



**SCICOM (MSC) BERHAD**  
 (Company No. 597426-H)  
 (Incorporated in Malaysia under the Companies Act, 1965)  
**SECOND QUARTER REPORT ENDED 31 DECEMBER 2015**

**ANNOUNCEMENT**

The Board of Directors of Scicom (MSC) Berhad (hereinafter referred to as “Scicom” or “the Company”) is pleased to announce the following unaudited consolidated results for the second quarter ended 31 December 2015.

**CONSOLIDATED STATEMENT COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current Period Quarter 31.12.2015	Preceding Year Corresponding Quarter 31.12.2014	Current Financial Period Ended 31.12.2015	Preceding Financial Period Ended 31.12.2014
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	47,634	41,989	92,385	85,468
Operating expenses	(35,318)	(33,189)	(70,278)	(68,491)
Depreciation and amortisation	(1,518)	(1,518)	(2,992)	(2,640)
<b>Operating profit</b>	10,798	7,282	19,115	14,337
Share of profit of jointly controlled entity, net of tax	13	12	27	25
Other operating income	0	0	0	1
(Loss)/Gain on foreign exchange	(716)	136	427	118
Impairment loss	0	0	0	0
Plant and equipment written off	0	0	0	0
Finance income	174	118	340	238
Finance costs	0	(3)	0	(8)
<b>Profit before taxation</b>	10,269	7,545	19,909	14,711
Taxation	(11)	(14)	(23)	(97)
<b>Profit for the financial period</b>	10,258	7,531	19,886	14,614

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (cont'd)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current Period Quarter 31.12.2015	Preceding Year Corresponding Quarter 31.12.2014	Current Financial Period Ended 31.12.2015	Preceding Financial Period Ended 31.12.2014
	RM'000	RM'000	RM'000	RM'000
<b>Other comprehensive (loss)/ income, net of tax</b>				
Foreign currency translation differences for foreign operations	318	330	267	236
<b>Total comprehensive income for the financial period</b>	<b>10,576</b>	<b>7,861</b>	<b>20,153</b>	<b>14,850</b>
Profit attributable to:				
- Owners of the Company	10,345	7,693	20,069	14,943
- Non-controlling interest	(87)	(162)	(183)	(329)
Profit for the financial period	10,258	7,531	19,886	14,614
Total comprehensive income attributable to:				
- Owners of the Company	10,663	8,013	20,336	15,179
- Non-controlling interest	(87)	(152)	(183)	(329)
Total comprehensive income for the financial period	10,576	7,861	20,153	14,850
<b>Earnings per share attributable to equity holders of the Company:</b>				
- Basic (sen)*	2.91	2.16	5.65	4.59
- Diluted (sen)	N/A	N/A	N/A	N/A
<i>Other disclosure items pursuant to Note 16 of Appendix 9B of the Main Market Listing Requirements of Bursa Securities are not applicable.</i>				
The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial report.				

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As At Current Financial Period Ended 31.12.2015</b>	<b>As At Preceding Financial Year Ended 30.06.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Plant and equipment	13,486	14,250
Software licences	2,588	2,280
Investment in jointly controlled entity	1,777	1,749
Deferred tax assets	627	627
Tax recoverable	606	558
	<b>19,084</b>	<b>19,464</b>
<b>Current Assets</b>		
Trade receivables	33,279	32,235
Unbilled receivables	9,504	11,723
Deposits, prepayments and other receivables	8,656	6,866
Tax recoverable	260	175
Cash and cash equivalents	27,043	24,076
	<b>78,742</b>	<b>75,075</b>
<b>TOTAL ASSETS</b>	<b>97,826</b>	<b>94,539</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves attributable to Owners of the Company</b>		
Share capital	35,545	35,545
Retained earnings	51,883	46,032
Currency translation reserve	(654)	(921)
	<b>86,774</b>	<b>80,656</b>
Non-controlling interest	(641)	(458)
<b>TOTAL EQUITY</b>	<b>86,133</b>	<b>80,198</b>
<b>Non-Current Liabilities</b>		
Deferred tax liabilities	57	94
	<b>57</b>	<b>94</b>
<b>Current Liabilities</b>		
Trade and other payables	11,636	14,241
Current tax liabilities	0	6
	<b>11,636</b>	<b>14,247</b>
<b>TOTAL LIABILITIES</b>	<b>11,693</b>	<b>14,341</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>97,826</b>	<b>94,539</b>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)</b>	<b>0.24</b>	<b>0.23</b>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial report.

