

SCICOM (MSC) BERHAD
200201029763 (597426-H)
(Incorporated in Malaysia)

Minutes of the Nineteenth Annual General Meeting (“19th AGM”) of the Company conducted entirely through live streaming from the broadcast venue at Scicom (MSC) Berhad, Kuala Lumpur Meeting Room, 9th Floor Menara TA One, 22, Jalan P. Ramlee, 50250 Kuala Lumpur, W. P. Kuala Lumpur, Malaysia (“Broadcast Venue”) on Friday, 26 November 2021 at 10.00 a.m.

Present at Broadcast Venue : Krishnan A/L C K Menon – Non-Independent Non-Executive Chairman
Dato’ Sri Leo Suresh Ariyanayakam (“Dato’ Sri Leo”) – Executive Director/ Chief Executive Officer (“CEO”)
Dato’ Nicholas John Lough @ Sharif Lough Bin Abdullah – Independent Non-Executive Director

Present via Video Conferencing : Dato’ Mohd Salleh Bin Hj Harun – Non-Independent Non-Executive Director
Puan Mahani Binti Amat – Independent Non-Executive Director
Datuk Joseph Dominic Silva – Independent Non-Executive Director
Ms Karen Judith Goonting – Independent Non-Executive Director
Mr Kelvin Loke Cheong Hian – Chief Financial Officer (“CFO”)
Ms Te Hock Wee – Company Secretary
Mr Irvin Meneze – Representative of PricewaterhouseCoopers PLT
Ms Lim Lee Tze } Representatives of Tricor Corporate Services
Ms Ng Siew Mee } Sdn. Bhd.

The attendance of members/corporate representatives/proxies is as per the Summary of Attendance List via Remote Participation and Voting (“RPV”).

1. CHAIRMAN

The Chairman, Krishnan A/L C K Menon, welcomed the shareholders, proxies and invitees who participated in the 19th AGM of the Company. He then introduced the members of the Board, the CFO, the Company Secretary and the External Auditors.

The notice of the 19th AGM, having been circulated to all the shareholders of the Company within the statutory period, was taken as read.

2. QUORUM

The Chairman informed that for a virtual general meeting, the quorum shall be determined by the number of shareholders and proxies who logged in at the commencement of the meeting.

With the requisite quorum being present, the Chairman called the meeting to order.

3. POLLING AND ADMINISTRATIVE MATTERS

The Chairman informed that all resolutions set out in the notice of general meeting must be voted by poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The polling process would be conducted after all items on the agenda have been dealt with.

The Chairman informed that the Company had appointed Tricor Investor & Issuing House Services Sdn Bhd as Poll Administrator to facilitate the poll voting process and Coopers Professional Scrutineers Sdn Bhd as Independent Scrutineer to verify the poll results.

The guide on the remote voting procedures and the manner to pose questions at the meeting through the RPV application were presented to the shareholders and proxies.

Dato' Sri Leo, the CEO then presented the overview of the current year's financial performance and the Group's strategy and focus on the years ahead to the shareholders.

The Chairman informed that the Company had received some questions from the Minority Shareholders Watch Group ("MSWG"). The CEO then presented the Company's responses to the questions raised by MSWG for the interest of the shareholders. The summary of the presentation, as set out in Appendix A attached, forms part of this Minutes.

4. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Audited Financial Statements for the financial year ended 30 June 2021, together with the Reports of the Directors and Auditors thereon ("AFS 2021"), having been circulated to all the shareholders of the Company within the statutory period, were tabled to the meeting for discussion.

The Chairman informed that the AFS 2021 were meant for discussion only as it does not require a formal approval from the shareholders. Hence, it was not put forward for voting. The Chairman further informed that the Board would address the questions raised by the shareholders or proxies during the Questions and Answers ("Q&A") session, which would be carried after all items on the agenda were dealt with.

Accordingly, the Chairman declared that the AFS 2021 were duly received by the shareholders.

5. ORDINARY RESOLUTIONS 1 TO 5

Thereafter, the Chairman went through each of the motions set out in the notice of the 19th AGM.

6. Q&A SESSION

The Chairman informed that the Company had not received any notice for other business to be transacted at this meeting pursuant to the Constitution of the Company and the Companies Act 2016.

The meeting continued with the Q&A session. Questions raised by shareholders and proxies that were submitted in advance of the meeting and also during the meeting were addressed by the CEO succinctly. The summary of the questions and answers, which forms part of this Minutes was set out in Appendix A attached herein.

