

SECUREMETRIC BERHAD
Registration No. 201701019864 (1234029-D)
(Incorporated in Malaysia)

**MINUTES OF THE SEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF
THE COMPANY HELD AT AUDITORIUM HIVE 5, TAMAN TEKNOLOGI MRANTI,
LEBUHRAYA PUCHONG - SG. BESI, 57000 BUKIT JALIL, KUALA LUMPUR MALAYSIA
ON THURSDAY, 30 MAY 2024 AT 2.30 P.M.**

Board of Directors

Clifton Heath Fernandez (Chairman)
Law Seeh Key (Director/Chief Executive Officer)
Yong Kim Fui (Director/Chief Financial Officer)
Dato' Ng Wan Peng (Director)
Shireen Chia Yin Ting (Director)

In attendance

Wong Youn Kim (Company Secretary)

External Auditors

Lam Sook Fun (Messrs. UHY)
Michelle Lim (Messrs. UHY)
Sherine Lai (Messrs. UHY)
Samson Yeow (Messrs. UHY)

Shareholders & Proxies: As per Attendance List

1. **CHAIRMAN**

1.1 Clifton Heath Fernandez as Chairman of the Board chaired the meeting.

2. **QUORUM FOR THE MEETING**

2.1 Pursuant to Clause 70 of the Constitution of the Company, the Secretary confirmed that the meeting had a requisite quorum to proceed. The Chairman then called the meeting to order and welcomed all present to the Seventh Annual General Meeting (“AGM”) of the Company.

3. **NOTICE OF MEETING**

3.1 The notice of meeting, having been properly circulated to all the members on 29 April 2024, was taken as read without any objection from the members and proxies.

3.2 The Chairman then invited the Secretary to brief the meeting on the proceedings of the meeting and the voting procedures for the proposed six (6) ordinary resolutions as set out in the notice of meeting.

3.3 The Secretary, Ms Wong Youn Kim then proceeded to explain the meeting’s proceedings and the requirement for resolutions set out in the notice of the annual general meeting or notice of resolution to be voted by poll pursuant to the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), before inviting the Chairman to continue with the meeting’s proceedings.

4. **AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 AND THE REPORTS OF DIRECTORS AND AUDITORS THEREON**

4.1 The Audited Financial Statements (“AFS”) for the financial year ended 31 December 2023 together with the reports of the directors and auditors thereon were laid before the meeting pursuant to Section 248(2) of the Companies Act, 2016.

4.2 The Chairman informed the Meeting that the AFS was meant for discussion only as it would not require approval from the members in accordance with Section 248(1) and Section 340(1)(a) of the Companies Act 2016 (“Act”). Hence, this Agenda was not put forward for voting.

4.3 The Chairman invited questions pertaining to the financial statements from the members and proxies.

4.4 There being no further questions, the Chairman declared that the AFS for the financial year ended 31 December 2023 and the reports therein be and were hereby received pursuant to Section 248(2) of the Companies Act, 2016.

5. **TO APPROVE THE PAYMENT OF DIRECTORS’ FEES TO THE NON-EXECUTIVE DIRECTORS OF UP TO RM150,000.00 FROM SEVENTH ANNUAL GENERAL MEETING UNTIL THE NEXT ANNUAL GENERAL MEETING**

5.1 The Chairman informed the meeting that the next item on the agenda was to approve the payment of Directors’ fees to the Non-Executive Directors of up to RM150,000.00 from Seventh Annual General Meeting until the next Annual General Meeting.

5.2 On the proposal of Tan Poo Tien and seconded by Chew Yoke Wah, the Chairman put the following motion to the meeting for approval: -

“**THAT** the Directors’ fees to the Non-Executive Directors of up to RM150,000.00 from Seventh Annual General Meeting until the next Annual General Meeting be and is hereby approved”.