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Issued and fully paid ordinary shares of RM0.10 each		Non-distributable		Distributable	Total	Non-controlling interest	Total Equity
	Number of shares	Nominal value	Share premium reserve	Currency translation reserve	Retained earnings			
	'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>6 months ended 31.12.2014</b>								
As at 1 July 2014	296,211	29,621	1,983	(1,051)	41,853	72,406	(539)	71,867
Currency translation differences, representing total income and expense recognised directly in equity	0	0	0	236	0	236	(19)	217
Net profit for the financial period	0	0	0	0	14,943	14,943	(329)	14,614
Total comprehensive (loss)/ income	0	0	0	236	14,943	15,179	(348)	14,831
Dividends paid for the financial year ended:								
- 30 June 2014	0	0	0	0	(5,924)	(5,924)	0	(5,924)
- 30 June 2015	0	0	0	0	(5,332)	(5,332)	0	(5,332)
Issuance of bonus issues	59,242	5,924	(1,913)	0	(4,011)	0	0	0
Expenses incurred pursuant to bonus issue	0	0	(70)	0	0	(70)	0	(70)
Additional acquisition of a subsidiary	0	0	0	0	(1,024)	(1,024)	628	(396)
As at 31 December 2014	355,453	35,545	0	(815)	40,505	75,235	(259)	74,976
<b>6 months ended 31.12.2015</b>								
As at 1 July 2015	355,453	35,545	0	(921)	46,032	80,656	(458)	80,198
Currency translation differences, representing total income and expense recognised directly in equity	0	0	0	267	0	267	0	267
Net profit for the financial period	0	0	0	0	20,069	20,069	(183)	19,886
Total comprehensive income	0	0	0	267	20,069	20,336	(183)	20,153
Dividends paid for the financial year ended:								
- 30 June 2015	0	0	0	0	(7,109)	(7,109)	0	(7,109)
- 30 June 2016	0	0	0	0	(7,109)	(7,109)	0	(7,109)
As at 31 December 2015	355,453	35,545	0	(654)	51,883	86,774	(641)	86,133

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial report.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	<b>Current Financial Period Ended 31.12.2015 RM'000</b>	<b>Preceding Financial Period Ended 31.12.2014 RM'000</b>
<b>Operating Activities</b>		
<b>Net profit for the financial year</b>	19,886	14,614
<b>Adjustments:</b>		
Depreciation of plant and equipment	2,697	2,502
Amortisation of software licenses	295	138
Unrealised foreign exchange (gain)/loss	0	26
Interest expense	0	8
Taxation	23	97
Interest income	(340)	(238)
Share of profit of jointly controlled entity	(27)	(25)
<b>Operating profit before changes in working capital</b>	22,534	17,122
Payables	(2,604)	(1,199)
Receivables	(1,244)	340
<b>Cash flow from operations</b>	18,686	16,263
Interest received	340	238
Taxation paid	(199)	(133)
<b>Net cash flow generated from operating activities</b>	18,827	16,368
<b>Investing Activities</b>		
Additional acquisition of a subsidiary	0	(396)
Proceeds from disposal of plant and equipment	0	2
Purchases of plant and equipment	(1,934)	(3,423)
Purchases of software licences	(604)	(1,140)
<b>Net cash flow used in investing activities</b>	(2,538)	(4,957)
<b>Financing Activities</b>		
Payment of share issuance expenses	0	(78)
Interest paid	0	(8)
Payment of dividends	(14,218)	(11,256)
<b>Net cash flow used in financing activities</b>	(14,218)	(11,342)
<b>Net increase in cash and cash equivalents</b>	2,071	77
Effect of foreign exchange on cash and cash equivalents	896	217
Cash and cash equivalents at beginning of financial year	24,076	26,765
<b>Cash and cash equivalents at end of financial period</b>	27,043	27,059

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial report.



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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**

**1. BASIS OF PREPARATION**

The unaudited interim financial report has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The unaudited interim financial report should be read in conjunction with the Group’s most recent audited financial statements for the financial year ended 30 June 2015.

The accounting policies and method of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 30 June 2015.