7. POLL VOTING SESSION

After dealing with all questions raised, the shareholders and proxies were invited to cast their vote remotely.

After which, the meeting was adjourned for the tabulation of poll results by the Independent Scrutineer.

8. ANNOUNCEMENT OF POLL RESULTS

The meeting resumed at 11.20 a.m. after obtaining the poll results from the Independent Scrutineer. The results of the poll were presented to the meeting and the Chairman declared that all resolutions set out in the notice of 19th AGM were carried, as follows:-

Ordinary Resolution 1

Payment of Directors' Fees of RM505,466.00 for the Financial Year Ended 30 June 2021

By a vote of 170,275,037 shares (representing 99.8983%) voted for and 173,305 shares (representing 0.1017%) voted against the resolution, it was **RESOLVED**:-

THAT the payment of Directors' fees of RM505,466.00 for the financial year ended 30 June 2021 be and is hereby approved.

Ordinary Resolution 2

Re-election of Krishnan A/L C K Menon who is retiring in accordance with Clause 76(3) of the Constitution of the Company

By a vote of 172,330,633 shares (representing 99.9508%) voted for and 84,809 shares (representing 0.0492%) voted against the resolution, it was **RESOLVED**:-

THAT Krishnan A/L C K Menon, who retired pursuant to Clause 76(3) of the Company's Constitution, be and is hereby re-elected as Director of the Company.

Ordinary Resolution 3

Re-election of Dato' Nicholas John Lough @ Sharif Lough Bin Abdullah who is retiring in accordance with Clause 76(3) of the Constitution of the Company

By a vote of 172,971,553 shares (representing 99.9549%) voted for and 78,109 shares (representing 0.0451%) voted against the resolution, it was **RESOLVED**:-

THAT Dato' Nicholas John Lough @ Sharif Lough Bin Abdullah, who retired pursuant to Clause 76(3) of the Company's Constitution, be and is hereby re-elected as Director of the Company.

Ordinary Resolution 4

Re-appointment of PricewaterhouseCoopers PLT as Auditors of the Company and authorisation to Directors to fix their remuneration

By a vote of 172,973,654 shares (representing 99.9559%) voted for and 76,308 shares (representing 0.0441%) voted against the resolution, it was **RESOLVED**:-

THAT PricewaterhouseCoopers PLT be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration.

Ordinary Resolution 5

Authority to issue and allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016

By a vote of 172,910,708 shares (representing 99.9043%) voted for and 165,654 shares (representing 0.0957%) voted against the resolution, it was **RESOLVED**:-

THAT, pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”) and subject to the Constitution of the Company, the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals 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 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 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 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.

9. CLOSURE OF MEETING

There being no further business, the meeting closed at 11.21 a.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

CHAIRMAN

Dated: 23 December 2021

SCICOM (MSC) BERHAD [200201029763 (597426-H)]
(“SCICOM” OR “THE COMPANY”)
(Incorporated in Malaysia)

SUMMARY OF QUESTIONS AND ANSWERS POSED FOR THE NINETEENTH ANNUAL GENERAL MEETING (“AGM”) OF THE COMPANY CONDUCTED ENTIRELY THROUGH LIVE STREAMING FROM THE BROADCAST VENUE AT SCICOM (MSC) BERHAD, KUALA LUMPUR MEETING ROOM, 9TH FLOOR MENARA TA ONE, 22, JALAN P. RAMLEE, 50250 KUALA LUMPUR, W. P. KUALA LUMPUR, MALAYSIA ON FRIDAY, 26 NOVEMBER 2021 AT 10.00 A.M.

1. The following are questions raised by the Minority Shareholders Watch Group and the responses from the Company:-

Operational and Financial Matters

Q1 : In the financial year 2021 (“FY2021”), Scicom recorded a net increase (excluding discontinued projects) of 19.2% or RM34.87 million in revenue to RM216.2 million (page 39 of Annual Report 2021).

(a) Looking forward to financial year 2022 (“FY2022”), what will be the catalysts driving higher revenue contribution from existing clients especially in Scicom’s Malaysia home market?

(b) Due to discontinuation of some projects, Scicom recorded a RM7.02 million loss in revenue in FY2021. What is the expected impact of discontinued projects on Scicom’s topline in FY2022?

A1 : The growth in revenue was mainly driven by the increase in revenue from existing clients amounting to RM39.72 million, on the back of higher billable headcount for Business Process Outsourcing (“BPO”) operations and expansion of services for existing clients.

