scicom

TOTAL CUSTOMER DELIGHT

ANNUAL REPORT 2012

scicom

TOTAL CUSTOMER DELIGHT

(sy-com)

The **SCI**ence of **COM**munication

Content

scicom
TOTAL CUSTOMER DELIGHT

DELIVER ON YOUR PROMISE EVERY TIME

Company Profile

About Scicom

Over the last 15 years, SCICOM has established a strong leadership position in the region as a premier provider of customer contact management solutions

Unique in Asia, Scicom supports a global customer base in over 30 languages to over 91 countries from its centres in Kuala Lumpur, Indonesia and Sri Lanka with a sales & marketing presence in USA and the UK.

Company Profile

Global Support Network

Country	Language Offering
Algeria	Arabic/English/French
Afghanistan	English
Angola	English/French
Australia	English
Bangladesh	Bengali/English
Bahrain	Arabic/English
Benin	French/English
Botswana	French/English
Burkina Faso	French/English
Burundi	Arabic/English
Cambodia	Arabic/English
Canada	Khmer/English
Chad	English/French
China	Arabic/English/French
Cote D'ivoire	Mandarin
Cape Verde	French
Central African	Arabic/English
Comoros	
Congo	French/English
Djibouti	French/English
Drc	French/English
Egypt	Arabic/French/English
Equatorial	Arabic/English
Guinea	
Eritrea	English/French
	Arabic/English

Country	Language Offering
Ethiopia	Arabic/English
Fiji	English
Ghana	English
Gabon	French/English
Gambia	English/French
Guinea Republic	French/English
Guinea-Bissau	English/French
Guam	English
Hong Kong	Cantonese/Mandarin
Indonesia	Bahasa Indonesia/English
Iran	Farsi/English
Iraq	Arabic/English
India	English/Hindi/Guajarati/Punjabi/Marathi/Bengali/Kannada/Tamil/Telugu/Malayalam
Japan	Japanese
Jordan	Farsi/English
Kenya	English/Swahili
Kuwait	Arabic/English
Lebanon	Arabic/English/French
Lesotho	English/French
Liberia	English/French

Country	Language Offering
Libya	Arabic/English
Malaysia	Bahasa Malaysia/English
Madagascar	French/English
Malawi	English/French
Mali	Arabic/French/English
Mauritania	Arabic/French/English
Mauritius	English/French
Mayotte	French/English
Mozambique	English/French
Morocco	Arabic/English/French
Namibia	English/French
New Zealand	English
Niger	Arabic/French/English
Nigeria	English/Hausa/Yoruba/Igbo
Oman	Arabic/English
Pakistan	Urdu/English
Philippines	Tagalog
Qatar	Arabic/English
Reunion	French/English
Rwanda	French/English
Saudi Arabia	Arabic/English
Senegal	French
South Africa	English/Afrikaans

Country	Language Offering
Sao Tome And Principe	English/French
Seychelles	French/English
Singapore	Mandarin/English
Sierra Leone	English/French
Somalia	English/Arabic
South Korea	Korean
Sri Lanka	Singalese/Tamil/English
Sudan	Arabic/English
Swaziland	English/French
Syria	Arabic/French/English
Taiwan	Mandarin
Thailand	Thai/English
Togo	French/English
Tunisia	Arabic/French/English
Tanzania	English/Swahili
Uae	Arabic/English
Uganda	English/French
UK	English
USA	English
Vietnam	Vietnamese/English
Yemen Republic	Arabic/English
Zambia	English/French
Zimbabwe	English/French

Company Profile

Key Services

Outsourcing

Scicom Outsourcing comprises of Business Process Outsourcing (BPO), Knowledge Process Outsourcing (KPO) and Human Resource Outsourcing (HRO). This is the main thrust and cornerstone of Scicom's business, employing the major part of the Group's human capital.

Our services help organisations reduce customer service costs and churn, increase revenue through customer retention and loyalty and provide a competitive advantage for our multi-national client (MNC) base.