The following MFRS and Amendments to MFRSs have been issued by the MASB but are not yet effective to the Group:

Effective for annual periods commencing on or after 1 January 2016

MFRS 14 Regulatory Deferral Accounts

Amendments to MFRS 11 Joint Arrangements- *Accounting for Acquisitions of Interests in Joint Operations*

Amendments to MFRS 101 Presentation of Financial Statements – *Disclosure Initiative*

Amendments to MFRS 127 Consolidated and Separate Financial Statements- *Equity Method in Separate Financial Statements*

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures- *Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture*

Amendments to MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets- *Clarification of Acceptable Methods of Depreciation and Amortisation*

Amendments to MFRS 116 Property, Plant and Equipment and MFRS 141 Agriculture – *Bearer Plants*

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entities and MFRS 128 Investments in Associates and Joint Ventures – *Investment Entities: Applying the Consolidation Exception*

Annual Improvements to MFRSs 2012- 2014 Cycle

Effective for financial periods beginning on or after 1 January 2018

MFRS 15 Revenue from Contracts with Customers

MFRS 9 Financial Instruments (International Financial Reporting Standards 9 Financial Instruments as issued by International Accounting Standards Board in July 2014)



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**1. BASIS OF PREPARATION (cont'd)**

The Group will adopt the above pronouncements when they become effective in the respective financial periods. The Group does not expect any material impact to the financial statements on the above pronouncement.

**2. CHANGES IN ACCOUNTING POLICIES**

The significant accounting policies adopted in preparing these consolidated condensed interim financial statements are consistent with those of the audited financial statements for the financial year ended 30 June 2015.

**3. AUDITORS' REPORT OF PRECEDING AUDITED ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the financial statements for the financial year ended 30 June 2015 was not qualified.

**4. SEASONAL / CYCLICAL FACTORS**

The operations of the Group were not significantly affected by seasonal and cyclical factors during the financial quarter under review.

**5. UNUSUAL ITEMS**

There were no significant unusual items affecting assets, liabilities, equity, net income or cash flows during the financial quarter under review and financial period to date.

**6. MATERIAL CHANGES IN ESTIMATES OF AMOUNTS REPORTED**

There were no material changes in the basis of estimates of amounts previously reported which have a material effect in the financial quarter under review and financial period to date.

**7. MOVEMENT IN DEBT AND EQUITY SECURITIES**

During the current financial quarter and financial period-to-date, there were no issuances, cancellation, repurchases, resale and repayments of debt and equity securities.



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**8. DIVIDENDS PAID**

The following dividends were paid during the financial period to date :-

In respect of the financial year ended	Dividend	Date of dividend payment	Amount paid
2015	Interim dividend of 2.0 sen per ordinary share	22 September 2015	RM7,109,071
2016	Interim dividend of 2.0 sen per ordinary share	30 December 2015	RM7,109,071

**9. SEGMENT RESULTS AND 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 two primary segments that are the focus of the management's internal financial and operational reporting structure are as follows:

- a. Outsourcing services comprising of BPO services which offers multi-lingual, multi-channel customer care, technical support help desks, consultative sales and associated fulfillment.
- b. Education includes educational and industrial training services primarily focused on customer care in the service industry.



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**9. SEGMENT RESULTS AND REPORTING (cont'd)**

Segmental analysis by business segment is as follows:

For the financial period ended 31 December 2015

FY 2016	Current Financial Period Ended 31.12.2015			
	Outsourcing services	Training and consultancy	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	92,188	197	-	92,385
Inter-segment revenue	-	413	(413)	-
<b>Total revenue</b>	<b>92,188</b>	<b>610</b>	<b>(413)</b>	<b>92,385</b>
Segment results	24,061	(1,527)		22,534
Depreciation of plant and equipment				(2,697)
Amortisation of software licences				(295)
Share of results of jointly controlled entity (net of tax)				27
Finance income				340
<b>Profit before taxation</b>				<b>19,909</b>
Taxation				(23)
<b>Net profit for the financial period</b>				<b>19,886</b>

For the financial period ended 31 December 2014

FY 2015	Preceding Financial Period Ended 31.12.2014			
	Outsourcing services	Training and consultancy	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	84,793	675	-	85,468
Inter-segment revenue	-	738	(738)	-
<b>Total revenue</b>	<b>84,793</b>	<b>1,413</b>	<b>(738)</b>	<b>85,468</b>
Segment results	18,544	(1,449)		17,095
Unallocated income/ other gains				1
Depreciation of plant and equipment				(2,502)
Amortisation of software licences				(138)
Share of results of jointly controlled entity (net of tax)				25
Finance income				238
Finance cost				(8)
<b>Profit before taxation</b>				<b>14,711</b>
Taxation				(97)
<b>Net profit for the financial period</b>				<b>14,614</b>



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**10. VALUATION OF PLANT AND EQUIPMENT**

There was no revaluation of plant and equipment during the financial quarter under review and financial period to date. As at 31 December 2015, all plant and equipment were stated at cost less accumulated depreciation.