(a) Our customers’ needs could potentially grow in tandem as the economy slowly reopens from COVID-19 lockdown.

(b) Overall the Group’s topline revenue is expected to improve with new billable headcount from existing and new clients.

Q2 : Four (financial year 2020 (“FY2020”): five) individual customers representing 7% (FY2020: 9%) of total Scicom’s customers contributed 72% (FY2020: 75%) of the Group’s revenue in FY2021 (Note 5 – Segment Reporting, page 144 of Annual Report 2021).

(a) What are the industries that these customers are involved in?

(b) To what extent will a slowdown (if there is one) in the customers’ industries affect Scicom’s financial performance?

(c) Is there any risk of non-renewal of contract from these major clients in FY2022?

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- A2 : (a) In no particular order – e-commerce, education, consumer electronics and leisure.
- (b) Any economic slowdown in a customer’s industry will impact transactional volumes and hence may impact Scicom negatively. However, Scicom’s diversified customer base will tend to mitigate this risk.
- (c) Non-renewal of contracts is a normal course of business and Scicom has always managed this challenge.

Q3 : Scicom made RM2.36 million provision for impairment of trade receivables in FY2021 (page 108 of Annual Report 2021).

- (a) **Who are the debtors of these long outstanding trade receivables? Please include details such as industry, country, amount due, overdue period etc.**
- (b) **What actions have been taken to recover the said amount?**
- (c) **How likely are the recovery of these impairments?**

- A3 : (a) Client identity and details are private and confidential. We can confirm that the client is based in Malaysia.
- (b) Regular communication and negotiation.
- (c) The Company is in constant communication with the client regarding the outstanding invoices and negotiation is ongoing.

Q4 : As of 30 June 2021, Scicom’s investments in cash funds amounted to RM25.37 million (FY2020: RM23.41 million). The investment in cash funds comprises investment in money market and medium-term income funds.

What is the average yield generated by the money market and medium-term income funds?

A4 : 2.31%.

Corporate Governance Matters

Q1 : Scicom has outsourced its internal audit (“IA”) function to Tricor Axcelasia Sdn Bhd, a third-party internal audit service firm (page 40 of Corporate Governance Report 2021).

- (a) **How many audits were performed by Tricor Axcelasia Sdn Bhd in FY2021? How many IA reports were issued during the year?**
- (b) **What were the main recommendations, area of improvements and observations raised by Tricor Axcelasia Sdn Bhd in FY2021?**

A1 : (a) Tricor Axcelasia Sdn Bhd (“Axcelasia”) conducted 4 internal audits during FY2021 and subsequently issued 4 internal audit reports during the financial year.

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- (b) Axcelasia had audited shared service functions and operational audits on key clients. In addition, Axcelasia had conducted review on all the standard operating procedures (“SOP”) put in place by shared service functions. The key recommendations raised by Axcelasia include:
- Enhancement to processes with regard to contract management (timeliness of executing contracts with clients).
 - Enhancement to processes with regard to project implementation management (documentation on logical access controls).
 - Enhancement to processes with regard to management information system (to update SOP to reflect current practices).
 - Enhancement to the handling process of Information and Communication Technologies (ICT) Helpdesk tickets raised by employees.
 - Enhancement to Finance processes with regard to debit/credit note issuance, journal vouchers and bad debts write off.
 - Enhancement to anti-bribery and anti-corruption policy and associated procedures with regard to due diligence, communication and training.

The following questions and answers were dealt with during the 19th AGM:-

- Q1 : (a) The current headcount of Scicom, and the headcount and quarterly sales target to sustain Scicom’s growth.**
(b) The total number of clients of Scicom.
(c) If the Company will consider on bonus issue.
(d) Requested not to receive private and confidential as a response to the questions raised.
- A1 : (a) Scicom currently has about 3,908 headcounts.
(b) Scicom currently has 43 clients.
(c) The Board and Management do not have plan for bonus issue for the time being.
(d) Some information relating to clients is indeed private and confidential.
- Q2 : (a) If there is any upcoming new customer, and the projected contract value for the financial year ending 30 June 2022.**
(b) The education business outlook for FY2022.
- A2 : (a) Yes, there will be new customers as Scicom has a healthy sales pipeline. Management will not divulge details of projected contract value as it may mislead the public since the projection may not precisely actualise as future earnings.
(b) Scicom’s education business will be focused on promoting online learning. Accordingly, Scicom has developed Scicom Learning Management System (SeLMS) for the Group’s internal training and would take it to the market in the near future.
- Q3 : If the Board would consider providing e-voucher for those participating the AGM.**
- A3 : The Company rewards shareholders with dividends, rather than e-vouchers.
- Q4 : (a) RM13.3 million was spent for new BPO project, will this capital expenditure bring at least 20% revenue growth to the Company? And if the contribution will be reflected in first quarter of FY2022.**
(b) The action taken to secure the 3 major clients in FY2021.