Our core BPO offerings include complex multi-lingual, multi-channel customer care, social media care and support, technical support help desk, consultative sales and associated fulfilment services. We provide specialist KPO services for the Airline, Healthcare, Education and Telecommunications industries. Our HRO offerings encompass a wide range of services catering for employers across all industry verticals. These services range from recruitment and payroll services to the implementation of our proprietary consulting, analytics and performance management products to enhance workforce measurement, performance and reward structures.

The business unit's focused service offerings, inherent domain expertise, management bandwidth, state-of-the art technology and communication platforms allow us to provide MNC clients with a discernable return on investment in terms of customer retention, acquisition and value. It has been developed with strengths in various vertical specialisations such as transportation, telecommunications, healthcare, education, leisure & entertainment, oil & gas, banking, financial services and technology.

Company Profile

Key Services (Continued)

CRM, Consulting & Application Development

Scicom CRM, Consulting & Application Development specialises in an integrated approach that strategically uses the best combination of CRM activities, methodologies and tools across every customer touch point and every channel. Services offered are Customer Relationship Management (CRM), E-Commerce Applications and Support Services, Customer Loyalty Management, Web Analytics, Database Profiling, Segmentation and Management, Marketing and Brand Communication Services.

Scicom has rolled out its own commercial offerings of E-Commerce and E-Loyalty platforms, supporting companies requiring outsourcing services with a full suite of complimentary services, such as business consulting, strategic consulting, design, development, implementation as well as operations and customer support.

Scicom also provides Support Centre Practices (SCP) certification services for contact centres around the region. SCP is the leading global benchmarking standard for contact centres.

Training & Education

Scicom Academy is the training arm for the Group and provides a broad spectrum of training for Customer Contact Management centres. These include customised training for every type of customer interaction at any customer touch point.

Scicom's education services offered through Scicom Academy are affiliated with a professional body in the UK, offering internationally recognised British Technical Educational Council ("BTEC") certificates and diplomas for both entry and management level personnel in the BPO & Services industry. This is a global first for the industry and in line with Scicom's strategy to move up the value chain in terms of providing a world class service offering and greater geographical spread for these services.

Scicom Academy provides internationally accredited certifications and diplomas in customer contact and services management, in line with global best practices and benchmarks. Scicom Academy understands the value of personnel training in the Customer Contact Management arena and has grown to encompass a wide range of training programmes that have helped enhance service and management standards in many Malaysian and Asian multi-national companies. It prides itself on being a provider, not just of best-practice Customer Contact Management training, education and consultancy services, but also in management, leadership and professional development courses. All training programmes are customised to fit a company's specific needs.

Company Profile

Goal And Values

Our Values

- Quality
- Teamwork
- Innovation
- Integrity
- People

Our Goal

Total Customer Delight

Fast Facts

We offer
24 x 7 x 365
operations

We service
blue-chip
clients

We support customers from over
91 countries
from our centres

Over 52%
of our revenues are derived from outside Malaysia

We support our customers in over
30 languages

We have over
15 years
of experience and track record

We have over
70 nationalities
working for us

We are listed in the Global Services Top
100 Companies,
consecutively for 5 years

We handle over
98 million
customer contacts annually

We have won awards and have been internationally recognised for outstanding service delivery solutions since incorporation

Company Profile
Awards and Recognition

2011
CCAM

- **Best Outsourced Inbound Contact Centre**
  Over 100 seats (Gold Award)
- **Best Outsourced Inbound Contact Centre**
  Over 100 seats (Silver Award)
- **Best Contact Centre Team Leader (Open)**
  (Gold Award)
- **Best Contact Centre Support Professional**
  Under 100 seats (Gold Award)
- **Best Contact Centre Professional**
  Over 100 seats (Silver Award)
- **Best Contact Centre Manager**
  Under 100 seats (Bronze Award)
- **Best Contact Centre Manager**
  Over 100 seats (Bronze Award)

Malaysia HR Awards (MIHRM)

- **Employer of Choice**
  Gold Award
- **Malaysia Human Resource Breakthrough Category**
  Gold Award
- **Human Resource Leader of the Year Category**
  Silver Award

Scicom has won a multitude of major international industry awards, a testimony to its dedication to excellence and quality.

