reviews are conducted on a regular basis. Action plans to address employee development needs are prepared and implemented timely in order to ensure that employees are able to deliver expected performance and therefore contribute to meeting the Group's business objectives, plans and targets.

In addition, the Group promotes a safe, harmonised and cohesive working environment for all our employees. An employee grievance procedure is in place to provide an avenue for employees to raise concerns or issues on work rules and regulations, policies and procedures, health and safety, wages, individual victimisation, harassment, etc. so that adequate actions can be taken by Management in assisting our employees to address and/or resolve their concerns or issues without jeopardising their performance at work.

External Certifications

The Group's operations are periodically monitored, reviewed and evaluated so as to maintain its annual International Organisation for Standardisation ("ISO") 9001 on Quality Management Systems, ISO 27001 on Information Security Management System and Service Capability and Performance ("SCP") Standards certification or accreditation status.

Statutory Audit

As part of the annual statutory audit of the Group, the external auditors are required under International Standards on Auditing, to obtain an understanding of the accounting and internal control systems sufficient to plan their audit and develop an effective audit approach. In doing so, the external auditors may carry out a review of certain internal control systems that are significant to the Group, and may identify any internal control deficiencies, together with their respective recommendations for improvement, if any. These will be highlighted to the AC in the form of an Internal Control Recommendation.

Management Accountability

Management is accountable to the Board for the implementation of processes in identifying, evaluating, monitoring and reporting of risks and internal control. The Board has received assurance from the CEO and the CFO that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control framework of the Group.

Review of this Statement by External Auditors

This Statement on Risk Management and Internal Control has been reviewed by the external auditors as required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities for inclusion in the Annual Report for the financial year ended 30 June 2024. The limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control of the Group.

CONCLUSION

The Board is satisfied and of the view that the Group's system of risk management and internal controls are sound and sufficient to safeguard shareholders' interest and assets of the Group. There were no material losses incurred during the financial year under review up to the date of the Annual Report as a result of weaknesses in internal control that would result in material losses, contingencies or uncertainties requiring separate disclosure in the Annual Report.

The Board believes that the development of the system of risk management and internal controls is an on-going process and has taken steps throughout the financial year to improve on the existing risk management and internal control processes and procedures, and will continue to do so, on an on-going basis. This highlights the Board's commitment in ensuring the adequacy and effectiveness of the system in protecting the shareholders' investment and the Group's assets.

This Statement is made in accordance with the Board's approval at its meeting held on 30 September 2024.

AUDIT COMMITTEE REPORT

The Board of Directors (the "Board") of Scicom (MSC) Berhad (the "Company") is pleased to present the Audit Committee (the "Committee") Report for the financial year ended 30 June 2024.

A. COMPOSITION AND MEETINGS

(i) General

The current composition of the Committee is as below:

1. Datuk (Dr.) Joseph Dominic Silva
Chairman/ Independent Non-Executive Director
2. Dato' Nicholas John Lough @ Sharif Lough Bin Abdullah
Member/ Independent Non-Executive Director
3. Mahani Binti Amat
Member/ Independent Non-Executive Director
4. Mior Mokhtar Bin Mior Abu Bakar
Member/ Independent Non-Executive Director

All members of the Committee are Independent Non-Executive Directors and financially literate. None of the members were former key audit partners of the Company's existing External Auditors, PricewaterhouseCoopers PLT. En. Mior Mokhtar Bin Mior Abu Bakar is a member of the Association of Chartered Certified Accountants. The composition of the Committee meets the requirements of Paragraph 15.09 of the Main Market Listing Requirements (the "Listing Requirements") of Bursa Securities and the Step-Up Practice 9.4 of the Malaysian Code on Corporate Governance.

During the financial year, the Committee met five (5) times. The attendance of each of the members is as follows:

Name of Committee Member	Number of meetings attended/ Number of meetings held
Datuk (Dr.) Joseph Dominic Silva	5/5
Dato' Nicholas John Lough @ Sharif Lough Bin Abdullah	5/5
Mahani Binti Amat	5/5
Mior Mokhtar Bin Mior Abu Bakar	4/5

The External Auditors attended three (3) out of the five (5) meetings, with private sessions conducted without the Management's presence on 25 August 2023 and 30 May 2024.

The Committee had two (2) private sessions with the Internal Auditors without the presence of Management, on 25 August 2023 and 24 February 2024, to discuss on issues, if any, encountered during the course of internal audit.

A brief profile of the individual Committee members is included in the Board of Directors – Profiles as set out on pages 14 to 21.

The Committee was established by the Board on 30 August 2005. The Board had on 26 September 2023 resolved to separate the Audit and Risk Management Committee into two separate committees namely, Audit Committee, and Risk and Sustainability Committee.

The Terms of Reference of the Committee is available on the Company's website at www.scicom-intl.com.

B. SUMMARY OF ACTIVITIES

The Committee has carried out the following activities in discharging its duties and responsibilities in accordance with the Committee's Terms of Reference:

(i) Internal Control and Governance

The Committee acknowledges that effective internal controls is an essential and indispensable part of corporate governance. The internal control and governance activities conducted by the Committee include:

- Reviewed and recommended the revised Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy to the Board for approval.
- Reviewed the Group's internal control system and practices to ensure that they are operating adequately and effectively.
- Received assurance from the CEO and CFO that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.
- Reviewed the Statement on Risk Management and Internal Control, the Corporate Governance Overview Statement and the Audit Committee Report, and recommended to the Board for approval prior to the inclusion in the annual report.

(ii) Internal Audit

- Reviewed and approved the Internal Auditor's terms of engagement, proposed remuneration and internal audit plan for the financial years 2023 and 2024 on 27 February 2023 to ensure adequacy of scope and coverage on auditable entities or areas, taking into consideration the changes in the Group's risk profile.
- Reviewed the adequacy of the scope, functions, resources and competencies of the internal audit functions.

- Reviewed and discussed with the Internal Auditors on their internal audit findings and progress on each of the issues arising from the internal audit, amongst others, the following:
 - The effectiveness and adequacy of governance, risk management, operation and compliance processes.
 - Recommendations by the Internal Auditors, the representations made and the corrective actions taken by Management in addressing and resolving issues and ensured that all issues were adequately addressed on a timely basis.

(iii) External Audit

- Reviewed the External Auditor's terms of engagement, proposed remuneration and the audit plan for the financial year ended 30 June 2024 covering audit scope, independence, audit focus areas and audit timetable to ensure that their scope of work adequately covers the activities of the Group, before recommending the same to the Board for approval.
- Reviewed and discussed with the External Auditors on the annual audited financial statements, particularly on issues that arose during the course of the audit and their resolution, key accounting and audit adjustments as well as the unadjusted differences identified during the audit.
- Met with the External Auditors without the presence of Management on two (2) occasions to discuss on issues encountered during the course of the audit and significant matters related to audit plan and strategy.
- Reviewed management representation letter provided to the External Auditors.
- Reviewed the independence and objectivity of the External Auditors and their services including non-audit services.

Description	Group (RM)	Company (RM)
Fees for statutory audit		
- PricewaterhouseCoopers PLT ('PwC') Malaysia	318,645	262,953
- Other auditors	4,052	-
	<u>322,697</u>	<u>262,953</u>
Fees for other services		
- Member firms of PwC Malaysia	294,350	272,750

Note: The fees for other services incurred include annual review of the statement on internal control and risk management, agreed-upon-procedures, tax and advisory services.

- Reviewed the suitability of the External Auditors taking into consideration amongst others, their competency, audit quality, adequacy of resources, communication and interaction and made recommendation to the Board on their re-appointment and remuneration.

(iv) Financial Reporting and Compliance

- Reviewed the unaudited quarterly financial results and annual audited financial statements of the Group and the Company, including the announcements pertaining thereto, before submission to the Board for consideration and approval. The CFO was present during the meetings to present and explain the financial performance of the Group to the members of the Committee.

(v) Related Party Transactions and Conflict of Interest

- Reviewed the related party transactions or conflict of interest situation that may arise within the Company and the Group, on half yearly basis, to ensure that transactions are in line with the Listing Requirements and on arm's length basis and not to the detriment of the minority shareholders. There were no related party transactions or potential conflict of interest during the financial year ended 30 June 2024.

(vi) Others

- Reviewed the proposed interim dividends for the financial year under review, taking into consideration the cash flow requirements before recommending to the Board for approval.
- Reviewed the Terms of Reference of the Committee and recommended to the Board revisions to be made, where necessary.

C. INTERNAL AUDIT FUNCTION

The Committee is aware of the importance of an independent and adequately resourced internal audit function in discharging its duties and responsibilities. The Group's internal audit function, which reports directly to the Committee, assists in reviewing the effectiveness of the Company's internal control systems whilst ensuring that there is an appropriate balance of controls and risks in achieving its business objectives. The Internal Auditors also carry out investigative audit where there are improper, dishonest and illegal acts reported.

The Internal Auditors review the effectiveness of the internal control structures over the Group's activities focusing on high risk areas using a risk-based approach. The scope of internal audit covers the audits of all operating units and follow-up audits on all key departments and operations, including subsidiaries within the Group.

The Group's internal audit function is outsourced to a third-party professional firm, which is independent of the activities and operations of the Group. The internal audit was conducted using a risk-based approach and was guided by the International Professional Practices Framework (IPPF).

The Internal Auditors are empowered by the Committee to conduct independent scheduled audits to ensure there are effective risk monitoring, internal controls, governance process and compliance procedures to provide the level of assurance required by the Board. The Internal Auditors also conduct additional assurance assignments and/or special reviews upon request by the Committee and/or the Board.

The Internal Auditors present their reports to the Committee for review and deliberation on a quarterly basis. Key control issues, significant risk and recommendations are highlighted, along with Management's responses and actions for improvement and/or rectification, where applicable. This enables the Committee to execute its oversight function by reviewing and deliberating the audit issues and recommendations as well as Management's responses. Where applicable, the Committee will direct the Management to establish necessary steps to strengthen the system of internal control based on the Internal Auditors' recommendations.

During the financial year, the Internal Auditors carried out the following activities in accordance with the internal audit plan approved by the Committee which includes:

(i) Internal Audit Execution

The following areas are covered during the financial year under review:

- Organisational culture
- Sustainability Management
- System of internal controls of the Operation Management
- Vulnerability Management

Internal audit reports, along with the observations, root causes and recommendations as well as Management's responses and action plans for improvement and/or rectification were tabled to the Committee for review and deliberation on a quarterly basis.

(ii) Follow Up Audit Execution

Regular follow up audits were conducted with Management on agreed corrective actions taken on outstanding audit issues to ensure key risks and control weaknesses were addressed effectively and timely. The status of implementation of the said agreed corrective actions along with rectification timeline extension were reported to the Committee on a quarterly basis.

(iii) Internal Audit Plan for financial years 2023 and 2024

Prepared and presented the internal audit plans for financial years 2023 and 2024 to the Committee for deliberation and approval on 27 February 2023. The internal audit plans were prepared using risk-based approach to ensure that the audit plans priority are based on the Group's significant risks and inputs from various sources including the Group risk profile, business plans and strategies, past audit issues and feedback from external audit, Management and the Committee.

The Committee had also assessed the adequacy of the scope, competency and resources of the internal audit function for the financial year 2024.

The cost incurred by the Group's internal audit during the financial year amounted to RM88,000.

This Audit Committee Report is made in accordance with the Board's approval at the Board meeting held on 30 September 2024.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible for ensuring that the financial statements of the Group and the Company are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016, so as to give a true and fair view of the state of affairs of the Group and the Company as at 30 June 2024.

In preparing the financial statements for the financial year ended 30 June 2024, the Directors have:

- Adopted the appropriate and relevant accounting policies and applied them consistently;
- Made judgment, estimates and assumptions based on their best knowledge of current events and actions;
- Ensured adoption of the applicable Financial Reporting Standards in Malaysia and the provisions of the Companies Act 2016; and
- Prepared the financial statements on a going-concern basis.

The Directors are responsible for keeping proper accounting records which always disclose with reasonable accuracy the financial position of the Group and the Company to ensure that the financial statements comply with the Companies Act 2016.

The Directors have also taken the necessary steps to ensure that appropriate systems are in place for safeguarding the assets of the Group and the Company for the prevention and detection of fraud and other irregularities. The systems, by their nature, can only provide reasonable and not absolute assurance against material misstatements, loss or fraud.

A Statement by Directors pursuant to Section 251 of the Companies Act 2016 is set out on page 217 of the Annual Report.

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SCICOM (MSC) BERHAD
(Incorporated in Malaysia)

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DIRECTORS' REPORT



The Directors are pleased to submit their report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of an investment holding company and the provision of customer contact centre services within the Business Process Outsourcing ('BPO') space, which offers multi-lingual, multi-channel customer care, technical support help desk, consultative sales and associated fulfilment. The Group provides electronic solutions and applications for payment on-line processing, border security services, digital platforms, software solutions and education which includes educational and industrial training services primarily focused on customer care in the service industry.

There have been no significant changes in the principal activities of the Group and of the Company during the financial year.

FINANCIAL RESULTS

	Group	Company
	RM	RM
Profit for the financial year attributable to:		
- Owners of the Company	24,352,843	24,780,094
- Non-controlling interest	(4,804)	-
Profit for the financial year	<u>24,348,039</u>	<u>24,780,094</u>

DIVIDENDS

The dividends on ordinary shares paid or declared by the Company since 30 June 2023 were as follows:

	RM
(a) In respect of the financial year ended 30 June 2023, a fourth interim dividend of 2.0 sen, tax exempt, per ordinary share, paid on 22 September 2023.	7,109,071
(b) In respect of the financial year ended 30 June 2024, a first interim dividend of 2.0 sen, tax exempt, per ordinary share, paid on 28 December 2023.	7,109,071
(c) In respect of the financial year ended 30 June 2024, a second interim dividend of 2.0 sen, tax exempt, per ordinary share, paid on 25 March 2024.	7,109,071
(d) In respect of the financial year ended 30 June 2024, a third interim dividend of 1.25 sen, tax exempt, per ordinary share, paid on 28 June 2024.	4,443,170
	<u>25,770,383</u>

DIRECTORS' REPORT

● ● ● (CONTINUED)

DIVIDENDS (Continued)

On 30 August 2024, the Board of Directors declared a fourth interim dividend of 1.25 sen, tax exempt, per ordinary share of RM4,443,170, paid on 30 September 2024.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year have been disclosed in the financial statements.

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Krishnan a/l C. K. Menon
 Dato' Sri Leo Suresh Ariyanayakam
 Dato' Nicholas John Lough @ Sharif Lough bin Abdullah
 Mahani binti Amat
 Datuk Joseph Dominic Silva
 Fa'izah binti Mohamed Amin (Demised on 8 September 2024)
 Mior Mokhtar bin Mior Abu Bakar
 Elakumari a/p Kantilal

The Directors of subsidiaries (excluding Directors who are also Directors of the Company) in office during the financial year until the date of this report are Roddy Jaysen Samsamy and Jayakumar a/l Narayana Pillai Sreedharan Nair.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits shown under Director's remuneration and disclosed in Note 7 to the financial statements) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REPORT

• • • (CONTINUED)

DIRECTORS' REMUNERATION

The aggregate amounts of emoluments received by Directors of the Group and of the Company during the financial year were as follows:

	<u>Group</u> RM	<u>Company</u> RM
<u>Directors of the Company</u>		
Executive Director:		
- Salaries and bonuses	1,394,880	1,394,880
- Defined contribution plans	168,242	168,242
- Estimated monetary value of benefits-in-kind	7,200	7,200
Non-executive Directors:		
- Fees	<u>663,220</u>	<u>663,220</u>

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains a corporate liability insurance for the Directors and officers of the Group throughout the financial year, which provides appropriate insurance cover for the Directors and officers of the Group. The amount of insurance premium paid by the Company for the financial year ended 30 June 2024 was RM52,960.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its subsidiaries or subsidiaries of the holding company during the financial year except as follows:

	<u>Number of ordinary shares of the Company</u>			
	<u>At</u> <u>1 July 2023</u> <u>'000</u>	<u>Bought</u> <u>'000</u>	<u>Disposed</u> <u>'000</u>	<u>At</u> <u>30 June 2024</u> <u>'000</u>
<u>Direct interest in shareholdings</u>				
Krishnan a/I C. K. Menon	21,035	-	-	21,035
Dato' Sri Leo Suresh Ariyanayakam	92,302	335	-	92,637
Dato' Nicholas John Lough @ Sharif Lough bin Abdullah	<u>1,045</u>	<u>-</u>	<u>-</u>	<u>1,045</u>
<u>Deemed interest in shareholdings</u>				
Krishnan a/I C. K. Menon ¹	3,519	-	-	3,519
Dato' Nicholas John Lough @ Sharif Lough bin Abdullah ²	<u>1,063</u>	<u>-</u>	<u>-</u>	<u>1,063</u>

¹ Deemed interest by virtue of his shareholdings in Netinsat Asia Sdn. Bhd., pursuant to Section 59 of the Companies Act 2016.