6. **TO APPROVE THE PAYMENT OF DIRECTORS’ ALLOWANCES TO THE NON-EXECUTIVE DIRECTORS OF UP TO RM10,000.00 FROM SEVENTH ANNUAL GENERAL MEETING UNTIL THE NEXT ANNUAL GENERAL MEETING**

6.1 The Chairman informed the meeting that the next item on the agenda was to approve the payment of Directors’ allowances to the Non-Executive Directors of up to RM10,000.00 from Seventh Annual General Meeting until the next Annual General Meeting.

6.2 On the proposal of Tan Poo Tien and seconded by Eva Koh Chia Ying, the Chairman put the following motion to the meeting for approval: -

“**THAT** the Directors’ allowances to the Non-Executive Directors of up to RM10,000.00 from Seventh Annual General Meeting until the next Annual General Meeting be and is hereby approved.”

7. RE-ELECTION OF DIRECTORS

7.1 The Chairman informed the meeting that the following Directors retired by rotation pursuant to Clause 97 of the Company's Constitution and being eligible, had offered themselves for re-election: -

- (a) Mr. Clifton Heath Fernandez
- (b) Dato' Ng Wan Peng

7.2 At this juncture, the Chairman excused himself and pass the chair to Dato' Ng Wan Peng to proceed with his own re-election as a Director of the Company. On the proposal of Eva Koh Chia Ying and seconded by Chew Yoke Wah, Dato' Ng Wan Peng put the following motion to the meeting for approval: -

"THAT Mr. Clifton Heath Fernandez who is retiring in accordance with Clause 97 of the Company's Constitution be and is hereby re-elected as Director of the Company."

7.3 At this juncture, Dato' Ng Wan Peng pass the chair back to the Chairman to continue with the next agenda. On the proposal of Tan Poo Tien and seconded by Teow Chee Keong, the Chairman put the following motion to the meeting for approval: -

"THAT Dato' Ng Wan Peng who is retiring in accordance with Clause 97 of the Company's Constitution be and is hereby re-elected as Director of the Company."

8. RE-APPOINTMENT OF MESSRS. UHY AS AUDITORS OF THE COMPANY

8.1 The Chairman informed that the Company's auditors, Messrs. UHY has indicated their willingness to continue in office as Auditors of the Company for the ensuing year.

8.2 On the proposal of Tan Poo Tien and seconded by Yen Chee Khan, the Chairman put the following motion to the meeting for approval: -

"THAT Messrs. UHY, be and are hereby re-appointed as auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration."

SPECIAL BUSINESS**9. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

9.1 The Chairman informed the meeting that the next item on the agenda was to consider and if thought fit, to pass an Ordinary Resolution authorising the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016 as set out in the notice for approval.

9.2 On the proposal of Eva Koh Chia Ying and seconded by Tan Poo Tien, the Chairman put the following motion to the meeting for approval: -

“**THAT** subject to the Companies Act, 2016, the Constitution of the Company and the approval from the relevant authorities, where such approval is necessary, the Directors be and are hereby authorised, pursuant to Section 76 of the Companies Act, 2016 to issue and allot shares in the Company at any time until the conclusion of the next Annual General Meeting 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 does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued.”

10. **ANY OTHER BUSINESS**

10.1 The Chairman sought confirmation from the Company Secretary whether the Company had received any notice to transact any other business which had been given in accordance with Section 309 of the Companies Act, 2016 and the Company’s Constitution. The Company Secretary confirmed that the Company had not received any notice for transact of any other business at the meeting.

10.2 The Chairman invited the company secretary to brief the meeting on the polling procedures where the whole polling process would be conducted in approximately 15 minutes with the declaration of the poll results. Boardroom Shares Registrars Sdn. Bhd. would conduct the poll and Usearch Corporate Services Sdn. Bhd. was appointed as the Independent Scrutineer to verify the poll results.

11. **QUESTIONS AND ANSWERS SESSION**

11.1 The questions raised by the members present at the meeting and the Company’s responses to the questions raised were as follows:

Question 1 raised by Tan Poo Tien

Can the Board of Directors share with shareholders the Company’s future prospects?