2012

IAOP's 2012 The Global Outsourcing 100

- **IAOP's 2012 The Global Outsourcing 100**
  Best Rising Star in Overall Revenue and Best Rising Star in Number of Employees of the Global Outsourcing 100 Service Provider List

  Listed in GS 100 Global Outsourcing companies (Rank #79)

Frost & Sullivan

- **Malaysia Telecoms Awards**
  BPO Service Provider of the Year

Scicom has been awarded Multimedia Super Corridor (MSC) status, is ISO certified and has a globally recognised industry specific accreditation with a United States body, namely the Service and Support Professionals Association (SSPA).

Company Profile

Corporate Directory And Group Structure

Board Of Directors

Krishnan Menon
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR/CHAIRMAN

Leo Ariyanayakam
NON-INDEPENDENT EXECUTIVE DIRECTOR/ CHIEF EXECUTIVE OFFICER

Dr Nikolai Dobberstein
INDEPENDENT NON-EXECUTIVE DIRECTOR

Dato' Mohd Salleh Bin Hj Harun
INDEPENDENT NON-EXECUTIVE DIRECTOR

Loh Lee Soon
INDEPENDENT NON-EXECUTIVE DIRECTOR

Ande Safari
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Audit Committee

Dato' Mohd Salleh Bin Hj Harun
CHAIRMAN

Loh Lee Soon
MEMBER

Dr. Nikolai Dobberstein
MEMBER

Nomination & Remuneration Committee

Dr. Nikolai Dobberstein
CHAIRMAN

Dato' Mohd Salleh Bin Hj Harun
MEMBER

Loh Lee Soon
MEMBER

Company Secretary

Ng Yen Hoong
(LS No. 008016)

Lim Poh Yen
(MAICSA No.7009745)

REGISTERED OFFICE
Scicom (MSC) Berhad
(Company No. 597426-H)
Level 18,
The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia
Tel : 03 2264 8888
Fax : 03 2282 2733

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

SHARE REGISTRAR
Tricor Investor Services Sdn Bhd
Level 17,
The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03 2264 3883
Fax : 03 2282 1886

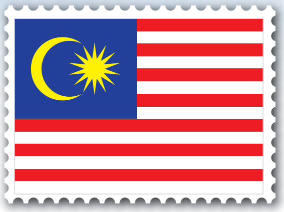
AUDITORS
PricewaterhouseCoopers
Level 10, 1 Sentral
Jalan Travers
Kuala Lumpur Sentral
50706 Kuala Lumpur
Malaysia
Tel : 03 2173 1188
Fax : 03 2173 1288

PRINCIPAL BANKER
HSBC Bank Malaysia Berhad
Main Branch, No.2 Leboh Ampang
50100 Kuala Lumpur
Malaysia

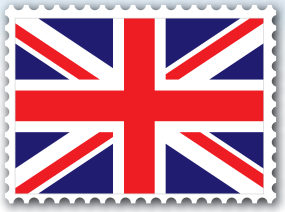
STOCK EXCHANGE LISTING
Main Market
Bursa Malaysia Securities Berhad
(Listed since 26 September 2005)
Stock Name : SCICOM
Stock Code : 0099

WEB
URL : www.scicom-intl.com
E-mail : corpinfo@scicom-intl.com

Corporate Directory And Group Structure (Continued)