² Deemed interest by virtue of his shareholdings in Melewar Leisure Sdn. Bhd., pursuant to Section 59 of the Companies Act 2016.

DIRECTORS' REPORT

● ● ● (CONTINUED)

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
 - (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report:
 - (i) there are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and
 - (ii) there are no contingent liabilities in the Group and in the Company which have arisen since the end of the financial year.
- (d) No contingent or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company and its subsidiaries to meet their obligations when they fall due.
- (e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.
- (f) In the opinion of the Directors:
 - (i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

● ● ● (CONTINUED)

SUBSIDIARIES

The details of the subsidiaries of the Group and Company are as follows.

<u>Name</u>	<u>Place of business and country of incorporation</u>	<u>Group's effective interest</u>		<u>Principal activities</u>
		<u>2024</u>	<u>2023</u>	
<u>Subsidiaries of the Company</u>		%	%	
Scicom (Academy) Sdn. Bhd.*	Malaysia	100	100	Provides customer service training products as well as contact centre consulting and marketing services
Scicom International College Sdn. Bhd.*	Malaysia	70	70	Dormant
Scicom E Solutions Sdn. Bhd.*	Malaysia	100	100	Provides electronic solutions and applications for payment on-line processing, border security services, digital platforms and software solutions
Scicom Contact Centre Services Private Limited^	India	100	100	Dormant
Scicom International (UK) Ltd.^	United Kingdom	100	100	Dormant
Scicom Inc.^ (Subsidiary of Scicom International (UK) Ltd.)	United States of America	100	100	Dormant
PT Scicom Indonesia^	Indonesia	100	100	Dormant
Scicom Lanka (Private) Sri Lanka	Sri Lanka	100	100	Provides customer contact centre outsourcing services
Scicom (Cambodia) Co. Ltd.^	Cambodia	100	100	Dormant
SciSolutions (Mauritius) Ltd.^	Mauritius	100	100	Dormant
Mediconnect Sdn. Bhd.*	Malaysia	100	100	Dormant

* Audited by PricewaterhouseCoopers PLT ('PwC') Malaysia.

** Audited by a firm other than PwC Malaysia.

^ Not required by their local laws to appoint statutory auditors.

Non-controlling interests are not material to the Group.

DIRECTORS' REPORT

• • • (CONTINUED)

AUDITORS' REMUNERATION

Auditors' remuneration for the financial year ended 30 June 2024 for the Group and the Company is as follows:

	<u>Group</u> RM	<u>Company</u> RM
Fees for statutory audit		
- PricewaterhouseCoopers PLT ('PwC'), Malaysia	318,645	262,953
- Other auditors	4,052	-
Fees for other services		
- Member firms of PwC Malaysia	294,350	272,750

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 30 September 2024. Signed on behalf of the Board of Directors:

DATO' SRI LEO SURESH ARIYANAYAKAM
DIRECTOR

KRISHNAN A/L C. K. MENON
DIRECTOR

Kuala Lumpur

STATEMENTS OF COMPREHENSIVE INCOME

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

		Group		Company	
	Note	2024	2023	2024	2023
		RM	RM	RM	RM
REVENUE	6	223,999,127	245,340,672	218,257,683	239,600,278
OPERATING EXPENSES					
- Depreciation and amortisation expenses		(18,770,364)	(18,171,096)	(16,441,775)	(16,301,467)
- Employee benefit costs	7	(140,471,023)	(156,117,710)	(132,250,534)	(148,229,588)
- Net reversal on impairment of financial assets		-	-	1,926,566	667,990
- Bad debts recovered		-	90,000	-	90,000
- Maintenance expenses		(5,558,191)	(4,836,004)	(11,059,609)	(10,048,426)
- Rental expenses	8	(319,949)	(127,060)	(292,700)	(119,738)
- Telecommunication and utilities expenses		(5,621,899)	(6,594,405)	(4,981,769)	(6,143,883)
- Travelling expenses		(1,155,155)	(1,387,426)	(788,587)	(1,184,568)
- Marketing expenses		(8,757,787)	(7,776,823)	(8,739,417)	(7,775,134)
- Other operating expenses		(9,979,382)	(7,542,581)	(12,409,643)	(9,011,677)
		(190,633,750)	(202,463,105)	(185,037,468)	(198,056,491)
PROFIT FROM OPERATIONS		33,365,377	42,877,567	33,220,215	41,543,787
FINANCE INCOME	9	1,469,435	886,099	1,467,113	883,058
FINANCE COST	9	(1,456,378)	(1,827,416)	(1,252,801)	(1,555,560)
PROFIT BEFORE TAXATION	10	33,378,434	41,936,250	33,434,527	40,871,285
TAXATION	11	(9,030,395)	(9,602,033)	(8,654,433)	(9,483,637)
PROFIT FOR THE FINANCIAL YEAR		24,348,039	32,334,217	24,780,094	31,387,648

STATEMENTS OF COMPREHENSIVE INCOME

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

		Group		Company	
	Note	2024	2023	2024	2023
		RM	RM	RM	RM
OTHER COMPREHENSIVE (EXPENSE)/ INCOME					
Items that may be subsequently reclassified to profit or loss:					
- Currency translation differences		(234,867)	310,846	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<u>24,113,172</u>	<u>32,645,063</u>	<u>24,780,094</u>	<u>31,387,648</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR ATTRIBUTABLE TO:					
- Owners of the Company		24,352,843	32,338,902	24,780,094	31,387,648
- Non-controlling interest		(4,804)	(4,685)	-	-
		<u>24,348,039</u>	<u>32,334,217</u>	<u>24,780,094</u>	<u>31,387,648</u>
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE FINANCIAL YEAR ATTRIBUTABLE TO:					
- Owners of the Company		24,117,976	32,649,748	24,780,094	31,387,648
- Non-controlling interest		(4,804)	(4,685)	-	-
		<u>24,113,172</u>	<u>32,645,063</u>	<u>24,780,094</u>	<u>31,387,648</u>
Earnings per share:					
- Basic/Diluted (sen)	12	<u>6.85</u>	<u>9.10</u>		

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENTS OF FINANCIAL POSITION

● ● ● AS AT 30 JUNE 2024

		Group		Company	
	Note	2024	2023	2024	2023
		RM	RM	RM	RM
NON-CURRENT ASSETS					
Plant and equipment	14	13,490,379	17,079,183	12,406,587	16,236,648
Intangible assets	15	8,901,707	9,805,221	7,441,733	7,105,442
Right-of-use assets	16	21,154,815	27,769,140	19,940,971	25,630,694
Interests in subsidiaries	17	-	-	-	-
Other receivables, deposits and prepayments	19	3,249,358	3,336,827	3,248,758	3,336,227
Amounts due from subsidiaries	20	-	-	2,467,092	3,221,170
Deferred tax assets	26	1,041,129	1,421,241	-	-
		47,837,388	59,411,612	45,505,141	55,530,181
CURRENT ASSETS					
Trade receivables	18	52,570,267	55,815,646	50,044,687	54,000,240
Other receivables, deposits and prepayments	19	6,539,933	7,625,582	4,567,089	5,480,350
Amounts due from subsidiaries	20	-	-	463,852	717,122
Tax recoverable		4,156,091	3,086,290	3,903,021	2,873,598
Investments in cash funds	21	22,471,078	16,130,531	22,471,078	16,130,531
Cash and bank balances	22	21,766,805	19,938,813	21,254,351	19,575,028
		107,504,174	102,596,862	102,704,078	98,776,869
LESS: CURRENT LIABILITIES					
Contract liability	24	498,630	-	498,630	-
Trade and other payables	23	13,052,814	13,397,644	10,215,718	11,875,726
Lease liabilities	25	9,124,020	9,062,660	8,354,476	7,828,568
		22,675,464	22,460,304	19,068,824	19,704,294
NET CURRENT ASSETS		84,828,710	80,136,558	83,635,254	79,072,575
LESS: NON-CURRENT LIABILITIES					
Contract liability	24	1,913,015	-	1,913,015	-
Deferred tax liabilities	26	1,975,426	2,195,729	1,975,426	2,195,729
Lease liabilities	25	14,089,870	21,007,443	13,564,869	19,729,653
		17,978,311	23,203,172	17,453,310	21,925,382
NET ASSETS		114,687,787	116,344,998	111,687,085	112,677,374

STATEMENTS OF FINANCIAL POSITION

● ● ● AS AT 30 JUNE 2024 (CONTINUED)

		Group		Company	
	Note	2024	2023	2024	2023
		RM	RM	RM	RM
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	27	35,545,356	35,545,356	35,545,356	35,545,356
Currency translation reserve	28	(7,339,375)	(7,104,508)	-	-
Retained earnings	28	88,110,791	89,528,331	76,141,729	77,132,018
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		116,316,772	117,969,179	111,687,085	112,677,374
NON-CONTROLLING INTEREST		(1,628,985)	(1,624,181)	-	-
TOTAL EQUITY		114,687,787	116,344,998	111,687,085	112,677,374

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

STATEMENTS OF CHANGES IN EQUITY

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Attributable to owners of the Company						
Note	Issued and fully paid ordinary shares		Non- distributable	Distributable	Non- controlling interest	Total equity
	Number of shares unit	Share capital RM	Currency translation reserve RM	Retained earnings RM	RM	RM
Group						
Balance as at 1 July 2023	355,453,560	35,545,356	(7,104,508)	89,528,331	(1,624,181)	116,344,998
Currency translation difference	-	-	(234,867)	-	-	(234,867)
Profit/(Loss) for the financial year	-	-	-	24,352,843	(4,804)	24,348,039
<i>Total comprehensive (expense)/income for the financial year</i>	-	-	(234,867)	24,352,843	(4,804)	24,113,172
Transactions with owners:						
Dividends for financial year ended:						
- 30 June 2023	13	-	-	(7,109,071)	-	(7,109,071)
- 30 June 2024	13	-	-	(18,661,312)	-	(18,661,312)
<i>Total transactions with owners</i>	-	-	-	(25,770,383)	-	(25,770,383)
Balance as at 30 June 2024	355,453,560	35,545,356	(7,339,375)	88,110,791	(1,628,985)	114,687,787

STATEMENTS OF CHANGES IN EQUITY

• • • FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

Attributable to owners of the Company						
Note	Issued and fully paid ordinary shares		Non- distributable	Distributable	Non- controlling interest	Total equity
	Number of shares unit	Share capital RM	Currency translation reserve RM	Retained earnings RM	RM	RM
<u>Group</u>						
Balance as at 1 July 2022	355,453,560	35,545,356	(7,415,354)	85,625,713	(1,619,496)	112,136,219
Currency translation difference	-	-	310,846	-	-	310,846
Profit/(Loss) for the financial year	-	-	-	32,338,902	(4,685)	32,334,217
<i>Total comprehensive income/(expense) for the financial year</i>	-	-	310,846	32,338,902	(4,685)	32,645,063
Transactions with owners:						
Dividends for financial year ended:						
- 30 June 2022	13	-	-	(7,109,071)	-	(7,109,071)
- 30 June 2023	13	-	-	(21,327,213)	-	(21,327,213)
<i>Total transactions with owners</i>	-	-	-	(28,436,284)	-	(28,436,284)
Balance as at 30 June 2023	355,453,560	35,545,356	(7,104,508)	89,528,331	(1,624,181)	116,344,998

STATEMENTS OF CHANGES IN EQUITY

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

	Note	Issued and fully paid ordinary shares		Distributable	Total equity RM
		Number of shares	Share capital	Retained earnings	
		unit	RM	RM	
<u>Company</u>					
Balance as at 1 July 2023		355,453,560	35,545,356	77,132,018	112,677,374
Profit for the financial year		-	-	24,780,094	24,780,094
<i>Total comprehensive income for the financial year</i>		-	-	24,780,094	24,780,094
Transactions with owners:					
Dividends for the financial year ended:					
- 30 June 2023	13	-	-	(7,109,071)	(7,109,071)
- 30 June 2024	13	-	-	(18,661,312)	(18,661,312)
<i>Total transactions with owners</i>		-	-	(25,770,383)	(25,770,383)
Balance as at 30 June 2024		355,453,560	35,545,356	76,141,729	111,687,085

STATEMENTS OF CHANGES IN EQUITY

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

	Note	Issued and fully paid ordinary shares		Distributable	Total equity RM
		Number of shares	Share capital	Retained earnings	
		unit	RM	RM	
<u>Company</u>					
Balance as at 1 July 2022		355,453,560	35,545,356	74,180,654	109,726,010
Profit for the financial year		-	-	31,387,648	31,387,648
<i>Total comprehensive income for the financial year</i>		-	-	31,387,648	31,387,648
Transactions with owners:					
Dividends for financial year ended:					
- 30 June 2022	13	-	-	(7,109,071)	(7,109,071)
- 30 June 2023	13	-	-	(21,327,213)	(21,327,213)
<i>Total transactions with owners</i>		-	-	(28,436,284)	(28,436,284)
Balance as at 30 June 2023		355,453,560	35,545,356	77,132,018	112,677,374

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENTS OF CASH FLOWS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit for the financial year	24,348,039	32,334,217	24,780,094	31,387,648
Adjustments for:				
(Reversal on)/Allowance for impairment of financial assets:				
- advances to subsidiaries	-	-	(2,004,727)	(1,067,568)
- amounts due from subsidiaries	-	-	78,161	399,578
- trade receivable	-	(90,000)	-	(90,000)
Amortisation of intangible assets	3,249,657	2,653,270	2,189,373	1,871,407
Depreciation of plant and equipment	6,397,929	6,439,718	6,048,934	6,155,989
Depreciation of right-of-use assets	9,122,778	9,078,108	8,203,468	8,274,071
Loss/(Gain) on disposal of plant and equipment	5,007	(167,724)	5,007	(167,724)
Plant and equipment written off	1,547	-	1,547	-
Finance income	(1,469,435)	(886,099)	(1,467,113)	(883,058)
Finance cost	1,456,378	1,827,416	1,252,801	1,555,560
Unrealised foreign exchange gain	(246,442)	(574,440)	(246,506)	(328,300)
Taxation	9,030,395	9,602,033	8,654,433	9,483,637
Operating profit before changes in working capital	51,895,853	60,216,499	47,495,472	56,591,240
Changes in working capital:				
Trade and other receivables	4,395,898	(1,601,621)	4,711,450	(1,628,005)
Trade and other payables	2,085,662	(3,261,183)	954,026	(3,775,553)
Amounts due from subsidiaries	-	-	4,969,385	3,365,084
Cash generated from operating activities	58,377,413	55,353,695	58,130,333	54,552,766
Income tax paid	(9,950,009)	(11,399,871)	(9,904,159)	(11,302,086)
Income tax refunds	9,622	508,589	-	502,909
Net cash generated from operating activities	48,437,026	44,462,413	48,226,174	43,753,589

STATEMENTS OF CASH FLOWS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

	Group		Company	
Note	2024	2023	2024	2023
	RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Advances to subsidiaries	-	-	(2,335,473)	(1,956,897)
Repayment of advances by subsidiaries	-	-	300,000	1,250,000
Proceeds from disposal of plant and equipment	10,494	169,239	10,494	169,240
Purchase of intangible assets	(2,525,664)	(2,995,615)	(2,525,664)	(2,878,091)
Purchase of plant and equipment	(2,825,224)	(4,072,581)	(2,235,921)	(3,769,160)
Interest received	1,469,435	886,099	1,467,113	883,058
Placement of investments in cash funds	(6,340,547)	(2,867,236)	(6,301,858)	(2,867,236)
Decrease/(Increase) in fixed deposits with maturity of more than 3 months	983,100	(4,983,100)	983,100	(4,983,100)
Net cash generated used in investing activities	(9,228,406)	(13,863,194)	(10,638,209)	(14,152,186)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of dividends	(25,770,383)	(28,436,284)	(25,770,383)	(28,436,284)
Payment of principal element of lease liabilities	(9,071,932)	(8,585,657)	(8,152,621)	(7,966,734)
Payment of interest element of lease liabilities	(1,456,378)	(1,827,416)	(1,252,801)	(1,555,560)
Net cash used in financing activities	(36,298,693)	(38,849,357)	(35,175,805)	(37,958,578)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	2,909,927	(8,250,138)	2,412,160	(8,357,175)
EFFECT OF FOREIGN EXCHANGE MOVEMENT ON CASH AND CASH EQUIVALENTS	(98,835)	(362,130)	250,263	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	12,955,713	21,567,981	12,591,928	20,949,103
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (NOTE 22)	15,766,805	12,955,713	15,254,351	12,591,928
Deposits with maturity of more than 3 months	6,000,000	6,983,100	6,000,000	6,983,100
CASH AND BANK BALANCES AT THE END OF THE FINANCIAL YEAR	21,766,805	19,938,813	21,254,351	19,575,028

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

1 GENERAL INFORMATION

The principal activities of the Company are that of an investment holding company and the provision of customer contact centre services within the Business Process Outsourcing (“BPO”) space, which offers multi-lingual, multi-channel customer care, technical support help desk, consultative sales and associated fulfilment. The Group provides electronic solutions and applications for payment on-line processing, border security services, digital platforms, software solutions and education which includes educational and industrial training services primarily focused on customer care in the service industry. Details of the principal activities of subsidiaries are shown in Note 17 to the financial statements.