**11. SUBSEQUENT EVENTS**

There were no material events subsequent to the end of the financial quarter under review up to the date of the interim financial report.

**12. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group, including business combinations, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations for the financial quarter under review except on 30 December 2015 the Company acquired the remaining one (1) ordinary share of RM1.00 in the share capital of Scicom E Solutions Sdn Bhd (“SESSB”), at a nominal cash consideration of RM1.00 (“The Acquisition”). Subsequent to the Acquisition, SESSB became a direct wholly-owned subsidiary of Scicom.

SESSB was incorporated on 22 December 2015 with an issued and paid-up capital of RM2.00 comprising two (2) ordinary shares of RM1.00 each.

The principal activity of SESSB is to provide electronic solutions and applications for payment gateways, on-line processing, border security services, digital platforms and software solutions.

The Acquisition will not have any material effect on the share capital, shareholding structure, gearing, net assets per share and earnings per share of Scicom Group for the financial year ending 30 June 2016.

**13. CONTINGENT LIABILITY OR CONTINGENT ASSET**

There was no contingent liability or contingent asset arising since the last audited financial statement for the financial year ended 30 June 2015.

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**14. COMMITMENTS**

Commitments for the Group not provided for as at 31 December 2015 are as follows:

(a) Capital commitments

In respect of plant and equipment  
- Authorised and contracted

<b>Current Financial Period Ended 31.12.2015</b>	
RM'000	
238	

(b) Non-cancelable operating leases

Future minimum lease payments  
- not later than 1 year  
- later than 1 year and not later than 5 years

<b>Current Financial Period Ended 31.12.2015</b>	
RM'000	
9,817	
7,129	
<b>16,946</b>	

**15. SIGNIFICANT RELATED PARTY TRANSACTIONS**

There were no significant related party transactions during the financial period under review.

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**16. REVIEW OF PERFORMANCE**

**PERFORMANCE BY QUARTER**

<b>Financial quarter ended</b>	<b>31 Dec 2015</b>	<b>31 Dec 2014</b>	<b>Increase/ (decrease)</b>
<b>Revenue</b>	RM'000	RM'000	RM'000
Outsourcing	47,538	41,584	5,954
Education	96	405	(309)
<b>Total revenue</b>	<b>47,634</b>	<b>41,989</b>	<b>5,645</b>
<b>Profit before taxation</b>	<b>10,269</b>	<b>7,545</b>	<b>2,724</b>

**a. Revenue**

Outsourcing

The Group's outsourcing business principally comprises services provided to clients on long term contracts. Additionally, clients require the Group to provide ad-hoc short term services. The increase in revenue for existing projects and newly secured projects in the financial quarter under review as compared to the preceding year corresponding quarter amounted to RM9.18 million and RM5.15 million, respectively.

The reduction in billable headcount for certain projects as a result of a change in clients' requirements and/or strategies has also resulted in a reduction of billable revenue from these projects amounting to RM8.38 million for the financial quarter under review as compared to the preceding year corresponding quarter. The net increase in the Group's outsourcing revenue for the financial quarter under review is RM5.95 million.

Education

The lower revenue for Education in the financial year quarter under review as compared to the preceding year corresponding quarter is due mainly to lower number of students trained during the quarter.

**b. Profit before taxation**

The higher profit before tax for the financial year quarter under review as compared to the preceding year corresponding quarter is due primarily to the increase in billings for outsourcing projects with higher profitability for the financial quarter under review.