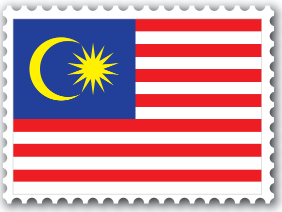


Scicom (MSC) Berhad
(Kuala Lumpur and Cyberjaya, Malaysia)
Holding Company

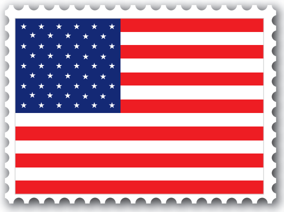


Scicom International (UK) Limited
(London, UK)
100% owned

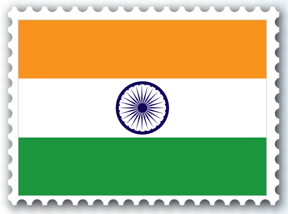
PT Scicom Indonesia
(Jakarta, Indonesia)
100% owned



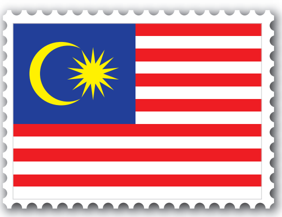
Scicom (Academy) Sdn Bhd
(Kuala Lumpur, Malaysia)
100% owned



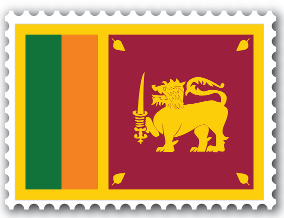
Scicom Inc
(Glenview, Illinois, USA)
100% owned



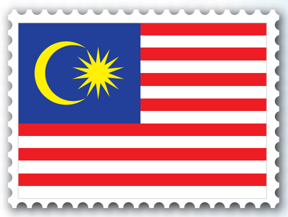
Scicom Contact Centre Services Private Limited
(Bangalore, India)
100% owned



Scicom International College Sdn Bhd
(Kuala Lumpur, Malaysia)
70% owned



Scicom Lanka (Private) Limited
(Colombo, Sri Lanka)
70% owned



Asian Contact Centres Sdn Bhd
(Kuala Lumpur, Malaysia)
50% owned

Board of Directors

Non-Independent Non-executive Director & Chairman

Krishnan Menon

Krishnan Menon, 62, a Malaysian, 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 Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. He spent thirteen (13) years in public practice at Hanafiah, Raslan and Mohamed, seven (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 Chairman of KLCC Property Holdings Berhad and KLCC (Holdings) Sdn Bhd. He is a non-executive director in Petroliam Nasional Berhad and MISC Berhad. He has also been appointed as the Chairman of the Audit Committee in Petroliam Nasional Berhad.

He does not have any family relationship with any director and/or major shareholder of Scicom and is not aware of any conflict of interest with Scicom. He has no convictions for offences within the past ten (10) years other than traffic offences.

Independent Non-Executive Director

Dato' Mohd Salleh Bin HJ Harun

Dato' Mohd Salleh bin Hj Harun, 68, a Malaysian, was appointed to our Board on 22 August 2005. He is also the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee. He is a Fellow of the Institute of Bankers and also a member of the Malaysian Institute of Certified Public Accountants. He started his career in the government service in 1971, before moving on to the banking and financial sector in 1974, having thirty two (32) years of experience in holding various senior positions in Aseambankers Malaysia Berhad and Malayan Banking Berhad respectively between 1994 and 2000. He was a Deputy Governor of Bank Negara Malaysia between 2000 and 2004. His previous directorships include RHB Bank Berhad, RHB Insurance Berhad (of which he was Chairman) and RHB Islamic Bank Berhad while his current principal directorships include Malayan Banking Berhad , being the Chairman of Mayban Ageas Holdings Bhd, Etiqa Insurance Bhd, Etiqa Takaful Bhd , Maybank Investment Management Sdn Bhd, Maybank Philippines , FIDE Forum and Asia Capital Reinsurance Malaysia Sdn Bhd.