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- (c) **If there is any new demand for BPO, e.g. client in food delivery service, and any negative change to the Company besides business loss in tourism/ leisure sector.**
 - (d) **Will big players of the same industry engage same BPO service provider like Scicom, due to reasons such as conflict of interest.**
 - (e) **Will the increase in staff headcount of more than 40%, from 2,338 to 3,320 staff, lead to 20-30% growth in revenue or profit in FY2022? Will there be similar headcount growth for FY2022.**
- A4 : (a) That is the capital expenditure incurred under the ordinary course of business, typically incurred when new projects from large customers are secured. The cost incurred will be recovered over a period of time.
- (b) Scicom secures new projects by responding to request for proposal (RFP)/ tenders, and won those tenders based on experience possessed, proven track record and competitive pricing.
- (c) There is continuous demand for BPO. Scicom did not have client in food delivery service. Management foresees a positive change to companies in the tourism sector post COVID-19 pandemic.
- (d) Giant e-commerce or airline players normally do not engage the same BPO provider.
- (e) Management is not able to commit to an expected revenue growth but will strive to sustain the Company's growth. Management also foresees a continuous growth in staff headcount in FY2022.
- Q5 : (a) **The status of court case with EMGS.**
- (b) **The opportunities in overseas market, and the Group's strategy in securing new projects in FY2022.**
- (c) **BPO revenue decreased RM16.07 million in first quarter of FY2021, the decrease mainly contributed from tourism, leisure and education segment. Are the clients in these segments still engaging Scicom?**
- (d) **The recovery of Scicom's clients in tourism, leisure and education segments following the relaxation of the Movement Control Order ("MCO"), and if the recovery had/will contribute to Scicom's financial performance in FY2021 or FY2022.**
- (e) **The rationale of not disclosing sales value from major customers.**
- A5 : (a) Scicom is exploring options with EMGS and hope to bring the matter to a closure.
- (b) All countries had lockdown in the past 2 years due to COVID-19 pandemic. Management foresees a recovery in the overseas market in FY2022.
- (c) Yes, those clients are still maintaining their engagement with Scicom.
- (d) It would probably take 6 months to a year's time for the tourism, leisure and education sectors to recover as the economy reopens.
- (e) Management will not divulge such sensitive information.
- Q6 : (a) **During the 18th AGM of the Company, it was shared that business in United States of America ("US") and United Kingdom ("UK") had decreased for more than 90% due to COVID-19. What is the business status in these countries?**
- (b) **The estimated tender value for FY2022.**
- (c) **If Scicom is the sole service provider for the 4 major customers in FY2021.**
- (d) **How will the merger of telecommunication players affect the demand for Scicom's BPO services?**
- (e) **The chance of collecting the receivables of RM2.34 million in the first half of FY2022, which had been impaired in the fourth quarter of FY2021.**