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**16. REVIEW OF PERFORMANCE (cont'd)**

**PERFORMANCE BY FINANCIAL PERIOD TO DATE**

<b>Financial period ended</b>	<b>31 Dec 2015</b>	<b>31 Dec 2014</b>	<b>Increase/ (decrease)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>			
Outsourcing	92,188	84,793	7,395
Education	197	675	(478)
<b>Total revenue</b>	<b>92,385</b>	<b>85,468</b>	<b>6,917</b>
<b>Profit before taxation</b>	<b>19,909</b>	<b>14,711</b>	<b>5,198</b>

**a. Revenue**

Outsourcing

The Group's outsourcing business principally comprises services provided to clients on long term contracts. Additionally, clients require the Group to provide ad-hoc short term services. The increase in existing projects and newly secured projects in the current financial period as compared to the preceding year corresponding period amounted to RM14.79 million and RM7.61 million, respectively.

The reduction in billable headcount for certain projects as a result of a change in clients' requirements and/or strategies has also resulted in a reduction of billable revenue from these projects amounting to RM15.00 million for the current financial period as compared to the preceding year corresponding period. The net increase in the Group's outsourcing revenue for the current financial period is RM7.40 million.

Education

The lower revenue for Education in the current financial period as compared to the preceding year corresponding period is due mainly to lower number of students trained during the period.

**b. Profit before taxation**

The higher profit before tax for the current financial period as compared to the preceding year corresponding period is due primarily to the increase in billings for outsourcing projects with higher profitability for the current financial period.

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**17. COMPARISON WITH PRECEDING QUARTER'S RESULTS**

Financial quarter ended	31 Dec 2015	30 Sept 2015	Increase/ (decrease)
<b>Revenue</b>	RM'000	RM'000	RM'000
Outsourcing	47,538	44,650	2,888
Education	96	101	(5)
<b>Total revenue</b>	<b>47,634</b>	<b>44,751</b>	<b>2,883</b>
<b>Profit before taxation</b>	<b>10,269</b>	<b>9,640</b>	<b>629</b>

**a. Revenue**

Outsourcing

The Group's outsourcing business principally comprises services provided to clients on long term contracts. Additionally, clients require the Group to provide ad-hoc short term services. The increase in existing projects and newly secured projects in the financial quarter under review as compared to the preceding financial quarter amounted to RM2.57 million and RM2.30 million, respectively.

The reduction in billable headcount for certain projects as a result of a change in clients' requirements and/or strategies has also resulted in a reduction of billable revenue from these projects amounting to RM1.98 million for the financial quarter under review as compared to the preceding financial quarter. The net increase in the Group's outsourcing revenue for the financial quarter under review is RM2.98 million.

Education

The decrease in revenue for the financial quarter under review as compared to the preceding financial quarter was due to the lower number of student trained during the quarter.

**b. Profit before taxation**

The profit before taxation for the financial quarter under review is higher than the preceding financial quarter primarily due to the higher revenue achieved for outsourcing projects.



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**18. CURRENT YEAR REVIEW AND PROSPECTS FOR FINANCIAL YEAR 2016**

The Group continues to register growth for the current financial period as compared to the preceding year corresponding financial period, with revenue and profit before taxation posting a growth rate of 8.1% and 35.3%, respectively for the financial period ended 31 December 2015. The Group's Outsourcing business continues its growth momentum by recording a 8.7% and 29.8% growth rate for revenue and direct contribution, respectively as compared to the preceding year corresponding period. The increase in Outsourcing's revenue and direct contribution is attributable to organic growth within existing projects and new projects secured.

Overall the Group expects to achieve growth in terms of revenue and profitability for the financial year 2016.

**19. EXPLANATORY NOTES FOR VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST OR PROFIT GUARANTEE**

The Group did not publish any profit forecast in respect of the financial year ended 30 June 2016.

**20. TAXATION**

	Current Financial Quarter Ended 31.12.2015 RM '000	Current Financial Period Ended 31.12.2015 RM '000
<u>Group</u>		
Current tax	28	59
Deferred tax	(17)	(36)
	11	23



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**20. TAXATION (cont'd)**

The Company was awarded the Multimedia Super Corridor (“MSC”) status on 7 November 2002 and was renewed for a further five years term expiring on 6 November 2017. In association with the MSC status, the Company was awarded pioneer status which accords the Company with five years of income tax exemption on the Company’s statutory income, subject to the Company fulfilling and complying with conditions stipulated by the Minister of Finance of Malaysia on a yearly basis. No provision has been made for tax expenses for the current year as the Company has met the conditions stipulated. The Group’s effective tax rate for the current financial year is thus lower than the Malaysian statutory tax rate of 25%.