The Company is a public limited liability company incorporated and domiciled in Malaysia. The Company is listed on the Main Market of Bursa Malaysia Securities Berhad (‘Bursa Securities’).

The address of the registered office of the Company is as follows:

Unit 30-01, Level 30
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

The address of the principal place of business of the Company is as follows:

25th Floor, Menara TA One
22 Jalan P. Ramlee
50250 Kuala Lumpur

2 BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards (‘MFRS’), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention except as disclosed in the material accounting policy information in Note 3 to the financial statements.

Preparation of financials statements of the Group and the Company in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group’s and the Company’s accounting policies. Although these estimates and judgements are based on the Directors’ best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

2 BASIS OF PREPARATION (CONTINUED)

(a) Amendments to published standards that are effective and applicable to the Group and Company

The Group and the Company have applied the following for the first time for the financial year beginning on 1 July 2023:

- Amendments to MFRS 101 “Disclosure of Accounting Policies”
- Amendments to MFRS Practice Statement 2 ‘Disclosure of Accounting Policies’
- Amendments to MFRS 108 ‘Definition of Accounting Estimates’
- Amendments to MFRS 112 ‘Deferred Tax related to Assets and Liabilities arising from a Single Transaction’

The adoption of the amendments listed above did not have any significant impact on the current financial year or any prior financial year and is not likely to affect future financial years.

Amendments to MFRS 101 and MFRS Practice Statement 2 “Disclosure of Accounting Policies”

These amendments provide guidance and examples to help entities applying materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful, by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies.

The amendments had a minor impact on the consolidated financial statements of the Group. The Group has performed a reassessment of its accounting policy disclosures against the amended guidance, which resulted in minor changes to the section on accounting policies.

(b) New standards and amendments that are applicable to the Group and Company but not yet effective

Amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16 ‘Lease Liability in a Sale and Leaseback’
- Amendments to MFRS 101 ‘Classification of Liabilities as Current or Non-current’ and ‘Non-current Liabilities with Covenants’

Amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121 “Lack of Exchangeability”

Amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9 and MFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

New standards effective for annual periods beginning on or after 1 January 2027

- New standards to MFRS 18 “Presentation and Disclosure in Financial Statements”
- New standards to MFRS 19 “Subsidiaries without Public Accountability: Disclosure”

The Group and Company will adopt the above new standards and amendments when they become effective in the respective financial periods. The Group and Company is in the process of assessing the impact of the adoption of these new standards and amendments to existing standards.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below:

(a) Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Investments in subsidiaries in separate financial statements

In the Company's separate financial statements, investments in subsidiaries are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(c) Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. The cost of an item of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Gains or losses on disposals are determined by comparing proceeds with carrying amount and are included in 'other operating expenses' in profit or loss.

Plant and equipment are depreciated on the straight-line method to allocate the costs to their residual values over their estimated useful lives, summarised as follows:

Furniture and fittings	20%
Office equipment and computers	20%
Telecommunications equipment	20%
Office renovations	20 - 50%
Motor vehicles	20%

Depreciation on assets under construction commences when the assets are ready for their intended use.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

At the end of the reporting period, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3(e) on impairment of non-financial assets.

(d) Intangible assets

Software licences

Separately acquired software licences are recognised at fair value at the acquisition date and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of software licences over their estimated useful lives of five years.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(d) Intangible assets (continued)

Software licences (continued)

The costs of computer software by external suppliers are amortised from the point at which the asset is ready for use over its estimated useful life.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Software development cost

Research expenditure is recognised as an expense when incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

- (i) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (ii) management intends to complete the intangible asset and use or sell it;
- (iii) there is an ability to use or sell the intangible asset;
- (iv) it can be demonstrated how the intangible asset will generate probable future economic benefits;
- (v) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- (vi) the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in subsequent period.

Capitalised development costs recognised as intangible assets are amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, not exceeding twenty years.

During financial year, the Group and the Company have revised the estimated useful lives of its software development cost as a result of the present assessment of the project's prospects and expected future benefits associated with the assets. Accordingly, the useful lives of the software development cost have been revised from 5 to 10 years to a range of 4 to 7.25 years.

(e) Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) Financial assets

(i) Classification

The Group and the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss ('FVTPL'); and
- those to be measured at amortised cost

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group and the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Subsequent measurement of debt instruments depends on the Group and on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Debt instruments

The Group and the Company currently classifies its debt instrument into the following category:

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest ('SPPI') are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income or statement of profit or loss and statement of comprehensive income as applicable.

FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes is recognised in profit or loss and presented net within other gains/(losses) in the period which it arises.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) Financial assets (continued)

(iii) Measurement (continued)

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Where the Group's and the Company's management have elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's and the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable.

(iv) Subsequent measurement – Impairment

Impairment for debt instruments

The Group and the Company assesses on a forward-looking basis the expected credit loss ('ECL') associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and the Company have the following of financial instruments that are subject to the ECL model:

- Trade receivables
- Other receivables, deposits and prepayments
- Amount due from subsidiaries

While cash and cash equivalents and investment in cash funds are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expects to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade receivables

The Group and the Company measure the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life.

NOTES TO THE FINANCIAL STATEMENTS

• • • FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) Financial assets (continued)

(iv) Subsequent measurement – Impairment (continued)

Other receivables, deposits, prepayments and amount due from subsidiaries

At each reporting date, the Group and the Company apply general 3-stage approach to measures ECL through loss allowance at an amount equal to 12 months ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

A summary of the assumptions underpinning the Group's and the Company's ECL model using general 3-stage approach is as follows:

Category	Group's definition of categories	Basis of recognising ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows	12 months ECL
Underperforming	Debtors for which there is a significant increase in credit risk due to actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the subsidiary's ability to meet its obligations	Lifetime ECL
Non-performing	Debtors for which there are evidence indicating the assets are credit impaired.	Lifetime ECL

Based on the above, loss allowance is measured on either 12 months ECL or lifetime ECL using a PD x LGD x EAD methodology as follows:

- PD ('probability of default') – the likelihood that the debtor would not be able to repay during the contractual period;
- LGD ('loss given default') – the percentage of contractual cash flows that will not be collected if default happens; and
- EAD ('exposure at default') – the outstanding amount that is exposed to default risk.

In deriving the PD and LGD, the Group and the Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

Significant increase in credit risk

The Group and the Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS

• • • FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) Financial assets (continued)

(iv) Subsequent measurement – Impairment (continued)

Significant increase in credit risk (continued)

The following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor
- significant increases in credit risk on other financial instruments of the same debtor
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Group and the Company defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

(a) Quantitative criteria:

The Group and the Company defines a financial instrument as default, when the counterparty fails to make contractual payment within 120 days of when they fall due.

(b) Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) Financial assets (continued)

(iv) Subsequent measurement – Impairment (continued)

Groupings of instruments for ECL

Receivables are assessed on individual basis for ECL measurement, as credit risk information is obtained and monitored based on each customer.

Amounts due from subsidiaries mainly comprise of advances and payments on behalf. The Company monitors the results of the subsidiaries and joint venture on an individual basis regularly. As at the end of the financial year, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Write-off

(a) Trade receivables

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and the Company, and a failure to make contractual payments.

Impairment losses on trade receivables are presented as part of net loss/reversal on impairment of financial assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(b) Other receivables

The Group and the Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

(g) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(h) Leases

A lease is a contract, or part of a contract, whereby the lessor conveys to the lessee the right to control the use of an identified asset for a period of time in exchange for consideration.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(h) Leases (continued)

(i) Accounting by lessee

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group and the Company is a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

(a) Lease term

In determining the lease term, the Group and the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and of the Company and affects whether the Group and the Company is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.

(b) ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(h) Leases (continued)

(i) Accounting by lessee (continued)

(c) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group and by the Company under residual value guarantees;
- The exercise price of a purchase and extension options if the company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The Group and the Company presents the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in profit or loss in the statement of comprehensive income.

(d) Reassessment of lease liabilities

The Group and the Company is also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

(e) Short term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line bases as an expense in profit or loss.

(ii) Accounting by lessor

As a lessor, the Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

NOTES TO THE FINANCIAL STATEMENTS

• • • FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(h) Leases (continued)

(ii) Accounting by lessor (continued)

(a) Finance leases

The Group classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset.

Initial direct costs are also included in the initial measurement of the net investment. The net investments are subject to MFRS 9 impairment (see accounting policy Note 3(f)(iv) on impairment of financial assets). In addition, the Group reviews regularly the estimated unguaranteed residual value.

As a manufacturer lessor, the Group and Company recognise revenue equal to the fair value of the underlying asset or the present value of the lease payments, whichever is lower. These lease payments are discounted using a market rate of interest. The selling profit or loss is calculated as the difference between the recognised revenue and the cost of sale. This profit or loss are recognised at the commencement date of the lease. This is done irrespective of whether the lessor transfers the underlying asset.

(i) Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group and of the Company. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value plus transaction costs. Other receivables are recognised initially at fair value plus transaction costs.

After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest method, less loss allowance. See accounting policy Note 3(f)(iv) on impairment of financial assets.

(j) Cash and cash equivalents

For the purpose of the statement of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(k) Share capital

(i) Classification

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

(ii) Dividend distribution

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group and of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

Distributions to holders of an equity instrument is recognised directly in equity.

(iii) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(l) Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Group and of the Company prior to the end of financial year which are unpaid. Trade and other payables are classified as current liabilities unless payment is not due within 12 months after the reporting period. If not, they are presented as non-current liabilities.

Trade payables are subsequently measured at amortised cost using the effective interest method.

(m) Current and deferred income tax

Tax expense for the period comprises current and deferred income tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(m) Current and deferred income tax (continued)

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and joint venture operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the parent and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the deductible temporary difference can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Group and Company recognises deferred tax asset and a deferred tax liability for all deductible and taxable temporary differences associated with right-of-use asset and lease liabilities respectively.

(n) Employee benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as 'trade and other payables' in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(n) Employee benefits (continued)

(ii) Post-employment pension benefits

The Group has various post-employment pension benefit schemes in accordance with local conditions and practices in the countries in which it operates. These benefits plans are defined contribution plans.

A defined contribution plan is a pension plan under which the Group and the Company pays fixed contributions into a separate entity (a fund) on a mandatory, contractual or voluntary basis and the Group and the Company have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

The Group and the Company's contributions to defined contribution plans are charged to profit or loss in the period to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Profit-sharing and bonus plans

The Group and the Company recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Group and the Company's shareholders after certain adjustments. The Group and the Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(o) Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where the Group and the Company expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(p) Contingent assets and liabilities

The Group and the Company does not recognise contingent assets and liabilities other than those arising from business combinations, but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts. A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company. The Group and the Company does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

(q) Revenue recognition for contracts with customers

The revenue of the Group and of the Company is derived from provision of outsourcing services and education.

Outsourcing services

Outsourcing services consist of Business Process Outsourcing ('BPO') services which offer multi-lingual, multichannel customer care, technical support help desk, consultative sales and associated fulfilment. The Group also provides electronic solutions and applications for payment on-line processing, border security services, digital platforms and software solutions.

Revenue is recognised when the outsourcing services are delivered according to the terms of the respective contracts with customers, which may be at point in time or over time using the output method. Revenue from providing outsourcing services is recognised over the period in which the services are rendered with a credit term of 30 - 120 days.

For some contracts, management recognise revenue in line with the practical expedient based on amounts invoiced to the customers as the amount invoiced represents the value transferred to the customer. The Company's right to consideration corresponds directly with the value transferred to the customer. The fixed-price in the contract and number of staff allocated to perform the outsourcing services is evidence of the value to the customer.

Certain contracts includes multiple deliverables, such as the fulfilment of different outsourcing services. As the services is provided over a period of time is substantially the same and have the same pattern of transfer to the customer, a single performance obligation is identified.

For fixed-price contracts, the customers pay the fixed amount to the Group and to the Company based on a payment schedule. If the outsourcing services rendered by the Group and by the Company exceed the payment, an unbilled trade receivables is recognised. If the payments exceed the outsourcing services rendered, contract liability is recognised.

For manufacturer lessor service, the Group and Company recognise revenue equal to the fair value of the underlying asset or the present value of the lease payments, whichever is lower. Contracts may contain both lease and non-lease components. The Group and Company allocates the consideration in the contract to the lease and non-lease components based on estimated using a cost-plus approach.

Education

Education consists of educational and industrial training services primarily focused on customer care in the service industry.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(q) Revenue recognition for contracts with customers (continued)

Education (continued)

Revenue from industrial training services is recognised over time using the output method when the services are delivered according to the terms of the respective contracts with customers. Revenue from rendering of services is recognised over the period in which the services are rendered with a credit term of 30 days.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, an unbilled trade receivable is recognised. If the payments exceed the services rendered, a contract liability is recognised.

The Group and the Company applied the practical expedient to recognise revenue in the amount to which the Group and the Company have the right to invoice as its right to consideration from customers corresponds directly with the value to the customers of the services performed to date. As a result, the Group and the Company also applied the practical expedient to not disclose information about unsatisfied performance obligation as at the reporting date.

(r) Contract balances

(i) Unbilled receivables

An unbilled receivable is recognised when the Group's and the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9 (Note 3(f)(iv)). Typically, the amount will be billed within 30 days of the provision of outsourcing services or education to customers. Payment is expected within 30 days from the billing date for all trade receivables.

(ii) Contract liabilities

A contract liability represents the obligation of the Group and of the Company to transfer or outsourcing services to a customer for which consideration has been received (or the amount is due) from the customers.

(s) Interest income

Interest income is recognised using the effective interest method. Interest income from financial assets at FVTPL is recognised as part of net gains or net losses on these financial instruments.

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in the statement of comprehensive income as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(t) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

(u) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred in other comprehensive income when they are attributable to items that form part of the net investment in a foreign operation.

All foreign exchange gains and losses are presented in profit or loss on a net basis within 'other operating expenses'.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences relating to that foreign operation recognised in other comprehensive income and accumulated in the separate component of equity are reclassified to profit or loss, as part of the gain or loss on disposal. In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's and the Company's Board of Directors that makes strategic decisions.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and the Company makes estimates and assumptions concerning the future. The estimates are based on the Group's best of knowledge of current events, historical experience, actions that the Group and the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Impairment of intangible assets – software development cost

The Group and the Company assess impairment of the assets or cash-generating units ('CGU') whenever the events or changes in circumstances indicate that the carrying amount of the asset or CGU may not be recoverable (i.e. the carrying amount is more than the recoverable amount).

The recoverable amount is determined using the value in use ("VIU") method applying the income approach of the present value technique. The inputs used in the projected future cash flows include sector and industry trends, general market and economic conditions, changes in technology and other available information which represent the market participants' expectations of the asset. The valuation technique uses a set of cash flows that represent the probability-weighted average of all possible future cash flows expected to be generated from the asset and adjusting for chances of winning contracts.

It is possible that future results of operations could be affected by changes in these estimates brought about by changes in the factors mentioned. Any impairment or reduction in the estimated recoverable amount would increase charges to the statement of profit or loss and decrease their carrying value. In the unlikely event that the Company is unable to secure a contract, the carrying amount of the software development costs as disclosed in Note 15 may be subject to an impairment loss.

The Directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount to exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

5 SEGMENT REPORTING

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

The Group organises its business in the following operating segments:

- (i) Outsourcing services comprising of BPO services which offer multi-lingual, multi-channel customer care, technical support help desks, consultative sales and associated fulfilment. The Group also provides electronic solutions and applications for payment on-line processing, border security services, digital platforms and software solutions.
- (ii) Education includes educational and industrial training services primarily focused on customer care in the service industry.

Inter-segment pricing is determined based on negotiated terms.

(a) Operating segments

Segment results represent segment operating revenue less segment expenses.