Respond from the Company

The management team has been actively expanding the business not only within Malaysia but also across the region. The Company requires a highly focused digital security provider to address areas such as public key infrastructures, digital signing, and authentication. A significant challenge faced is the decision-making cycle, which can sometimes take longer time than expected. This delay is partly due to the depreciation of the Ringgit Malaysia against the US Dollar, which has fallen by more than 10%. This currency fluctuation indirectly inflates the costs of some components sourced from Western counterparts. Large enterprises, particularly in Malaysia, the Philippine, Indonesia and Vietnam, are significantly affected by these increased costs due to the exchange rate, which also potentially delays some decisions.

Securemetric is actively engaged in-house innovation and has been expanding its R&D team since listing. The Company is committed to staying abreast of trends as these countries move toward digital transformation. Securemetric will continue to strive to deliver positive results for all shareholders.

Question 2 raised by Jeff Tan

Refer to Note 7, page 107 of the Annual Report on investment in an associate and other investments, the Group has an impairment loss of RM1.7 million on the investment in an associate and RM4 million on other investments. Could you provide insights on the prospect of these investment in the current or coming financial year? Will there be a turnaround, or is further impairment expected?

Respond from the Company

The Company is not participating in the management of Innov8tif Consortium Sdn. Bhd. (“Innov8tif”) and has disposed of some of its shares in Innov8tif. While there is an impairment loss of RM1.7 million on the investment in Innov8tif, the partial disposal has resulted in the receipt of other income.

Regarding the RM4 million impairment, as part of our standard practice, we annually assess all our investments against future cash flows to determine if any impairment is necessary. For this specific investment, the future cash flows did not align with the invested amount, necessitating the impairment. We will continue to evaluate all our investments on an annual basis.

Question 3 raised by Jeff Tan

What are the prospects for the other investments in the current financial year?

Respond from the Company

The Company has a total of three investments. Two of the investments are remain stable. However, for the investment that has been impaired, we will need to monitor its progress to determine future prospects.

Question 4 raised by Khow Cheah Yong

As mentioned earlier, Signing Cloud is a significant revenue contributor. Can you clarify which business segment it falls under? Is it more related to the digital segment or other related services? Also, what is the typical length of these contracts?

Respond from the Company

Signing Cloud has not yet to be itemised as an independent item. It is currently included under CENTAGATE®, a subsidiary of Signing Cloud Sdn. Bhd. Other related services in the accounting segment include Service Level Agreements (“SLAs”), support and maintenance contracts, and other services.

The length of these contracts can range from one to three years, depending on the customer's preference. SLAs are typically annual support agreements and are accounted for under "other services."

Question 5 raised by Jeff Tan

Regarding the SLA, can you provide a brief overview of the services included?

Respond from the Company

The Service Level Agreement ("SLA") encompasses software licenses implemented for our customers. To maintain a valid support contract, customers can access our support system whenever they need assistance, face issues, or require software updates. We offer 24/7 support operations to our regional customers. As long as customers have a valid contract with us, our engineers will provide the necessary support.

Question 6 raised by Jeff Tan

Is the SLA a fixed value contract for one year? What happens if additional scope or features are required?

Respond from the Company

The SLA is a fixed value per customer based on the initial system scope.

If additional features are required that are not part of our standard specifications, a customization fee will be required.

Question 7 raised by Alvin Yeo Taw Yong

Can you provide the total number of clients for your industry products?

Respond from the Company

The Company is unable to provide an exact number of clients due to the wide coverage of its business portfolio in niche areas. This includes security products and security devices. Across the entire region, the Company has hundreds of clients spanning various industries such as financial services ("FSI") banks, government, enterprises, and SMEs.

Question 8 raised by Kwek Chee Lee

Do you expect the implementation of e-invoicing to increase the number of Signing Cloud users?