A subsidiary of the Company has received tax assessment notices of RM1.4 million, INR23.8 million (2015: RM1.3 million, INR23.8 million). These assessments are in respect to transfer pricing adjustments and the disallowance of certain expenses for tax purposes. The subsidiary has, as at 30 June 2015 paid RM0.5 million, INR7.4 million (2015: RM0.4 million, INR7.2million) in respect of the assessments. This amount has been classified as tax recoverable in the Group’s Statement of Financial Position. Currently, the subsidiary is challenging the assessments in the Income Tax Appellate Tribunal, in India. 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 significant liability will crystallise from these assessments. Furthermore, the amount paid up to 30 June 2015 will be recovered.

**21. STATUS OF CORPORATE PROPOSALS ANNOUNCED**

There were no corporate proposals announced but not completed as at 25 February 2016, being the date of this report.

**22. GROUP BORROWINGS AND DEBT SECURITIES**

The Group does not have any borrowings and debt securities as at 31 December 2015.



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**23. CHANGES IN MATERIAL LITIGATION**

There were no material litigation matters dealt with during the financial year to date or pending as at 25 February 2016, being the date of this report.

**24. DIVIDENDS**

The Board of Directors has approved and declared a second interim dividend of 2 sen, tax exempt, per ordinary share, amounting to RM7,109,071 which is payable on 24 March 2016.

	<b>Current Financial Period Ended 31.12.2015</b>	<b>Preceding Financial Period Ended 31.12.2014</b>
<b>Interim dividend for the financial year ended 30 June</b>	<b>2016</b>	<b>2015</b>
<u>2nd interim</u>		
Approved and declared on	25-Feb-16	9-Feb-15
Date payable/paid	24-Mar-16	11-Mar-15
Based on register members dated	10-Mar-16	25-Feb-15
Amount per share	2.0 sen tax exempt	2.0 sen tax exempt
Net dividend payable/paid (RM)	7,109,071	7,109,071
<b>Interim dividend for the financial year ended 30 June</b>	<b>2016</b>	<b>2015</b>
<u>1st interim</u>		
Approved and declared on	30-Nov-15	17-Nov-14
Date paid	30-Dec-15	15-Dec-14
Based on register members dated	14-Dec-15	1-Dec-14
Amount per share	2.0 sen tax exempt	1.5 sen tax exempt
Net dividend paid (RM)	7,109,071	5,331,803
<b>Interim dividend for the financial year ended 30 June</b>	<b>2015</b>	<b>2014</b>
<u>4th interim</u>		
Approved and declared on	21-Aug-15	27-Aug-14
Date paid	22-Sep-15	26-Sep-14
Based on register members dated	07-Sep-15	11-Sep-14
Amount per share	2.0 sen tax exempt	2.0 sen tax exempt
Net dividend paid (RM)	7,109,071	5,924,226

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**25. EARNINGS PER SHARE (“EPS”)**

The basic earnings per share for the financial quarter/period under review are computed as follows:

	<b>Current Financial Quarter Ended 31.12.2015</b>	<b>Current Financial Period Ended 31.12.2015</b>
Profit attributable to the Owners of the Company for the financial period (RM'000)	10,345	20,069
Weighted average number of ordinary shares in issue ('000)	355,454	355,454
Basic earnings per share (sen)	2.91	5.65

Diluted earnings per share is not applicable as the Company has no potential ordinary shares to be issued.

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**26. REALISED AND UNREALISED PROFIT**

The breakdown of the retained profit of the Group as at the reporting date, into realized and unrealized profits is as follows:

	<b>As at Current Financial Period Ended 31.12.2015 RM'000</b>	<b>As at Current Financial Period Ended 30.6.2015 RM'000</b>
Total retained profit for Scicom and its subsidiaries :		
- Realised	23,682	21,367
- Unrealised	(1,158)	(1,185)
	22,524	20,182
Total share of retained profit from jointly controlled entity :		
- Realised	1,777	1,749
	24,301	21,931
Add : Consolidation adjustments	27,582	24,101
Total Group retained profits as per consolidated accounts	51,883	46,032

By order of the Board of Directors

LEO SURESH ARIYANAYAKAM  
DIRECTOR  
25 February 2016