Segment assets disclosed for each segment represent assets directly managed by each segment, primarily include plant and equipment, and receivables. Unallocated assets mainly include cash and bank balances, deferred tax assets, tax recoverable, investments in cash funds and plant and equipment of the dormant entities in the Group.

Segment liabilities comprise operating liabilities and exclude tax liabilities and deferred tax liabilities of the dormant entities in the Group.

Segment capital expenditure comprises additions to plant and equipment, and intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

• • • FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

5 SEGMENT REPORTING (CONTINUED)

(a) Operating segments (continued)

For the financial year ended 30 June 2024

	Outsourcing services	Education	Inter segment eliminations	Total
	RM	RM	RM	RM
External revenue	223,995,759	3,368	-	223,999,127
Inter segment revenue*	9,915,886	579,826	(10,495,712)	-
Total revenue	<u>233,911,645</u>	<u>583,194</u>	<u>(10,495,712)</u>	<u>223,999,127</u>
Segment results	51,912,167	223,574	-	52,135,741
Operating profit				52,135,741
Finance income				1,469,435
Finance cost				(1,456,378)
Depreciation and amortisation expenses				(18,770,364)
Profit before taxation				33,378,434
Taxation				(9,030,395)
Net profit for the financial year				<u>24,348,039</u>

* Inter segment revenue has been eliminated at the respective segment revenue. The inter segment revenue was entered into in the normal course of business and at prices available to third parties or at negotiated terms.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

5 SEGMENT REPORTING (CONTINUED)

(a) Operating segments (continued)

As at 30 June 2024

	Outsourcing services	Education	Inter segment eliminations**	Total
	RM	RM	RM	RM
Segment assets	108,760,375	164,286	(3,028,232)	105,896,429
Unallocated assets:				
- Deferred tax asset				1,041,129
- Tax recoverable				4,156,112
- Cash and bank balances				21,766,805
- Investments in cash funds				22,471,078
- Others				10,030
Total assets				<u>155,341,583</u>
Segment liabilities	63,993,568	9,839,861	(35,158,490)	38,674,939
Unallocated liabilities:				
- Deferred tax liabilities				1,975,447
- Others				3,410
Total liabilities				<u>40,653,796</u>

For the financial year ended 30 June 2024

	Outsourcing services	Education	Inter segment eliminations**	Total
	RM	RM	RM	RM
Capital expenditure	5,346,576	4,309	504,105	5,854,990
Significant non-cash expenses:				
- Depreciation and amortisation expenses	18,596,895	5,435	168,034	18,770,364
- Unrealised foreign exchange gain	(246,442)	-	-	(246,442)
- Impairment loss	(1,926,566)	-	1,926,566	-

** Inter segment eliminations relate to inter segment receivables and payable balances which has been eliminated at the respective segment assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

5 SEGMENT REPORTING (CONTINUED)

(a) Operating segments (continued)

For the financial year ended 30 June 2023

	Outsourcing services	Education	Inter segment eliminations	Total
	RM	RM	RM	RM
External revenue	243,813,508	1,527,164	-	245,340,672
Inter segment revenue*	7,807,503	277,556	(8,085,059)	-
Total revenue	<u>251,621,011</u>	<u>1,804,720</u>	<u>(8,085,059)</u>	<u>245,340,672</u>
Segment results	60,047,884	1,000,779	-	61,048,663
Operating profit				61,048,663
Finance income				886,099
Finance cost				(1,827,416)
Depreciation and amortisation expenses				(18,171,096)
Profit before taxation				41,936,250
Taxation				(9,602,033)
Net profit for the financial year				<u>32,334,217</u>

* Inter segment revenue has been eliminated at the respective segment revenue. The inter segment revenue was entered into in the normal course of business and at prices available to third parties or at negotiated terms.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

5 SEGMENT REPORTING (CONTINUED)

(a) Operating segments (continued)

As at 30 June 2023

	<u>Outsourcing services</u>	<u>Education</u>	<u>Inter segment eliminations**</u>	<u>Total</u>
	RM	RM	RM	RM
Segment assets	124,116,247	1,178,884	(3,873,507)	121,421,624
Unallocated assets:				
- Deferred tax asset				1,421,241
- Tax recoverable				3,086,290
- Cash and bank balances				19,938,813
- Investments in cash funds				16,130,531
- Others				9,975
Total assets				<u>162,008,474</u>
Segment liabilities	72,255,268	9,919,672	(38,710,579)	43,464,361
Unallocated liabilities:				
- Deferred tax liabilities				2,195,729
- Others				3,386
Total liabilities				<u>45,663,476</u>

For the financial year ended 30 June 2023

	<u>Outsourcing services</u>	<u>Education</u>	<u>Inter segment eliminations**</u>	<u>Total</u>
	RM	RM	RM	RM
Capital expenditure	7,068,196	-	(672,138)	6,396,058
Significant non-cash expenses:				
- Depreciation and amortisation expenses	18,046,755	12,321	112,020	18,171,096
- Unrealised foreign exchange gain	(166,993)	-	(407,447)	(574,440)
- Bad debts recovered	(90,000)	-	-	(90,000)
- Impairment loss	(667,990)	-	667,990	-

** Inter segment eliminations relate to inter segment receivables and payable balances which has been eliminated at the respective segment assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

5 SEGMENT REPORTING (CONTINUED)

(b) Geographical information

In determining the geographical segments of the Group, the geographical disclosure is determined based on the following:

- Revenue is based on the country in which the customer is located.
- Total assets and capital expenditure are determined based on where the assets are located.

The Group provides services to clients based in the following geographical areas:

	Revenue		Assets **	
	2024	2023	2024	2023
	RM	RM	RM	RM
Malaysia *	176,069,867	186,517,189	40,394,242	49,708,511
Philippines	22,992,115	24,228,601	-	-
China	1,154,393	9,430,734	-	-
Singapore	6,058,018	5,806,608	-	-
Hong Kong	1,763,606	5,692,952	-	-
Sri Lanka	5,588,076	4,214,149	3,152,659	4,945,033
Thailand	3,036,605	3,073,685	-	-
Germany	5,610,326	3,898,996	-	-
Others	1,726,121	2,477,758	-	-
	<u>223,999,127</u>	<u>245,340,672</u>	<u>43,546,901</u>	<u>54,653,544</u>

* Group's home country.

** Represents non-current assets other than financial instruments, and deferred tax assets.

(c) Major customers

Four (2023: four) individual customers representing 11% (2023: 10%) of total customers contributed 66% (2023: 64%) of the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

6 REVENUE

Revenue from contracts with customers and the timing of revenue recognition are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Outsourcing services:				
- Over time	218,015,959	243,813,508	212,277,883	239,600,278
- Point in time	5,979,800	-	5,979,800	-
Education:				
- over time	3,368	1,527,164	-	-
	223,999,127	245,340,672	218,257,683	239,600,278

7 EMPLOYEE BENEFIT COSTS

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Salaries and bonuses	120,284,039	135,012,265	112,563,797	128,161,077
Defined contribution plans	12,107,358	13,601,658	11,834,277	12,806,940
Other employee benefits	5,396,400	4,446,291	5,199,847	4,233,854
Staff welfare	456,884	817,406	426,271	787,627
	138,244,681	153,877,620	130,024,192	145,989,498
Directors' remuneration:				
- Salaries and bonuses	1,394,880	1,394,880	1,394,880	1,394,880
- Defined contribution plans	168,242	216,963	168,242	216,963
- Fees	663,220	628,247	663,220	628,247
	140,471,023	156,117,710	132,250,534	148,229,588

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

7 EMPLOYEE BENEFIT COSTS (CONTINUED)

The Directors of the Company in office during the financial year are as follows:

Executive Director

Dato' Sri Leo Suresh Ariyanayakam

Non-executive Directors

Krishnan a/I C. K. Menon

Dato' Nicholas John Lough @ Sharif Lough bin Abdullah

Mahani binti Amat

Datuk Joseph Dominic Silva

Fa'izah binti Mohamed Amin (Demised on 8 September 2024)

Mior Mokhtar bin Mior Abu Bakar

Elakumari a/p Kantilal

The aggregate amounts of emoluments received by Directors of the Group and of the Company during the financial year were as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Executive Director:				
- Salaries and bonuses	1,394,880	1,394,880	1,394,880	1,394,880
- Defined contribution plans	168,242	216,963	168,242	216,963
- Estimated monetary value of benefits-in-kind	7,200	7,200	7,200	7,200
	1,570,322	1,619,043	1,570,322	1,619,043
Non-executive Directors:				
- Fees	663,220	628,247	663,220	628,247
	2,233,542	2,247,290	2,233,542	2,247,290

Key management personnel ('KMP') are the persons who have authority and responsibility for planning, directing and controlling the activities of the Group or the Company either directly or indirectly. The KMP of the Group or of the Company are the Executive Directors and Non-Executive Directors of the Company. Whenever exist, related party transactions also include transactions with entities that are controlled, jointly controlled or significantly influenced directly or indirectly by any KMP or their close family members.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

8 RENTAL EXPENSES

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Rental:				
- Apartments	58,046	61,730	58,046	61,730
- Office equipment	32,040	28,639	31,035	28,203
- Others	229,863	36,691	203,619	29,805
	319,949	127,060	292,700	119,738

Rental expenses which comprise payments associated with short-term leases and low-value assets are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Expenses relating to short-term leases	287,909	92,466	261,665	91,535
Expenses relating to low value assets	32,040	34,594	31,035	28,203
	319,949	127,060	292,700	119,738

Total amount of cashflows in relation to lease arrangements of the Group and the Company during the financial year ended 30 June 2024 were RM10,848,259 (2023: RM10,540,133) and RM9,698,122 (2023: RM9,642,032), respectively.

9 FINANCE INCOME AND COST

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Finance income:				
- Interest income	1,469,435	886,099	1,467,113	883,058
Finance cost:				
- Interest on lease liabilities	(1,456,378)	(1,827,416)	(1,252,801)	(1,555,560)

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

10 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Auditors' remuneration:				
- Fees for statutory audit				
- PricewaterhouseCoopers PLT ('PWC'), Malaysia	318,645	274,900	262,953	221,860
- Other auditors	4,052	9,391	-	-
- Fees for other services				
- Member firms of PwC Malaysia	294,350	43,240	272,750	21,640
Depreciation of plant and equipment	6,397,929	6,439,718	6,048,934	6,155,989
Depreciation of right-of-use assets	9,122,778	9,078,108	8,203,468	8,274,071
Amortisation of intangible assets	3,249,657	2,653,270	2,189,373	1,871,407
Foreign exchange gain:				
- Realised	(302,671)	(1,013,361)	(311,189)	(1,009,229)
- Unrealised	(246,442)	(574,440)	(246,506)	(328,300)
Loss/(Gain) on disposal of plant and equipment	5,007	(167,274)	5,007	(167,274)
Net loss/(reversal) on impairment of financial assets:				
- amount due from subsidiaries	-	-	78,161	399,578
- advances to subsidiaries	-	-	(2,004,727)	(1,067,568)
Bad debts recovered	-	(90,000)	-	(90,000)
Marketing expenses	8,757,787	7,776,823	8,739,417	7,775,134
Professional fees	1,169,665	806,417	1,035,922	752,550
Plant and equipment written off	1,547	-	1,547	-
Maintenance expenses	5,558,191	4,836,004	11,059,609	10,048,426
Software subscription and support services	4,438,927	3,145,135	7,741,641	4,856,089

NOTES TO THE FINANCIAL STATEMENTS

• • • FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

11 TAXATION

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM	RM	RM	RM
Income tax:				
Current financial year:				
- Malaysian tax	8,632,965	9,586,141	8,638,368	9,552,779
Under/(Over) provision of tax:				
in prior financial years:				
- Malaysian tax	237,621	(473,631)	236,368	(492,102)
	8,870,586	9,112,510	8,874,736	9,060,677
Deferred taxation (Note 26):				
Relating to origination and reversal of temporary differences	159,809	507,523	(220,303)	422,960
	9,030,395	9,602,033	8,654,433	9,483,637

The Malaysian current income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial year.

Taxation for other jurisdictions is calculated at rates prevailing in the respective jurisdictions.

The subsidiary of the Company, Scicom E Solutions Sdn. Bhd. ('E Solution') has been granted full income tax exemption under Pioneer Status Incentive under Section 7, Promotion of Investments Act 1986 on its statutory income derived from its activities approved as Multimedia Super Corridor Malaysia Qualifying Activities. Under this exemption, E Solution's statutory income from its approved activities was exempted from tax during the Company's Exempt Period, which commenced from 1 December 2017 until 30 November 2023. The exemption was subject to the conditions of the grant.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

11 TAXATION (CONTINUED)

The explanation of the relationship between tax expense and profit before taxation is as follows:

	Group		Company	
	2024	2023	2024	2023
	%	%	%	%
Numerical reconciliation between the average effective tax rate and the Malaysian statutory tax rate:				
Malaysian statutory tax rate	24	24	24	24
Tax effects of:				
- Expenses not deductible for tax purposes	2	1	1	1
- Income not subject to tax	(2)	(1)	(2)	(1)
- Under/(Over) provision of taxation expenses	3	(1)	3	(1)
- Recognition and utilisation of previously unrecognised capital allowances and tax losses	.*	1	.*	1
Average effective tax rate	27	24	26	24

* Less than 1%

12 EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the net profit for the financial year by the weighted average number of issued ordinary shares during the financial year.

	Group	
	2024	2023
Profit for the financial year attributable to owners of the Company (RM'000)	24,353	32,339
Weighted average number of issued ordinary shares ('000)	355,454	355,454
Basic earnings per share (sen)	6.85	9.10

There is no dilutive potential ordinary share outstanding during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

13 DIVIDENDS

The dividends paid by the Company during the financial year are set out below:

	2024		2023	
	Gross dividend per share	Amount of dividend, tax exempt	Gross dividend per share	Amount of dividend, tax exempt
	sen	RM	sen	RM
First interim dividends paid in respect of the financial years ended:				
- 30 June 2024	2.0	7,109,071	-	-
- 30 June 2023	-	-	2.0	7,109,071
Second interim dividends paid in respect of the financial years ended:				
- 30 June 2024	2.0	7,109,071	-	-
- 30 June 2023	-	-	2.0	7,109,071
Third interim dividends paid in respect of the financial years ended:				
- 30 June 2024	1.25	4,443,170	-	-
- 30 June 2023	-	-	2.0	7,109,071
Fourth interim dividends paid in respect of the financial years ended:				
- 30 June 2023	2.0	7,109,071	-	-
- 30 June 2022	-	-	2.0	7,109,071
	7.25	25,770,383	8.0	28,436,284

Subsequent to the financial year, on 30 August 2024 the Board of Directors declared a fourth interim dividend of 1.25 sen, tax exempt, per ordinary share of RM4,443,170, paid on 30 September 2024.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

14 PLANT AND EQUIPMENT

Group

	As at 1 July 2023	Additions	Write off	Disposal	Currency translation differences	As at 30 June 2024
	RM	RM	RM	RM	RM	RM
<u>2024</u>						
<u>Cost</u>						
Furniture and fittings	9,077,567	31,876	(5,632)	(47,649)	4,942	9,061,104
Office equipment and computers	68,123,999	2,590,590	(17,639)	(546,417)	25,713	70,176,246
Telecommunications equipment	10,637,779	-	-	(93,468)	-	10,544,311
Office renovations	14,412,175	202,758	(85,800)	-	7,700	14,536,833
Motor vehicles	2,657	-	(2,657)	-	-	-
	<u>102,254,177</u>	<u>2,825,224</u>	<u>(111,728)</u>	<u>(687,534)</u>	<u>38,355</u>	<u>104,318,494</u>

	As at 1 July 2023	Charge for the financial year	Write off	Disposal	Currency translation differences	As at 30 June 2024
	RM	RM	RM	RM	RM	RM
<u>Accumulated depreciation</u>						
Furniture and fittings	7,242,023	644,554	(5,596)	(47,649)	5,124	7,838,456
Office equipment and computers	56,294,417	4,440,966	(16,128)	(542,765)	24,243	60,200,733
Telecommunications equipment	9,320,333	459,421	-	(81,619)	-	9,698,135
Office renovations	12,315,564	852,988	(85,800)	-	8,039	13,090,791
Motor vehicles	2,657	-	(2,657)	-	-	-
	<u>85,174,994</u>	<u>6,397,929</u>	<u>(110,181)</u>	<u>(672,033)</u>	<u>37,406</u>	<u>90,828,115</u>

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

14 PLANT AND EQUIPMENT (CONTINUED)

Group

	As at 1 July 2022	Additions	Write-off	Disposal	Currency translation differences	As at 30 June 2023
	RM	RM	RM	RM	RM	RM
2023						