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- A6 : (a) The clients in US and UK are no longer with Scicom, and Scicom is expecting new clients from Europe.
(b) Management will not divulge on forecasted tender value, as to avoid providing any view that may be misconstrued. Potential tender value does not necessarily correspond with future earnings.
(c) Scicom is the sole service provider for 3 out of the 4 major customers. Scicom is doing well with that 1 customer and has increased its share of the client's BPO business.
(d) Yes, Scicom has a client in the telecommunication sector, but is not aware of the client's business strategy. Hence, Scicom is not able to determine if the client's demand for Scicom's BPO services would change.
(e) Management is in the midst of negotiating with client on the collection and expects to collect the amount at soonest possible.
- Q7 : (a) The Company's staff headcount in 2021 and 2022.**
(b) The business development of new customer, and the prospect of FY2022.
- A7 : (a) The staff headcount was 3,320 as at 30 June 2021 and had increased to 3,908 to-date.
(b) Management is optimistic on the prospect of FY2022, as the Company has a healthy sales pipeline and countries borders are reopening post COVID-19 pandemic.
- Q8 : Scicom's prospect and the current net margin.**
- A8 : Scicom's prospect has been covered in the presentation provided earlier during the meeting, and the latest net margin of Scicom is 11.9% as disclosed in the Annual Report 2021.
- Q9 : The headcount of Scicom as of to-date.**
- A9 : As informed earlier, Scicom currently has about 3,908 staff.
- Q10 : Target to grow the share price and net profit of the Company.**
- A10 : Management's focus is to grow Scicom's bottom line and increase shareholders' value. Management believes that once the profit upward trend grows stronger, the market would respond accordingly.
- Q11 : (a) The update of e-government projects.**
(b) The development of e-government project in Sri Lanka.
(c) The status of business in Mauritius.
- A11 : (a) The question has been addressed in the Management's presentation earlier.
(b) The question has been addressed in the Management's presentation earlier.
(c) Potential contracts with government bodies are in discussion and negotiation. With the current border restrictions, the status would likely remain as such for the coming year.
- Q12 : (a) The Company's outlook.**
(b) The impact of MCO.
(c) Cost saving of conducting virtual AGM versus physical.
(d) If the Board would consider providing e-voucher for those participating the AGM remotely.

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- A12 : (a) The question has been addressed in the Management's presentation earlier.
(b) The Company had incurred approximately RM1.2 million for workplace health and safety initiatives, and work from home measures in FY2021.
(c) The cost saving from conducting virtual AGM is marginal. The conduct of virtual AGM was to contain the spread of COVID-19.
(d) The question has been addressed under A3 above.
- Q13 : (a) The details of 81% increased Property, Plant, and Equipment in FY2021.
(b) The expected revenue to be generated from increased headcounts.
(c) The chance of higher dividend payout in the near future.**
- A13 : (a) The capital expenditure in FY2021 was incurred for newly secured projects that will generate future contribution to the Group's revenue and bottom line.
(b) The question has been addressed under A4(e) above.
(c) The dividend payout is dependent on Scicom's profitability.
- Q14 : The date to release quarterly results for the first quarter ended 30 September 2021.**
- A14 : The quarterly results will be released on the same day of the AGM.
- Q15 : Management's anticipation on performance of FY2022.**
- A15 : Based on the Group's financial performance for the first quarter ended 30 September 2021 and prospects of securing new clients, Management expects FY2022's performance to be satisfactory and Scicom would be able to maintain the current growth momentum.
- Q16 : Impact of Malaysia's Budget 2022 to the Company.**
- A16 : There is no direct impact to Scicom. The Budget 2022 is aimed to restore the economy from COVID-19 pandemic which is viewed positively for Scicom Group.
- Q17 : The prospects of Gov-Tech businesses.**
- A17 : Scicom's proposition for Gov-Tech business as well as the need for such services in the market have been presented earlier. The presentation slides will be posted to Scicom's website after the AGM.
- Q18 : (a) The status of court case with EMGS and the chance to win the case.
(b) The business implication with EMGS due to the court case.**
- A18 : (a) The question has been addressed under A5(a) above.
(b) EMGS is still Scicom's customer and the engagement continues to contribute to the Company's business.
- Q19 : Will the Company hire more headcount in coming years?**
- A19 : The headcount of staff will be based on secured projects or tenders.
- Q20 : If Scicom had started to provide integrated border control service to government.**
- A20 : Scicom does not have such project at the moment. There have been several developing countries looking into Scicom's product and Scicom is pursuing for opportunities in this area.

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Q21 : If Scicom is involved in Lazada Customer Care system.

A21 : Customers' database or details will not be divulged.

Q22 : If the increase of headcount is to fit projects secured from existing customers or new customers.

A22 : A mixture of existing and new customers.

Q23 : The Company's prospect in coming years.

A23 : The question has been addressed in the Management's presentation earlier.

**Q24 : (a) If there are new customers in FY2021.
(b) The percentage of total turnover that Scicom's current largest customer accounts for.
(c) The update of e-government projects.
(d) Other areas or businesses to develop in addition to the BPO business.**

A24 : (a) Scicom has a healthy pipeline of new customers that Management is pursuing.
(b) Scicom does not disclose individual customer's contribution, the top 4 customers accounted for 72% of turnover in FY2021.
(c) The update has been covered under the Management's presentation earlier.
(d) It would be Gov-Tech and Health-Tech businesses.