Respond from the Company

The Company has several ongoing discussions regarding this matter. While we offer digital signing solution - Signing Cloud, we are not one of the four private entities authorised to issue digital IDs for signing. However, we can facilitate this process. For instance, if a company or accounting software provider wishes to integrate digital signing into their e-invoicing system, we can support that integration.

12. ANNOUNCEMENT OF POLL RESULTS

12.1 The Chairman called the meeting to order at 3.13 p.m. for the declaration of results. He informed that he had received the poll results from Usearch Corporate Services Sdn. Bhd. and read out the following poll results to the members and proxies present: -

12.2 **RESOLUTION 1: TO APPROVE THE PAYMENT OF DIRECTORS' FEES TO THE NON-EXECUTIVE DIRECTORS OF UP TO RM150,000.00 FROM SEVENTH ANNUAL GENERAL MEETING UNTIL THE NEXT ANNUAL GENERAL MEETING**

The Chairman announced the poll result in respect of Resolution 1 which was unanimously carried as follows: -

Ordinary Resolution	Votes For		Votes Against	
	No. of Shares	%	No. of Shares	%
Resolution 1	68,313,136	100.0000	0	0.0000

The Chairman declared that Resolution 1 was duly passed.

12.3 **RESOLUTION 2: TO APPROVE THE PAYMENT OF DIRECTORS' ALLOWANCES TO THE NON-EXECUTIVE DIRECTORS OF UP TO RM10,000.00 FROM SEVENTH ANNUAL GENERAL MEETING UNTIL THE NEXT ANNUAL GENERAL MEETING**

The Chairman announced the poll result in respect of Resolution 2 which was carried as follows: -

Ordinary Resolution	Votes For		Votes Against	
	No. of Shares	%	No. of Shares	%
Resolution 2	68,312,936	99.9997	200	0.0003

The Chairman declared that Resolution 2 was duly passed.

12.4 **RESOLUTION 3: TO RE-ELECT CLIFTON HEATH FERNANDEZ AS DIRECTOR**

The Chairman announced the poll result in respect of Resolution 3 which was unanimously carried as follows: -

Ordinary Resolution	Votes For		Votes Against	
	No. of Shares	%	No. of Shares	%
Resolution 3	68,313,136	100.0000	0	0.0000

The Chairman declared that Resolution 3 was duly passed.

12.5 RESOLUTION 4: TO RE-ELECT DATO' NG WAN PENG AS DIRECTOR

The Chairman announced the poll result in respect of Resolution 4 which was unanimously carried as follows: -

Ordinary Resolution	Votes For		Votes Against	
	No. of Shares	%	No. of Shares	%
Resolution 4	68,313,136	100.0000	0	0.0000

The Chairman declared that Resolution 4 was duly passed.

12.6 RESOLUTION 5: TO RE-APPOINT MESSRS UHY AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

The Chairman announced the poll result in respect of Resolution 5 which was unanimously carried as follows: -

Ordinary Resolution	Votes For		Votes Against	
	No. of Shares	%	No. of Shares	%
Resolution 5	68,313,136	100.0000	0	0.0000

The Chairman declared that Resolution 5 was duly passed.

12.7 RESOLUTION 6: TO APPROVE THE AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

The Chairman announced the poll result in respect of Resolution 6 which was carried as follows: -

Ordinary Resolution	Votes For		Votes Against	
	No. of Shares	%	No. of Shares	%
Resolution 6	68,307,136	99.9912	6,000	0.0088

The Chairman declared that Resolution 6 was duly passed.

13. CLOSURE OF MEETING

- 13.1 As there was no other matter to be discussed, for which due notice had been given in accordance with the Companies Act, 2016, the meeting concluded at 3.15 p.m. with a vote of thanks to the Chairman and the Board of Directors.

CONFIRMED AS A CORRECT RECORD,

-SIGNED-

**CHAIRMAN
CLIFTON HEATH FERNANDEZ**