Cost

Furniture and fittings	8,776,130	159,734	(6,016)	-	147,719	9,077,567
Office equipment and computers	66,048,160	3,123,889	(25,299)	(1,732,608)	709,857	68,123,999
Telecommunications equipment	10,637,779	-	-	-	-	10,637,779
Office renovations	13,393,093	788,958	-	-	230,124	14,412,175
Motor vehicles	682,657	-	-	(680,000)	-	2,657
	<u>99,537,819</u>	<u>4,072,581</u>	<u>(31,315)</u>	<u>(2,412,608)</u>	<u>1,087,700</u>	<u>102,254,177</u>

	As at 1 July 2022	Charge for the financial year	Write-offs	Disposal	Currency translation differences	As at 30 June 2023
	RM	RM	RM	RM	RM	RM

Accumulated depreciation

Furniture and fittings	6,454,858	646,514	(6,016)	-	146,667	7,242,023
Office equipment and computers	53,168,966	4,277,439	(25,299)	(1,731,093)	604,404	56,294,417
Telecommunications equipment	8,854,465	465,868	-	-	-	9,320,333
Office renovations	11,036,109	1,049,897	-	-	229,558	12,315,564
Motor vehicles	682,657	-	-	(680,000)	-	2,657
	<u>80,197,055</u>	<u>6,439,718</u>	<u>(31,315)</u>	<u>(2,411,093)</u>	<u>980,629</u>	<u>85,174,994</u>

NOTES TO THE FINANCIAL STATEMENTS

• • • FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

14 PLANT AND EQUIPMENT (CONTINUED)

<u>Company</u>	As at 1 July 2023	Addition	Write off	Disposal	As at 30 June 2024
	RM	RM	RM	RM	RM
<u>2024</u>					
<u>Cost</u>					
Furniture and fittings	7,011,303	1,069	(5,632)	(47,649)	6,959,091
Office equipment and computers	56,817,503	2,090,604	(13,339)	(546,417)	58,348,351
Telecommunications equipment	7,131,606	-	-	(93,468)	7,038,138
Office renovations	11,443,012	144,248	(85,800)	-	11,501,460
	<u>82,403,424</u>	<u>2,235,921</u>	<u>(104,771)</u>	<u>(687,534)</u>	<u>83,847,040</u>
		Charge for the			
	As at 1 July 2023	financial year	Write off	Disposal	As at 30 June 2024
	RM	RM	RM	RM	RM
<u>Accumulated depreciation</u>					
Furniture and fittings	5,180,008	637,863	(5,596)	(47,649)	5,764,626
Office equipment and computers	45,825,712	4,109,254	(11,828)	(542,765)	49,380,373
Telecommunications equipment	5,814,161	459,422	-	(81,619)	6,191,964
Office renovations	9,346,895	842,395	(85,800)	-	10,103,490
	<u>66,166,776</u>	<u>6,048,934</u>	<u>(103,224)</u>	<u>(672,033)</u>	<u>71,440,453</u>

NOTES TO THE FINANCIAL STATEMENTS

• • • FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

14 PLANT AND EQUIPMENT (CONTINUED)

<u>Company</u>	<u>As at 1 July 2022</u>	<u>Addition</u>	<u>Write off</u>	<u>Disposal</u>	<u>As at 30 June 2023</u>
	RM	RM	RM	RM	RM
<u>2023</u>					
<u>Cost</u>					
Furniture and fittings	6,857,585	159,734	(6,016)	-	7,011,303
Office equipment and computers	55,728,593	2,820,468	-	(1,731,558)	56,817,503
Telecommunications equipment	7,131,606	-	-	-	7,131,606
Office renovations	10,654,054	788,958	-	-	11,443,012
Motor vehicles	680,000	-	-	(680,000)	-
	<u>81,051,838</u>	<u>3,769,160</u>	<u>(6,016)</u>	<u>(2,411,558)</u>	<u>82,403,424</u>
	<u>As at 1 July 2022</u>	<u>Charge for the financial year</u>	<u>Write off</u>	<u>Disposal</u>	<u>As at 30 June 2023</u>
	RM	RM	RM	RM	RM
<u>Accumulated depreciation</u>					
Furniture and fittings	4,548,149	637,875	(6,016)	-	5,180,008
Office equipment and computers	43,547,150	4,008,604	-	(1,730,042)	45,825,712
Telecommunications equipment	5,348,293	465,868	-	-	5,814,161
Office renovations	8,303,253	1,043,642	-	-	9,346,895
Motor vehicles	680,000	-	-	(680,000)	-
	<u>62,426,845</u>	<u>6,155,989</u>	<u>(6,016)</u>	<u>(2,410,042)</u>	<u>66,166,776</u>

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

14 PLANT AND EQUIPMENT (CONTINUED)

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
<u>Net book value</u>				
Furniture and fittings	1,222,648	1,835,544	1,194,465	1,831,295
Office equipment and computers	9,975,513	11,829,582	8,967,978	10,991,791
Telecommunications equipment	846,176	1,317,446	846,174	1,317,445
Office renovations	1,446,042	2,096,611	1,397,970	2,096,117
	13,490,379	17,079,183	12,406,587	16,236,648

15 INTANGIBLE ASSETS

<u>Group</u>	As at 1 July 2023	Additions	Currency translation differences	As at 30 June 2024
	RM	RM	RM	RM
<u>Cost</u>				
Software licences	17,909,334	8,240	15,915	17,933,489
Software development costs	6,547,791	2,517,424	15,969	9,081,184
	24,457,125	2,525,664	31,884	27,014,673
	As at 1 July 2023	Charge for the financial year	Currency translation differences	As at 30 June 2024
	RM	RM	RM	RM
<u>Accumulated amortisation</u>				
Software licences	12,229,340	1,856,438	28,801	14,114,579
Software development costs	2,422,564	1,393,219	182,604	3,998,387
	14,651,904	3,249,657	211,405	18,112,966

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

15 INTANGIBLE ASSETS (CONTINUED)

<u>Group</u>	As at 1 July 2022	Additions	Currency translation differences	As at 30 June 2023
	RM	RM	RM	RM
<u>2023</u>				
<u>Cost</u>				
Software licences	14,461,478	2,995,615	452,241	17,909,334
Software development costs	6,070,613	-	477,178	6,547,791
	<u>20,532,091</u>	<u>2,995,615</u>	<u>929,419</u>	<u>24,457,125</u>
	As at 1 July 2022	Charge for the financial year	Currency translation differences	As at 30 June 2023
	RM	RM	RM	RM
<u>Accumulated amortisation</u>				
Software licences	10,127,641	1,744,643	357,056	12,229,340
Software development costs	1,346,172	908,627	167,765	2,422,564
	<u>11,473,813</u>	<u>2,653,270</u>	<u>524,821</u>	<u>14,651,904</u>

NOTES TO THE FINANCIAL STATEMENTS

• • • FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

15 INTANGIBLE ASSETS (CONTINUED)

<u>Company</u>	As at 1 July 2023	Additions	As at 30 June 2024
	RM	RM	RM
<u>2024</u>			
<u>Cost</u>			
Software licences	15,503,488	8,240	15,511,728
Software development costs	3,149,236	2,517,424	5,666,660
	<u>18,652,724</u>	<u>2,525,664</u>	<u>21,178,388</u>
	As at 1 July 2023	Charge for the financial year	As at 30 June 2024
	RM	RM	RM
<u>Accumulated amortisation</u>			
Software licences	10,523,780	1,607,172	12,130,952
Software development costs	1,023,502	582,201	1,605,703
	<u>11,547,282</u>	<u>2,189,373</u>	<u>13,736,655</u>

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

15 INTANGIBLE ASSETS (CONTINUED)

<u>Company</u>	<u>As at 1 July 2022</u>	<u>Additions</u>	<u>As at 30 June 2023</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>
<u>2023</u>			
<u>Cost</u>			
Software licences	12,625,397	2,878,091	15,503,488
Software development costs	3,149,236	-	3,149,236
	<u>15,774,633</u>	<u>2,878,091</u>	<u>18,652,724</u>

	<u>As at 1 July 2022</u>	<u>Charge for the financial year</u>	<u>As at 30 June 2023</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>
<u>Accumulated amortisation</u>			
Software licences	9,006,662	1,517,118	10,523,780
Software development costs	669,213	354,289	1,023,502
	<u>9,675,875</u>	<u>1,871,407</u>	<u>11,547,282</u>

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
<u>Net book value</u>				
Software licences	3,818,910	5,679,994	3,380,776	4,979,708
Software development costs	5,082,797	4,125,227	4,060,957	2,125,734
	<u>8,901,707</u>	<u>9,805,221</u>	<u>7,441,733</u>	<u>7,105,442</u>

Software licences relate to licences purchased that are not integral to any plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

16 RIGHT-OF-USE ASSETS

	Office building	
	2024	2023
	RM	RM
<u>Net book value</u>		
<u>Group</u>		
At the beginning of the financial year	27,769,140	32,612,011
Remeasurement	3,043,602	3,758,139
Depreciation	(9,122,778)	(9,078,108)
Termination	(529,857)	-
Currency translation differences	(5,292)	477,098
At the end of the financial year	<u>21,154,815</u>	<u>27,769,140</u>
<u>Company</u>		
At the beginning of the financial year	25,630,694	30,146,626
Remeasurement	3,043,602	3,758,139
Depreciation	(8,203,468)	(8,274,071)
Termination	(529,857)	-
At the end of the financial year	<u>19,940,971</u>	<u>25,630,694</u>

17 INTERESTS IN SUBSIDIARIES

	Company	
	2024	2023
	RM	RM
Unquoted shares at cost	3,187,392	3,187,392
Advances to subsidiaries	29,063,327	31,068,054
	<u>32,250,719</u>	<u>34,255,446</u>
Less: Impairment loss	(32,250,719)	(34,255,446)
	<u>-</u>	<u>-</u>

The advances are unsecured and are non-interest bearing with no fixed terms of repayment. The Company does not anticipate any repayment from subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

17 INTERESTS IN SUBSIDIARIES (CONTINUED)

During the financial year, the Company recognised a net reversal on impairment loss of RM2,004,727 (2023: RM1,067,568) in respect of advances to subsidiaries.

The movements in provision for impairment of interests in subsidiaries are as follows:

	Company	
	2024	2023
	RM	RM
At the beginning of the financial year	34,255,446	35,323,014
Reversal during the financial year	(2,004,727)	(1,067,568)
At the end of the financial year	32,250,719	34,255,446

Details of the measurement of ECL on the advances to subsidiaries is shown below:

	Expected credit loss rate	Basis for recognition of expected credit loss provision	Estimated gross carrying amount at default	Loss allowance	Carrying amount (net of impairment provision)
	%	RM	RM	RM	RM
<u>Company</u>					
<u>2024</u>					
Non-performing	100	Lifetime ECL	<u>29,063,327</u>	<u>(29,063,327)</u>	<u>-</u>
<u>2023</u>					
Non-performing	100	Lifetime ECL	<u>31,068,054</u>	<u>(31,068,054)</u>	<u>-</u>

Details of the subsidiaries are as follows:

Name	Place of business and country of incorporation	Group's effective interest		Principal activities
		2024	2023	
		%	%	
<u>Subsidiaries of the Company</u>				
Scicom (Academy) Sdn. Bhd.*	Malaysia	100	100	Provides customer service training products as well as contact centre consulting and marketing services.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

17 INTERESTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

<u>Name</u>	<u>Place of business and Country of incorporation</u>	<u>Group's effective interest</u>		<u>Principal activities</u>
		<u>2024</u>	<u>2023</u>	
		%	%	
<u>Subsidiaries of the Company</u> (continued)				
Scicom International College Sdn. Bhd. *	Malaysia	70	70	Dormant
Scicom E Solutions Sdn. Bhd. *	Malaysia	100	100	Provides electronic solutions and applications for payment on-line processing, border security services, digital platforms and software solutions.
Scicom Contact Centre Services Private Limited ^	India	100	100	Dormant
Scicom International (UK) Ltd.^	United Kingdom	100	100	Dormant
Scicom Inc.^ (Subsidiary of Scicom International (UK) Ltd.)	United States of America	100	100	Dormant
PT Scicom Indonesia ^	Indonesia	100	100	Dormant
Scicom Lanka (Private) Limited **	Sri Lanka	100	100	Provides customer contact centre outsourcing services
Scicom (Cambodia) Co. Ltd. ^	Cambodia	100	100	Dormant
SciSolutions (Mauritius) Ltd ^	Mauritius	100	100	Dormant
Mediconnect Sdn. Bhd.	Malaysia	100	100	Dormant

* Audited by PricewaterhouseCoopers PLT ('PwC') Malaysia.

** Audited by a firm other than PwC Malaysia.

^ Not required by their local laws to appoint statutory auditors.

Non-controlling interests are not material to the Group.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

18 TRADE RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Receivables				
- Billed	32,391,132	35,174,704	31,126,984	34,237,901
- Unbilled [*]	20,179,135	20,640,942	18,917,703	19,762,339
	<u>52,570,267</u>	<u>55,815,646</u>	<u>50,044,687</u>	<u>54,000,240</u>

Measurement of ECL

The Group's and the Company's historical experience in collection of trade receivables falls largely within the credit period. Due to these factors, the Directors believe that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's and the Company's trade receivables. Credit terms of trade receivables range from 30 to 120 days (2023: 30 to 120 days). The fair value of trade receivables approximates its carrying value.

The gross carrying amount of trade receivables (with individually significant balances which are separately assessed for ECL measurement) represent maximum exposure to credit risk to the Group and the Company are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Current (not past due)				
- Billed receivables	29,947,165	24,965,873	28,916,583	24,069,257
- Unbilled receivables	20,179,135	20,640,942	18,917,703	19,762,339
Past due billed receivables:				
- 1 to 30 days	1,302,335	5,700,431	1,176,948	5,666,075
- 31 to 60 days	645,372	4,327,347	583,185	4,327,347
- 61 to 90 days	368,702	74,308	336,194	74,308
- More than 90 days	127,558	106,745	114,074	100,914
	<u>52,570,267</u>	<u>55,815,646</u>	<u>50,044,687</u>	<u>54,000,240</u>

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

19 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
<u>Financial assets</u>				
<u>Non-current</u>				
Deposits	3,249,358	3,336,827	3,248,758	3,336,227
<u>Current</u>				
Other receivables	290,699	633,115	331,667	715,906
Deposits	1,569,602	1,276,944	1,291,883	1,036,420
	1,860,301	1,910,059	1,623,550	1,752,326
<u>Non-financial assets</u>				
Prepayments	3,340,828	4,226,181	2,943,539	3,705,291
Other receivables*	1,338,804	1,489,342	-	22,733
	4,679,632	5,715,523	2,943,539	3,728,024
	6,539,933	7,625,582	4,567,089	5,480,350
	9,789,291	10,962,409	7,815,847	8,816,577

*Other receivables that are non-financial assets comprise of government service tax, value added tax and economic service charge.

The Group's and the Company's other receivables are neither past due nor impaired.

The credit quality of the Group's and of the Company's other receivables can be assessed by historical information of counterparty defaults. Other receivables of the Group and of the Company are due from counterparties with no history of defaults.

The Group and the Company have assessed the ECL for other receivables and deposits to be immaterial.

NOTES TO THE FINANCIAL STATEMENTS

• • • FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

20 AMOUNTS DUE FROM SUBSIDIARIES

The carrying amount of the amounts due from subsidiaries are as follows.

		Company	
	Note	2024	2023
		RM	RM
<u>Non-current</u>			
Amounts due from subsidiaries	(a)	15,541,498	16,239,665
Less: Loss allowances	(a)	(13,074,406)	(13,018,495)
		2,467,092	3,221,170
<u>Current</u>			
Amounts due from subsidiaries	(a)	897,542	1,128,562
Less: Loss allowances	(a)	(433,690)	(411,440)
		463,852	717,122
Amounts due from subsidiaries		2,930,944	3,938,292

(a) Amounts due from subsidiaries

The amounts due from subsidiaries are non-trade, unsecured, interest-free and repayable on demand.

Impairment loss

The movement in impairment loss is as follows:

	Company	
	2024	2023
	RM	RM
At the beginning of the financial year	13,429,934	13,030,356
Allowance on impairment for the financial year	78,161	399,578
At the end of the financial year	13,508,095	13,429,934

NOTES TO THE FINANCIAL STATEMENTS

• • • FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

20 AMOUNTS DUE FROM SUBSIDIARIES (CONTINUED)

(a) Amounts due from subsidiaries (continued)

Impairment loss (continued)

The impairment of amounts due from subsidiaries are individually determined. The impairment loss recognised are in relation to subsidiaries with indication of impairment estimated based on the financial condition of the respective subsidiaries.

Details of the measurement of ECL is shown below:

	Expected credit loss rate	Basis for recognition of expected credit loss provision	Estimated gross carrying amount at default	Loss allowance	Carrying amount (net of impairment provision)
	%	RM	RM	RM	RM
<u>Company</u>					
<u>2024</u>					
Underperforming	34	Lifetime ECL	4,473,052	(1,542,108)	2,930,944
Non-performing	100	Lifetime ECL	11,965,988	(11,965,988)	-
			<u>16,439,040</u>	<u>(13,508,096)</u>	<u>2,930,944</u>
<u>2023</u>					
Underperforming	28	Lifetime ECL	5,480,398	(1,542,106)	3,938,292
Non-performing	100	Lifetime ECL	11,887,828	(11,887,828)	-
			<u>17,368,226</u>	<u>(13,429,934)</u>	<u>3,938,292</u>

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

21 INVESTMENTS IN CASH FUNDS

	Group and Company	
	2024	2023
	RM	RM
Investments in cash funds	22,471,078	16,130,531

Investments in cash funds comprise of investment in money market and short-term and medium-term income funds.

The fair values are within Level 1 of the fair value hierarchy as detailed in Note 32(b) (2023: Level 1).

The credit quality of financial institutions in respect of investments in cash funds are as follows:

	Group and Company	
	2024	2023
	RM	RM
AAA	16,997,378	10,841,972
AA2	5,473,700	5,288,559
	22,471,078	16,130,531

The credit quality of the above balances is assessed by reference to RAM Rating Services Berhad.

22 CASH AND BANK BALANCES

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cash on hand and in bank	9,766,805	8,081,313	9,254,351	7,717,528
Deposits with licenced banks	12,000,000	11,857,500	12,000,000	11,857,500
Cash and bank balances	21,766,805	19,938,813	21,254,351	19,575,028
Less:				
- deposits with maturity of more than 3 months	(6,000,000)	(6,983,100)	(6,000,000)	(6,983,100)
Cash and cash equivalents	15,766,805	12,955,713	15,254,351	12,591,928

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

22 CASH AND BANK BALANCES (CONTINUED)

The credit quality of financial institutions in respect of cash and bank balances and deposits with licenced banks are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cash on hand	73,057	60,699	67,154	59,829
Cash at bank and deposits with licenced banks:				
AAA	21,577,982	19,607,270	21,187,197	19,515,199
AA3	14,674	164,852	-	-
A2	1,705	6,710	-	-
No rating	99,387	99,282	-	-
	21,766,805	19,938,813	21,254,351	19,575,028

The credit qualities of the above balances are assessed by reference to RAM Rating Services Berhad and Fitch Ratings.

23 TRADE AND OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
<u>Financial liabilities</u>				
Trade payables	229,880	651,627	226,459	642,295
Accruals	4,096,155	4,010,715	3,697,201	2,802,591
Other payables	2,690,234	2,761,928	1,768,883	2,601,753
Deposits	1,711,079	1,779,767	1,711,079	1,779,767
Provision for performance related bonus	677,059	731,707	577,739	662,667
	9,404,407	9,935,744	7,981,361	8,489,073
<u>Non-financial liabilities</u>				
Other payroll related liabilities	2,794,505	3,423,639	2,234,357	3,386,653
Other payables	853,902	38,261	-	-
	13,052,814	13,397,644	10,215,718	11,875,726

Credit terms of trade payables range from 30 to 90 days (2023: 30 to 90 days).

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

24 CONTRACT LIABILITY

	Group and Company	
	2024	2023
	RM	RM
Non-current	1,913,015	-
Current	498,630	-
	2,411,645	-

Contract liability represents unfulfilled performance obligations for paid outsourcing maintenance services.

Movement of contract liability during the financial year were as follows:

	Group and Company	
	2024	2023
	RM	RM
At the beginning of the financial year	-	-
Increase due to cash received, excluding amounts recognised as revenue	2,411,645	-
At the end of the financial year	2,411,645	-

25 LEASE LIABILITIES

The Group and the Company lease office buildings. Rental contracts duration are typically between three (3) to six (6) years with extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The Group and the Company has several lease contracts for premises that include extension and termination options. These options are negotiated by management to provide flexibility in managing the portfolio of leased assets and align with the Group's and the Company's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Current	9,124,020	9,062,660	8,354,476	7,828,568
Non-current	14,089,870	21,007,443	13,564,869	19,729,653
	23,213,890	30,070,103	21,919,345	27,558,221

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

25 LEASE LIABILITIES (CONTINUED)

Reconciliation of changes in liabilities arising from financing activities

The following table illustrates the changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes during the financial year:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
As at the beginning of financial year	30,070,103	34,420,523	27,558,221	31,766,816
Remeasurement	3,043,602	3,758,139	3,043,602	3,758,139
Termination	(529,857)	-	(529,857)	-
<i>Non-cash changes</i>				
Interest expense	1,456,378	1,827,416	1,252,801	1,555,560
<i>Financing cash flows</i>				
Payment of lease liabilities				
- principal portion	(9,071,932)	(8,585,657)	(8,152,621)	(7,966,734)
- interest portion	(1,456,378)	(1,827,416)	(1,252,801)	(1,555,560)
Currency translation differences	(298,026)	477,098	-	-
As at the end of financial year	23,213,890	30,070,103	21,919,345	27,558,221

Minimum lease payments payable on the lease liabilities are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Within 1 year	10,140,358	10,511,421	9,279,562	9,069,751
1 – 2 years	9,767,230	9,422,884	9,321,337	8,573,230
2 – 3 years	4,882,974	8,670,265	4,768,908	8,230,144
3 – 4 years	-	4,335,900	-	4,223,311
	24,790,562	32,940,470	23,369,807	30,096,436
Less: Future finance charges	(1,576,672)	(2,870,367)	(1,450,462)	(2,538,215)
	23,213,890	30,070,103	21,919,345	27,558,221

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

26 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same authority. The following amounts are shown in the statements of financial position.

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Deferred tax assets:				
- To be recovered within 12 months	408,308	484,843	-	-
- To be recovered after more than 12 months	632,821	936,398	-	-
	1,041,129	1,421,241	-	-
Deferred tax liabilities:				
- To be recovered within 12 months	(404,982)	-	(404,982)	-
- To be recovered after more than 12 months	(1,570,444)	(2,195,729)	(1,570,444)	(2,195,729)
	(1,975,426)	(2,195,729)	(1,975,426)	(2,195,729)

The movements during the financial year relating to deferred taxation are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
At the beginning of the financial year	(774,488)	(266,965)	(2,195,729)	(1,772,769)
(Credited)/charged to profit or loss (Note 10):				
- Plant, equipment and intangible assets	495,037	(145,748)	496,683	(127,722)
- Right-of-use assets	1,365,534	1,074,774	1,365,535	1,083,823
- Lease liabilities	(1,353,330)	(1,010,065)	(1,353,330)	(1,010,064)
- Provisions	(180,682)	(433,405)	(150,631)	(464,400)
- Tax losses	(348,413)	(88,484)	-	-
- Others	(137,955)	95,405	(137,954)	95,403
	(159,809)	(507,523)	220,303	(422,960)
At the end of the financial year	(934,297)	(774,488)	(1,975,426)	(2,195,729)

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

26 DEFERRED TAXATION (CONTINUED)

Deferred tax assets (before offsetting)

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
- Lease liabilities	5,260,643	6,613,973	5,260,643	6,613,973
- Provisions	162,493	343,175	138,657	289,288
- Tax losses	1,051,553	1,399,966	-	-
- Others	-	78,794	-	78,793
	6,474,689	8,435,908	5,399,300	6,982,054
Offsetting	(5,433,560)	(7,014,667)	(5,399,300)	(6,982,054)
Deferred tax assets (after offsetting)	1,041,129	1,421,241	-	-

Deferred tax liabilities (before offsetting)

- Plant, equipment and intangible asset	2,563,992	3,059,029	2,529,732	3,026,415
- Right-of-use assets`	4,785,833	6,151,367	4,785,833	6,151,368
- Others	59,161	-	59,161	-
	7,408,986	9,210,396	7,374,726	9,177,783
Offsetting	(5,433,560)	(7,014,667)	(5,399,300)	(6,982,054)
Deferred tax liabilities (after offsetting)	1,975,426	2,195,729	1,975,426	2,195,729

The amount of unused tax losses (which have ten (10) years of expiry period) for which no deferred tax asset is recognised in the statement of financial position is as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Tax losses	13,671,453	13,463,685	-	-

No deferred tax assets are recognised from the above due to uncertainty of their recoverability. Under the Malaysia Finance Act 2021 which was gazetted on 31 December 2021, the existing time limit to carry forward unutilised tax losses has been extended to ten (10) consecutive years of assessment. Accordingly, any accumulated unutilised tax losses brought forward from YA 2018 can be carried forward for 10 consecutive years of assessment (i.e: from YA 2018 to 2028).

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

26 DEFERRED TAXATION (CONTINUED)

The tax losses are available for set off against future taxable profit of the Group with the remaining period up to tax expiry are as below:

	Group	
	2024	2023
	RM	RM
Expiring in 2025	6,519,990	6,324,031
Expiring in 2026	304,944	300,996
Expiring in 2027	607,307	599,445
Expiring in 2028	9,408,140	10,995,719
Expiring in 2029	632,269	632,269
Expiring in 2030	44,926	-
	17,517,576	18,852,460

The availability of unutilised tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority.

A Capital Gains Tax ("CGT") on the gains from disposal of shares in unlisted companies incorporated in Malaysia was enacted in November 2023 and is effective for disposals made on or after 1 March 2024. The Company expects deductible temporary differences of RM137,000, arising from the expected capital losses, as the cost of investments in subsidiaries were impaired in the past. However, no deferred tax assets ("DTA") are to be recognised on these deductible temporary differences as there are no foreseeable capital gains in the near future, for which the capital losses can be utilised.

27 SHARE CAPITAL

	Group and Company	
	2024	2023
	RM	RM
Issued and fully paid ordinary shares with no par value		
At the beginning/end of the financial year	35,545,356	35,545,356

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

28 RESERVES

(a) Retained earnings

Retained earnings represent the cumulative earnings of the Group and of the Company attributable to the owners of the Company.

(b) Currency translation reserve

Currency translation reserve occurs on consolidation where the exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments are taken to owners of the Company.

29 COMMITMENTS

Capital expenditure authorised by the Directors not provided for in the financial statements are as follows:

	Group & Company	
	2024	2023
	RM	RM
Authorised and contracted:		
- Plant and equipment	761,474	94,214

30 SIGNIFICANT RELATED PARTY DISCLOSURES

Parties are considered related if the party has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial or operational decisions.

(i) The related parties and their relationships with the Group are as follows:

<u>Related parties</u>	<u>Relationship</u>
Scicom (Academy) Sdn. Bhd.	Subsidiary
Scicom International College Sdn. Bhd.	Subsidiary
Scicom E Solutions Sdn. Bhd.	Subsidiary
Scicom Contact Centre Services Private Limited	Subsidiary
Scicom International (UK) Ltd.	Subsidiary
Scicom Inc.	Subsidiary
PT Scicom Indonesia	Subsidiary
Scicom Lanka (Private) Limited	Subsidiary
Scicom (Cambodia) Co., Ltd.	Subsidiary
SciSolutions (Mauritius) Ltd.	Subsidiary
Mediconnect Sdn. Bhd.	Subsidiary

NOTES TO THE FINANCIAL STATEMENTS

• • • FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

30 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(ii) Significant related party transactions

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions. The related party transactions described below were carried out on terms and conditions agreed with related parties.

	Company	
	2024	2023
	RM	RM
Purchase of services from subsidiaries*	(10,685,449)	(9,685,406)
Advances to subsidiaries:		
- funds transfer to subsidiaries	2,335,473	1,956,897
- expenses paid on behalf of subsidiaries	5,136,126	5,904,925
Repayment of advances by a subsidiary	(300,000)	(1,250,000)

* The amount owing to subsidiaries arising from these purchases is subject to offsetting with amount owing from subsidiaries as disclosed in Note 32

Key management personnel ('KMP') are the persons who have authority and responsibility for planning, directing and controlling the activities of the Group or the Company either directly or indirectly. The KMP of the Group or of the Company includes Executive Directors and Non-Executive Directors of the Company. Whenever exist, related party transactions also include transactions with entities that are controlled, jointly controlled or significantly influenced directly or indirectly by any KMP or their close family members. The remuneration of key management personnel are disclosed under Note 7.

31 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group's and the Company's activities expose it to a variety of financial risks from its operations including market risk, credit risk, liquidity risk and capital management risk. The Group's and the Company's overall financial risk management objectives are to ensure that the Group and the Company create value for its shareholders and to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses. The Group and the Company operate within clearly defined guidelines that are approved by the Board of Directors and seek to minimise potential adverse effects on its financial performance. Such guidelines are reviewed annually by the Board of Directors and periodic reviews are undertaken to ensure that the Group's and the Company's policy guidelines are complied with. Financial risk is managed by a risk management committee who in turn ensures adherence to the policies approved by the Board of Directors.

It is and has been throughout the current and previous financial year, the Group's and the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

31 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(a) Market risk

Market risk refers to the risk that changes in market prices such as foreign exchange rates and other prices will affect the Group's and the Company's financial position and cash flows.

(i) Foreign currency exchange risk

The Group and the Company are exposed to currency risk as a result of foreign currency transactions entered into currencies other than their functional currency, mainly US Dollar ('USD') and Sri Lankan Rupee ('LKR'). The Group's and the Company's foreign currency exchange risk primarily arises from revenue contract rates and purchases of goods and services denominated in currencies other than their functional currency.

The Group's and the Company's exposure to USD and LKR are as follows.

	Group and Company	
	2024	2023
	RM	RM
USD		
Trade receivables	1,376,479	1,821,569
Cash and bank balances	9,562,948	9,780,861
Trade and other payables	(455,985)	(612,129)
Total exposure	10,483,442	10,990,301
<i>Impact on profit after tax/ equity for the financial year</i>		
5% increase against MYR	542,172	549,515
5% decrease against MYR	(524,172)	(549,515)

NOTES TO THE FINANCIAL STATEMENTS

• • • FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

31 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(a) Market risk (continued)

(i) Foreign currency exchange risk (continued)

	Group & Company	
	2024	2023
	RM	RM
LKR		
Trade receivables	1,110,148	612,773
Cash and bank balances	16,387	172,440
Trade and other payables	(2,091,100)	(832,319)
Total exposure	(964,565)	(47,106)
<i>Impact on profit after tax/ equity for the financial year</i>		
5% increase against MYR	(48,228)	(2,355)
5% decrease against MYR	48,228	2,355

(ii) Price risk

The Group and the Company are exposed to price risk arising from the investments in cash funds. The impact of the price risk is assessed to be immaterial to the Group and the Company.

(b) Credit and counterparty risk

Credit risk arises from potential default on sales made on deferred credit terms.

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in a financial loss to the Group and the Company.

At the reporting date, the Group's and the Company's maximum exposure to credit risk are represented by the carrying amounts of each class of financial assets recognised in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

31 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(b) Credit and counterparty risk (continued)

(i) Trade receivables

There is concentration of credit risk with respect to the Group and the Company's trade receivable, where two (2023: three) customers contributed RM15.9 million (2023: RM19.8 million) of the Group's and the Company's trade receivables. Credit risk is managed through the Group's and the Company's historical experience in collection of trade receivables.

The Group's and the Company's customers are mainly significant entities comprising multinational organisations and Malaysian government agencies. The Group and the Company consider the risk of material loss in the event of non-performance by a customer to be unlikely. For all trade receivables, the Group and the Company apply the lifetime ECL approach in measuring ECL. To measure the ECL, trade receivables are assessed individually. The credit quality of the trade receivables that are neither past due nor impaired can be assessed by reference to historical information about counterparties.

The Company determines the probability of default for trade receivables individually considering the payment profiles of sales over a period of 1 year before the reporting date, the corresponding historical credit losses experienced within this period, macroeconomic information (such as market interest rates) and expected timing of repayment. No significant changes to estimation techniques or assumptions were made during the reporting period.

(ii) Other receivables and deposits

The Group and Company use the three stages approach for deposits and other receivables which reflect their credit risk and how the loss allowances are determined for each of those stages. The Group and Company determine the probability of default for these deposits and other receivables considering historical data and macroeconomic information (such as market interest rates).

(iii) Amount due from subsidiaries

Amounts due from subsidiaries mainly comprise of advances and payments on behalf. The Company monitors the results of the subsidiaries and joint venture on an individual basis regularly. As at the end of the financial year, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

The Company uses the three stages approach for amounts due from subsidiaries which reflect their credit risk and how the loss allowances are determined for each of those stages. The Company determines the probability of default for these amounts due from subsidiaries individually using internal information available.

(iv) Bank balances and investments in cash funds

Bank balances and investments in cash funds are with approved financial institutions and reputable banks.

As at the end of the reporting period, the maximum exposure to credit risk arising from cash and bank balances is represented by the carrying amounts in the statements of financial position.

In view of the sound credit rating of counterparties, management does not expect any counterparties to fail to meet their obligations, as such the identified impairment loss was immaterial.

NOTES TO THE FINANCIAL STATEMENTS

• • • FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

31 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(b) Credit and counterparty risk (continued)

(iv) Bank balances and investments in cash funds (continued)

The credit quality of the financial institutions in respect of the investments in cash funds and bank balances are set out in Note 21 and 22 respectively.

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group and the Company have sufficient cash and bank balances and investments in cash funds.

Analysis of financial instruments by the remaining contractual maturities

The table below summarises the maturity profile of the Group and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations:

Group	On demand	within 1 year RM	1 – 2 years RM	2 – 3 years RM	3 – 4 years RM	Total RM
2024						
Trade and other payables	1,148,019	8,256,388	-	-	-	9,404,407
Lease liabilities	-	10,140,358	9,767,230	4,882,974	-	24,790,562
	<u>1,148,019</u>	<u>18,396,746</u>	<u>9,767,230</u>	<u>4,882,974</u>	<u>-</u>	<u>34,194,969</u>
2023						
Trade and other payables	1,010,916	8,924,828	-	-	-	9,935,744
Lease liabilities	-	10,511,421	9,422,884	8,670,265	4,335,900	32,940,470
	<u>1,010,916</u>	<u>19,436,249</u>	<u>9,422,884</u>	<u>8,670,265</u>	<u>4,335,900</u>	<u>42,876,214</u>

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

31 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

(iv) Bank balances and investments in cash funds (continued)

Analysis of financial instruments by the remaining contractual maturities (continued)

The table below summarises the maturity profile of the Group and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations: (continued)

Company	On demand RM	within 1 year RM	1 – 2 years RM	2 – 3 years RM	3 – 4 years RM	Total RM
2024						
Trade and						
other payables	1,148,019	6,833,342	-	-	-	7,981,361
Lease liabilities	-	9,279,562	9,321,337	4,768,908	-	23,369,807
	<u>1,148,019</u>	<u>16,112,904</u>	<u>9,321,337</u>	<u>4,768,908</u>	<u>-</u>	<u>31,351,168</u>
2023						
Trade and						
other payables	1,010,916	7,478,157	-	-	-	8,489,073
Lease liabilities	-	9,069,751	8,573,230	8,230,144	4,223,311	30,096,436
	<u>1,010,916</u>	<u>16,547,908</u>	<u>8,573,230</u>	<u>8,230,144</u>	<u>4,223,311</u>	<u>38,585,509</u>

(d) Capital risk management

The objective of the Group and the Company's capital management is to maintain an optimal capital structure and ensure availability of funds in order to support its business and maximise shareholders' value. The Group and the Company's strategy for managing capital was unchanged from previous years.

The Group and the Company defines capital as the total equity and debts of the Group and the Company. Total debts include current and non-current borrowings, excluding lease liabilities. As of 30 June 2024, the Group and the Company had no outstanding borrowings.

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

32 FINANCIAL INSTRUMENTS

(a) By category:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
<u>Financial assets – at amortised cost</u>				
Trade receivables	52,570,267	55,815,646	50,044,687	54,000,240
Other receivables excluding prepayments and statutory refundables	5,109,659	3,243,778	4,872,308	2,268,950
Amount due from subsidiaries	-	-	2,930,944	3,938,292
Cash and bank balances	21,766,805	19,938,813	21,254,351	19,575,028
	79,446,731	78,998,237	79,102,290	79,782,510
<u>Financial assets - FVTPL</u>				
Investments in cash funds	22,471,078	16,130,531	22,471,078	16,130,531
<u>Financial liabilities – at amortised cost</u>				
Trade and other payables excluding statutory liabilities	9,404,407	9,935,744	7,981,361	8,489,073
Lease liabilities	24,790,562	32,940,470	23,369,807	30,096,436
	34,194,969	42,876,214	31,351,168	38,585,509

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

32 FINANCIAL INSTRUMENTS (CONTINUED)

(a) By category: (continued)

The following financial assets and financial liabilities are subject to offsetting:

<u>Company</u>	<u>Gross amounts of recognised financial assets</u> RM	<u>Gross amounts of recognised financial liabilities set-off in the statement of financial position</u> RM	<u>Net amount</u> RM
<u>Financial assets</u>			
<u>2024</u>			
Amounts due from subsidiaries	<u>16,439,040</u>	<u>(13,508,096)</u>	<u>2,930,944</u>
<u>2023</u>			
Amounts due from subsidiaries	<u>17,368,226</u>	<u>(13,429,934)</u>	<u>3,938,292</u>
	<u>Gross amounts of recognised financial liabilities</u> RM	<u>Gross amounts of recognised financial assets set-off in the statement of financial position</u> RM	<u>Net amount</u> RM
<u>Financial liabilities</u>			
<u>2024</u>			
Amounts due to subsidiaries	<u>10,105,511</u>	<u>(10,105,511)</u>	<u>-</u>
<u>2023</u>			
Amounts due to subsidiaries	<u>8,250,411</u>	<u>(8,250,411)</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

● ● ● FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

32 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value measurement

The Group and the Company measure fair value using the following fair value hierarchy that reflects the significance of the input used in making the measurements:

- (i) Level 1 - quoted price (unadjusted) in active market for identical assets or liabilities;
- (ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- (iii) Level 3 - inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs).

There were no transfers between levels for recurring fair value measurements during the financial year.

The carrying value of the balances disclosed in the financial statements approximates their fair values and are equivalent to nominal values due to the relatively short term nature of these financial instruments except as disclosed in the notes to the financial statements.

33 CONTINGENT LIABILITY

A subsidiary of the Company received tax assessment notices of RM1.3 million, INR23.8 million (2023: RM1.4 million, INR23.8 million) for years of assessment 2005 to 2012. These assessments are in respect to transfer pricing adjustments and the disallowance of certain expenses for tax purposes. Currently, the subsidiary is challenging the assessments in the Income Tax Appellate Tribunal, in India on the ground that the matter has become barred by limitation of time. The Board of Directors have received expert advice on this matter from a tax agent. Based on the advice received, the Board of Directors are of the view that no liability will crystallise from these assessments.

34 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 30 September 2024.

STATEMENT BY DIRECTORS

●●● PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Dato' Sri Leo Suresh Ariyanayakam and Krishnan a/l C. K. Menon, two of the Directors of Scicom (MSC) Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 142 to 216 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and financial performance of the Group and of the Company for the financial year ended 30 June 2024 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution dated 30 September 2024.

DATO' SRI LEO SURESH ARIYANAYAKAM
DIRECTOR

KRISHNAN A/L C. K. MENON
DIRECTOR

Kuala Lumpur

STATUTORY DECLARATION

●●● PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Loke Cheong Hian, the Officer primarily responsible for the financial management of Scicom (MSC) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 142 to 216 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

LOKE CHEONG HIAN
OFFICER

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur on 30 September 2024.

Before me:

SHAIFUL HILMI BIN HALIM (NO.W804)
COMMISSIONER FOR OATH

INDEPENDENT AUDITORS' REPORT

● ● ● TO THE MEMBERS OF SCICOM (MSC) BERHAD

(Incorporated in Malaysia)

Registration No. 200201029763 (597426-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Scicom (MSC) Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 142 to 216.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

INDEPENDENT AUDITORS' REPORT

● ● ● TO THE MEMBERS OF SCICOM (MSC) BERHAD (CONTINUED)

(Incorporated in Malaysia)

Registration No. 200201029763 (597426-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<i>Refer to Note 3 in the material accounting policy information and Note 6 of the financial statements.</i> During the financial year ended 30 June 2024, the Group and the Company recognised revenue of RM224.0 million and RM218.3 million respectively, primarily derived from outsourcing services. Revenue is recognised upon satisfaction of services at pre-agreed terms which include the required resources to render the service and rates agreed with respective customers. Terms with each customer may vary and this will impact revenue recognised. We focused on revenue recognition as it required significant time and resources to audit at the transaction level, and is material to the financial statements.	We have performed the following audit procedures: • Reviewed customer contracts to identify standard and non-standard terms in accordance with the requirements under MFRS 15 "Revenue with Contracts with Customers"; • Evaluated and tested the design and operating effectiveness of controls over revenue recognition processes; • Checked revenue recognised based on satisfaction of performance obligations to provide outsourcing services; • Checked revenue recognised to rates agreed in respective contracts; and • Tested material non-standard journal entries and other adjustments posted to revenue accounts. Based on procedures performed above, we did not find any material exceptions.

INDEPENDENT AUDITORS' REPORT

● ● ● TO THE MEMBERS OF SCICOM (MSC) BERHAD (CONTINUED)

(Incorporated in Malaysia)

Registration No. 200201029763 (597426-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and Statement on Risk Management and Internal Control, which we obtained prior to the date of this auditors' report, and 2024 Annual Report, which is expected to be made available to us after that date. Other information does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT

● ● ● TO THE MEMBERS OF SCICOM (MSC) BERHAD (CONTINUED)

(Incorporated in Malaysia)

Registration No. 200201029763 (597426-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITORS' REPORT

● ● ● TO THE MEMBERS OF SCICOM (MSC) BERHAD (CONTINUED)

(Incorporated in Malaysia)

Registration No. 200201029763 (597426-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditor, is disclosed in Note 17 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

IRVIN GEORGE LUIS MENEZES
02932/06/2026 J
Chartered Accountant

Kuala Lumpur
30 September 2024

ADDITIONAL COMPLIANCE INFORMATION



1. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

The Company did not undertake any corporate proposal during the financial year.

2. MATERIAL CONTRACTS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS' INTERESTS

For the financial year ended 30 June 2024, no material contract was entered into or was subsisting between the Group and its Directors or major shareholders.

3. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE ("RRPT")

There was no RRPT entered into by the Group and the Company during the financial year ended 30 June 2024.

ANALYSIS OF SHAREHOLDINGS

• • •

SHARE CAPITAL AS AT 27 SEPTEMBER 2024

Total number of issued shares	:	355,453,560 shares
Class of securities	:	Ordinary shares
Voting rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS AS AT 27 SEPTEMBER 2024

<u>Size of Shareholdings</u>	<u>No. of Shareholders</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
Less than 100 shares	120	2.049%	3,828	0.001%
100 to 1,000 shares	778	13.286%	489,313	0.138%
1,001 to 10,000 shares	2,998	51.195%	15,883,784	4.469%
10,001 to 100,000 shares	1,719	29.355%	54,971,103	15.465%
100,001 to less than 5% of issued shares	238	4.064%	200,069,058	56.285%
5% and above of issued shares	3	0.051%	84,036,474	23.642%
	<u>5,856</u>	<u>100.00%</u>	<u>355,453,560</u>	<u>100.00%</u>

LIST OF 30 LARGEST SHAREHOLDERS AS AT 27 SEPTEMBER 2024

(As shown in the Record of Depositors)

<u>No.</u>	<u>Name of Shareholder</u>	<u>No. of Shares Held</u>	<u>%</u>
1	MAYBANK NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEO SURESH ARIYANAYAKAM	44,886,160	12.628
2	KRISHNAN A/L C K MENON	21,134,520	5.946
3	ALLIANCEGROUP NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEO SURESH ARIYANAYAKAM (8117550)	18,015,794	5.068
4	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR AUGUSTUS RALPH MARSHALL (PB)	17,500,000	4.923
5	ALI BIN ABDUL KADIR	13,200,000	3.714
6	KHOO LOON SEE	11,924,888	3.355
7	RHB NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEO SURESH ARIYANAYAKAM	11,610,000	3.266
8	CGS INTERNATIONAL NOMINEES MALAYSIA (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEO SURESH ARIYANAYAKAM (MY2262)	10,460,000	2.943
9	TA NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEO SURESH ARIYANAYAKAM	7,624,400	2.145
10	OOI KENG THYE	7,560,800	2.127
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI KENG THYE	7,178,200	2.019
12	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JAGANATH DEREK STEVEN SABAPATHY	6,883,200	1.937
13	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JAGANATH DEREK STEVEN SABAPATHY	5,570,000	1.567
14	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANDREW LIM ENG GUAN	4,468,200	1.257

ANALYSIS OF SHAREHOLDINGS (CONTINUED)

• • •

No.	Name of Shareholder	No. of Shares Held	%
15	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	4,454,300	1.253
16	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR SREEKUMAR A/L P NARAYANA PILLAI (PB)	4,000,000	1.125
17	HSBC NOMINEES (ASING) SDN BHD SIX SIS FOR BANK SARASIN CIE	2,500,000	0.703
18	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR NETINSAT ASIA SDN BHD (PB)	2,440,000	0.686
19	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHENG CHEW GIAP	2,217,400	0.624
20	P DEIVENDRAN K PATHMANATHAN	2,000,000	0.563
21	GAN BOON AIK	1,988,300	0.559
22	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR JAGANATH DEREK STEVEN SABAPATHY (PB)	1,915,000	0.539
23	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI KENG THYE (E-PPG)	1,906,200	0.536
24	MOHD SALLEH BIN HJ HARUN	1,650,800	0.464
25	CHENG CHEW GIAP	1,623,800	0.457
26	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD FOR LIM CHOO HONG (5682-1502)	1,500,000	0.422
27	BENNY PHILIP	1,452,000	0.409
28	MICHAEL GAN EU KHEONG	1,340,000	0.377
29	LEE BEOW THEANG	1,277,000	0.359
30	APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PARAMJIT SINGH GILL (MARGIN)	1,218,500	0.343
Total		221,499,462	62.314

ANALYSIS OF SHAREHOLDINGS (CONTINUED)



SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS AT 27 SEPTEMBER 2024

<u>No.</u>	<u>Name of Shareholder</u>	<u>Direct Interest</u>	<u>%</u>	<u>Deemed Interest</u>	<u>%</u>
1	Dato' Sri Leo Suresh Ariyanayakam	92,636,863	26.06%	0	0.00%
2	Krishnan A/L C K Menon	21,134,520	5.95%	3,518,704 ¹	0.99%
3	Sreekumar A/L P Narayana Pillai	20,000,000	5.63%	3,518,704 ¹	0.99%

¹ Deemed interested by virtue of his shareholdings in Netinsat Asia Sdn Bhd

DIRECTORS' SHAREHOLDINGS AS AT 27 SEPTEMBER 2024

<u>No.</u>	<u>Name of Director</u>	<u>Direct Interest</u>	<u>%</u>	<u>Deemed Interest</u>	<u>%</u>
1	Dato' Sri Leo Suresh Ariyanayakam	92,636,863	26.06%	0	0.00%
2	Krishnan A/L C K Menon	21,134,520	5.95%	3,518,704 ¹	0.99%
3	Dato' Nicholas John Lough @ Sharif Lough bin Abdullah	1,045,000	0.29%	1,063,000 ²	0.30%
4	Mahani Binti Amat	0	0.00%	0	0.00%
5	Datuk (Dr.) Joseph Dominic Silva	0	0.00%	0	0.00%
6	Mior Mokhtar Bin Mior Abu Bakar	0	0.00%	0	0.00%
7	Elakumari A/P Kantilal	0	0.00%	0	0.00%

¹ Deemed interested by virtue of his shareholdings in Netinsat Asia Sdn Bhd

² Deemed interested by virtue of his shareholdings in Melewar Leisure Sdn Bhd

GLOSSARY OF ABBREVIATIONS



AAPG	Assurance Practice Guide
ABAC	Anti-Bribery and Anti-Corruption Policy
AC	Audit Committee
Act	Companies Act 2016
AGM	Annual General Meeting
AI	Artificial Intelligence
APS	Advanced Passenger Screening
B2B	Business to business
B2C	Business to consumer
BCP	Business continuity planning
Board	Board of Directors
BPO	Business Process Outsourcing
Bursa Securities	Bursa Malaysia Securities Berhad
CAGR	Compound Annual Growth Rate
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CG Report	Corporate Governance Report
CGT	Capital Gains Tax
CMMI	Capability Maturity Model Integration
COO	Chief Operating Officer
Code	Code of Business Ethics and Conduct
CTO	Chief Technology Officer
CX	Customer Experience
DTA	Deferred Tax Assets
EAD	Exposure at Default
ECL	Expected Credit Loss
eKYC	Know Your Customer
EPS	Earnings per Share
ESG	Environmental, Social and Governance
EV	Electric Vehicle
FVTPL	Fair Value Through Profit or Loss
FVOCI	Fair Value Other Comprehensive Income
FY	Financial Year
GDPR	General Data Protection Regulation
GHG	Greenhouse Gas Emissions

GLOSSARY OF ABBREVIATIONS (CONTINUED)



Gov-Tech	Government Technology
HR	Human Resource
IAOP	International Association of Outsourcing Professionals
IESBA	International Ethics Standards Board for Accountants
INR	Indian Rupee
IOT	Internet of Things
IP	Intellectual Property
IPO	Initial Public Offering
IPPF	International Professional Practices Framework
ISO	International Organisation for Standardisation
IT	Information Technology
IVR	Interactive Voice Response
KL	Kuala Lumpur
KPI	Key Performance Indicator
kWh	kilowatt-hours
LED	Light Emitting Diode
LGD	Loss Given Default
LLM	Large Language Models
LMS	Learning Management System
LOA	Limits of Authority
MASB	Malaysian Accounting Standards Board
MCCG	Malaysian Code on Corporate Governance
MFRS	Malaysia Financial Reporting Standards
ML	Machine Learning
MMLR	Main Market Listing Requirements
MSC	Multimedia Super Corridor
MQA	Malaysian Qualification Agency
NLP	Natural Language Processing
NRC	Nominating and Remuneration Committee
OCI	Other Comprehensive Income
OHS	Occupational Health and Safety
PBT	Profit Before Taxation
PD	Probability of Default
PDPA	Personal Data Protection Act

GLOSSARY OF ABBREVIATIONS (CONTINUED)



PPP	Public-Private Partnership
PwC	PricewaterhouseCoopers PLT
RM	Ringgit Malaysia
RPA	Robotic Process Automation
RSC	Risk and Sustainability Committee
ROU	Right-Of-Use
Scicom	Scicom (MSC) Berhad
Scicom Academy	Scicom (Academy) Sdn Bhd
Scicom (UK)	Scicom International (UK) Limited
SCP	Service Capability & Performance
SDG	Sustainable Development Goals
SEG	Scicom Education Group
SeLMS	Scicom eLearning Management System
SML	SciSolutions (Mauritius) Limited
SMT	Senior Management Team
SLPL	Scicom Lanka (Private) Limited
SOC	Security Operating Centre
SOP	Standard Operating Procedure
SPPI	Solely Payment of Principal and Interest
SSPA	Service and Support Professionals Association
Statement	Directors' Statement on Internal Control
SVP	Senior Vice President
TOR	Terms of Reference
The Company	Scicom (MSC) Berhad
The Group	Scicom (MSC) Berhad and its subsidiaries
UK	United Kingdom
USA	United States of America
USD	United States Dollar
VCOC	Vendor Code of Conduct
VIU	Value-In-Use

GROUP DIRECTORY



Scicom (MSC) Berhad

25th Floor, Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur Malaysia
Tel : 603 2162 1088
Fax : 603 2164 9820
Email : business@scicom.com.my

2nd Floor, Mercu MQA 3539,
Jalan Teknokrat 7
63000 Cyberjaya
Selangor Darul Ehsan Malaysia

Scicom E Solutions Sdn Bhd

25th Floor, Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur Malaysia
Tel : 603 2162 1088
Fax : 603 2164 9820

2nd Floor, Mercu MQA 3539,
Jalan Teknokrat 7
63000 Cyberjaya
Selangor Darul Ehsan Malaysia

Scicom (Academy) Sdn Bhd

25th Floor, Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur Malaysia
Tel : 603 2162 1088
Fax : 603 2164 9820

Scicom International College Sdn Bhd

25th Floor, Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur Malaysia
Tel : 603 2162 1088
Fax : 603 2164 9820

Mediconnect Sdn Bhd

25th Floor, Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur Malaysia
Tel : 603 2162 1088
Fax : 603 2164 9820

Scicom Lanka (Private) Limited

466, Galle Road,
Colombo 3, Sri Lanka
Tel : 94 11 5882885

PT Scicom Indonesia

Sampoerna Strategic Square
South Tower Level 30
Jl. Jendral Sudirman Kav. 45 - 46
Karet Semanggi, Setiabudi
Jakarta Selatan, DKI Jakarta
12930, Indonesia

Scicom Inc

234, Waukegan Road Glenview,
Illinois 60025 United States of America

Scicom Contact Centre Services Private Limited

124/125, Nenapu, Ground Floor,
Soundarya Layout, Hessarghatta Road,
Bangalore, 560073 India

Scicom Cambodia Co., Ltd

No. 33, Street 29 Corner Street 294
Phum 4, Sangkat Tonle Bassac
Khan Chamkarmorn, 120301 Phnom Penh

NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the Twenty-Second Annual General Meeting of the Company will be held at Banyan & Casuarina, Ground Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, W. P. Kuala Lumpur, Malaysia on Wednesday, 11 December 2024 at 10.00 a.m. to transact the following businesses: -

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2024 together with the Reports of the Directors and Auditors thereon. (Please refer to the Explanatory Notes to the Agenda)

2. To approve the payment of Directors' fees to the following Non-Executive Directors for the financial year ended 30 June 2024:-

(i) Krishnan A/L C. K. Menon – RM120,000	(Ordinary Resolution 1)
(ii) Dato' Nicholas John Lough @ Sharif Lough Bin Abdullah – RM92,644	(Ordinary Resolution 2)
(iii) Mahani Binti Amat – RM100,000	(Ordinary Resolution 3)
(iv) Datuk (Dr.) Joseph Dominic Silva – RM102,932	(Ordinary Resolution 4)
(v) The late Fa'izah Binti Mohamed Amin – RM83,822	(Ordinary Resolution 5)
(vi) Mior Mokhtar Bin Mior Abu Bakar – RM85,000	(Ordinary Resolution 6)
(vii) Elakumari A/P Kantilal – RM78,822	(Ordinary Resolution 7)

3. To re-elect the following Directors who are retiring pursuant to Clause 76(3) of the Constitution of the Company:-

(i) Krishnan A/L C. K. Menon	(Ordinary Resolution 8)
(ii) Dato' Nicholas John Lough @ Sharif Lough Bin Abdullah	(Ordinary Resolution 9)

4. To re-appoint PricewaterhouseCoopers PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. (Ordinary Resolution 10)

Special Business

5. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** (Ordinary Resolution 11)

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approval of the relevant government/ regulatory authorities, where such approval is necessary, the Directors of the Company be and are hereby empowered to issue and allot shares in the Company from time to time until the conclusion of the next Annual General Meeting ("AGM"), at such price and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution, when aggregated with the total number of such shares issued during the preceding twelve (12) months does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company held after

NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING



5. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 (CONTINUED)** (Ordinary Resolution 11)

the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier, unless revoked or varied by an ordinary resolution of the Company at a general meeting.”

6. **CONTINUATION IN OFFICE OF DATO’ NICHOLAS JOHN LOUGH @ SHARIF LOUGH BIN ABDULLAH AS INDEPENDENT NON-EXECUTIVE DIRECTOR** (Ordinary Resolution 12)

“THAT authority be and is hereby given to Dato’ Nicholas John Lough @ Sharif Lough Bin Abdullah who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue in office as an Independent Non-Executive Director of the Company until the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance.”

7. To transact any other business of which due notice shall have been given in accordance with the Constitution of the Company and the Companies Act 2016.

By Order of the Board

NG SIEW MEE (MAICSA 7071920) (SSM PC No. 202308000561)

TE HOCK WEE (MAICSA 7054787) (SSM PC No. 202008002124)

Company Secretaries

Kuala Lumpur

30 October 2024

NOTES:-

1. For the purpose of determining who shall be entitled to attend this Twenty-Second Annual General Meeting (“22nd AGM”), the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 5 December 2024. Only a member whose name appears on this Record of Depositors shall be entitled to attend this 22nd AGM or appoint a proxy to attend, speak and vote on his/her behalf.
2. A member who is entitled to attend and vote in this 22nd AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, speak and vote in his/her place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to attend, speak and vote instead of the member at the 22nd AGM.
4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“Central Depositories Act”), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING



NOTES:- (CONTINUED)

5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
7. The appointment of a proxy may be made in a hard copy form or by electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 22nd AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, this proxy form must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W. P. Kuala Lumpur, Malaysia, or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W. P. Kuala Lumpur, Malaysia.
 - (ii) By electronic means via Tricor System, TIIH Online
The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Kindly refer to the Administrative Guide for the 22nd AGM on the procedures for electronic submission of proxy form via TIIH Online.
8. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
9. Last day, date and time for lodging the proxy form is **Monday, 9 December 2024 at 10.00 a.m.**
10. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W. P. Kuala Lumpur, Malaysia or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W. P. Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 22nd AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING



NOTES:- (CONTINUED)

11. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W. P. Kuala Lumpur, Malaysia or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W. P. Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, one of whom shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
12. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by poll.

EXPLANATORY NOTES TO THE AGENDA:

(i) Item 1 on the Agenda - Audited Financial Statements for the financial year ended 30 June 2024

This item is meant for discussion only. The provision of Sections 248(2) and 340(1)(a) of the Companies Act 2016 require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its Annual General Meeting. As such, this agenda item is not a business which requires a motion to be put forward to vote by shareholders.

(ii) Ordinary Resolutions 1 to 7 - Directors' fees for the financial year ended 30 June 2024

The proposed Ordinary Resolutions 1 to 7, if passed, will facilitate the payment of Directors' fees for the financial year ended 30 June 2024, details of which are disclosed in the Corporate Governance Overview Statement of the Annual Report 2024 and Corporate Governance Report. The Directors' fees payable includes fees payable to Independent Non-Executive Directors and Non-Independent Non-Executive Chairman of the Company.

(iii) Ordinary Resolutions 8 and 9 - Re-election of Directors

Krishnan A/L C. K. Menon and Dato' Nicholas John Lough @ Sharif Lough Bin Abdullah are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 22nd AGM.

Their profiles are disclosed in the Board of Directors' Profile of the Annual Report 2024.

NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING



EXPLANATORY NOTES TO THE AGENDA: (CONTINUED)

The retiring Directors have no conflict of interest with the Company and have no family relationship with any Director and/or major shareholder of the Company. The Nominating and Remuneration Committee ("NRC") has considered the performance and contribution, time and commitment, and fit and proper criteria of the retiring Directors. Based on the recommendation of the NRC, the Board is supportive of their re-election based on the following justifications:-

(a) Ordinary Resolution 8 – Re-election of Krishnan A/L C. K. Menon as Director of the Company

Krishnan A/L C. K. Menon is a Non-Independent Non-Executive Chairman of the Company. He has demonstrated his chairmanship through his engagement in Board meetings. He also exercised due care and carried out his professional duty proficiently as a Non-Independent Non-Executive Chairman of the Company.

(b) Ordinary Resolution 9 – Re-election of Dato' Nicholas John Lough @ Sharif Lough Bin Abdullah as Director of the Company

Dato' Nicholas John Lough @ Sharif Lough Bin Abdullah is an Independent Non-Executive Director of the Company. He has demonstrated his independence through his engagement in Board and Board Committees meetings by giving valuable feedbacks for Board's deliberation and decision-making process.

(iv) Ordinary Resolution 10 - Re-appointment of Auditors

The Board had, through the Audit Committee, considered the re-appointment of PricewaterhouseCoopers PLT as the Auditors of the Company. The factors considered by the Audit Committee in making the recommendation to the Board to table their re-appointment at the 22nd AGM are disclosed in the Audit Committee Report of the Annual Report 2024.

(v) Ordinary Resolution 11 – Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

This proposed resolution, if passed, will empower the Directors to issue and allot up to a maximum of 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier.

This is a renewal of the mandate obtained from shareholders at the last Annual General Meeting held on 30 November 2023. The mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time.

The purpose of this general mandate, if passed, will enable the Directors to take swift action in the event of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 30 November 2023 and the mandate will lapse at the conclusion of the 22nd AGM.

NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING



EXPLANATORY NOTES TO THE AGENDA: (CONTINUED)

(vi) Ordinary Resolution 12 – Continuation in office of Dato' Nicholas John Lough @ Sharif Lough Bin Abdullah as Independent Non-Executive Director

Dato' Nicholas John Lough @ Sharif Lough Bin Abdullah has served as an Independent Non-Executive Director of the Company since 14 May 2014.

The Board had, through the NRC, carried out the necessary assessment on Dato' Nicholas John Lough @ Sharif Lough Bin Abdullah and recommended that he continues act as an Independent Non-Executive Director of the Company based on the following justifications:-

- (a) He met the independence criteria as set out in Main Market Listing Requirements of Bursa Malaysia Securities Berhad; and
- (b) His length of service on the Board has not affected his ability to display high level of integrity and exercise independent judgement and decision-making while acting in the best interests of the Company, shareholders and stakeholders, and is able to express unbiased views without any influence.

PROXY FORM



SCICOM (MSC) BERHAD (200201029763) (597426-H)
(Incorporated in Malaysia)

CDS Account No.

No. of shares held

I/We.....
[FULL NAME IN BLOCK, NRIC/PASSPORT/COMPANY NO.]

TELEPHONE NO.

of.....
[FULL ADDRESS]

being member(s) of **SCICOM (MSC) BERHAD** hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairperson of the Meeting, as my/our proxy/proxies to vote for me/us and on my/our behalf at the Twenty-Second Annual General Meeting of the Company which will be held at Banyan & Casuarina, Ground Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, W. P. Kuala Lumpur, Malaysia on **Wednesday, 11 December 2024 at 10.00 am.** or at any adjournment thereof, and to vote as indicated below:

Description of Resolution	Resolution	FOR	AGAINST
To approve the payment of Director's fee to Krishnan A/L C. K. Menon amounting to RM120,000.	Ordinary Resolution 1		
To approve the payment of Director's fee to Dato' Nicholas John Lough @ Sharif Lough Bin Abdullah amounting to RM92,644.	Ordinary Resolution 2		
To approve the payment of Director's fee to Mahani Binti Amat amounting to RM100,000.	Ordinary Resolution 3		
To approve the payment of Director's fee to Datuk (Dr.) Joseph Dominic Silva amounting to RM102,932.	Ordinary Resolution 4		
To approve the payment of Director's fee to the late Fa'izah Binti Mohamed Amin amounting to RM83,822.	Ordinary Resolution 5		
To approve the payment of Director's fee to Mior Mokhtar Bin Mior Abu Bakar amounting to RM85,000.	Ordinary Resolution 6		
To approve the payment of Director's fee to Elakumari A/P Kantilal amounting to RM78,822.	Ordinary Resolution 7		
To re-elect Krishnan A/L C. K. Menon as Director.	Ordinary Resolution 8		
To re-elect Dato' Nicholas John Lough @ Sharif Lough Bin Abdullah as Director.	Ordinary Resolution 9		
To re-appoint PricewaterhouseCoopers PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	Ordinary Resolution 10		
Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.	Ordinary Resolution 11		
Continuation in office of Dato' Nicholas John Lough @ Sharif Lough Bin Abdullah as Independent Non-Executive Director.	Ordinary Resolution 12		

PROXY FORM (CONTINUED)



Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this _____ day of _____ 2024

Signature#
Member

* Manner of execution:

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - (i) at least two (2) authorised officers, one of whom shall be a director; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

NOTES:-

1. For the purpose of determining who shall be entitled to attend this Twenty-Second Annual General Meeting ("22nd AGM"), the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 5 December 2024. Only a member whose name appears on this Record of Depositors shall be entitled to attend this 22nd AGM or appoint a proxy to attend, speak and vote on his/her behalf.
2. A member who is entitled to attend and vote in this 22nd AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, speak and vote in his/her place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to attend, speak and vote instead of the member at the 22nd AGM.
4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
7. The appointment of a proxy may be made in a hard copy form or by electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 22nd AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, this proxy form must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W. P. Kuala Lumpur, Malaysia, or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W. P. Kuala Lumpur, Malaysia.
 - (ii) By electronic means via TIH Online website at <https://tjih.online>
The proxy form can be electronically lodged with the Share Registrar of the Company via TIH Online at <https://tjih.online>. Kindly refer to the Administrative Guide for the 22nd AGM on the procedures for electronic submission of proxy form via TIH Online.
8. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
9. Last day, date and time for lodging the proxy form is **Monday, 9 December 2024 at 10.00 a.m.**
10. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W. P. Kuala Lumpur, Malaysia or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W. P. Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 22nd AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

PROXY FORM (CONTINUED)



NOTES:- (CONTINUED)

11. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W. P. Kuala Lumpur, Malaysia or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W. P. Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, one of whom shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
12. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by poll.



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