He does not have any family relationship with any director and/or major shareholder of Scicom and is not aware of any conflict of interest with Scicom. He has no convictions for offences within the past ten (10) years other than traffic offences

Non-Independent Executive Director

Leo Ariyanayakam

Leo Ariyanayakam, 49, a Sri Lankan, was appointed to our Board on 30 October 2002. He is also the Chief Executive Officer and Group Executive Director. He holds a Bachelor's Degree in Biochemistry. His main responsibilities as the Chief Executive Officer and Group Executive Director are to maximise shareholders' value, making high-level decisions in terms of the Group's business development, finance, human capital, culture, operations and strategies, and charting the future growth and direction of the Group globally. Under his guidance, Scicom has won several major international industry awards over the years, including the Contact Centre Service Provider of the Year for 3 consequtive years, as conferred by Frost & Sullivan. The Group is now widely regarded as one of the premier contact centre and BPO providers within the industry, with an unblemished performance record. He has been instrumental in building Scicom as the leader in contact centre outsourcing, BPO, training and customer relationship management consulting solutions in the Asia Pacific region, and is a respected visionary and leader in this rapidly growing industry. On 7 October 2006, he was appointed as the President of the Customer Relationship Management and Contact Centre Association of Malaysia, a position which he held until early 2010. In June 2007, he was selected as one of Malaysia's Outstanding Entrepreneurs at the Asia Pacific Entrepreneurship Awards. In the same year he was honoured as a 'Key Industry Leader' by PIKOM. In 2008 he was conferred as the CEO of the year by the Malaysian Canadian Business Council. In 2010 he was appointed as a member to the "Local Advisory Panel "(LAP) nominated by the Malaysian Government specifically to the ICT Industry.

He does not have any family relationship with any director and/or major shareholder of Scicom and is not aware of any conflict of interest with Scicom. He has no convictions for offences within the past ten (10) years other than traffic offences.

Independent Non-Executive Director

Dr. Nikolai Dobberstein

Dr. Nikolai Dobberstein, 46, a German, was appointed to the Board of Scicom on 22 August 2005. He is also a member of the Audit Committee and the Chairman of the Nomination and Remuneration Committee. He holds a Ph.D. in Technology and Innovation Management from the University of Kiel, Germany. He is a Partner at A.T. Kearney in India, where he leads the communications and high-tech practices. Previously, he was the Senior Vice President of Strategy and New Businesses of Maxis Communications Berhad, responsible for all of Maxis' data, multimedia and broadband businesses. Before Maxis, he spent twelve (12) years in McKinsey & Company, with three (3) of those years as the Managing Partner of their Kuala Lumpur Office. He had also earlier worked in the German, Italian and Indian offices of McKinsey & Company.

He does not have any family relationship with any director and/or major shareholder of Scicom and is not aware of any conflict of interest with Scicom. He has no convictions for offences within the past ten (10) years other than traffic offences.

Independent
Non-Executive Director

Loh Lee Soon

Loh Lee Soon, 57, a Malaysian, was appointed to the Board of Scicom on 25 April 2007. He is also a member of the Audit Committee and the Nomination and Remuneration Committee.

He is a member of the Malaysian Institute of Accountants and the Institute of Chartered Accountants in England and Wales. He spent nearly thirty (30) years in the professional accounting, finance and management consulting fields, including six (6) years as a Practice Director of one the big four firms in Malaysia. He has also held senior finance, general management and sales positions in MNCs including Tupperware International, KPMG Asia Pacific and Oracle Corporation and a number of other Malaysian companies. He is currently the Principal of his own IT consultancy firm. His clients span industries as diverse as gaming, IT, manufacturing and distribution and property development. He is also an Independent Director of Malaysian Genomics Resource Centre Berhad, Etiqa Insurance Bhd, Etiqa Takaful Bhd and Mayban Investment Management Sdn Bhd.

He does not have any family relationship with any director and/or major shareholder of Scicom and is not aware of any conflict of interest with Scicom. He has no convictions for offences within the past ten (10) years other than traffic offences.

Non-Independent
Non-Executive Director

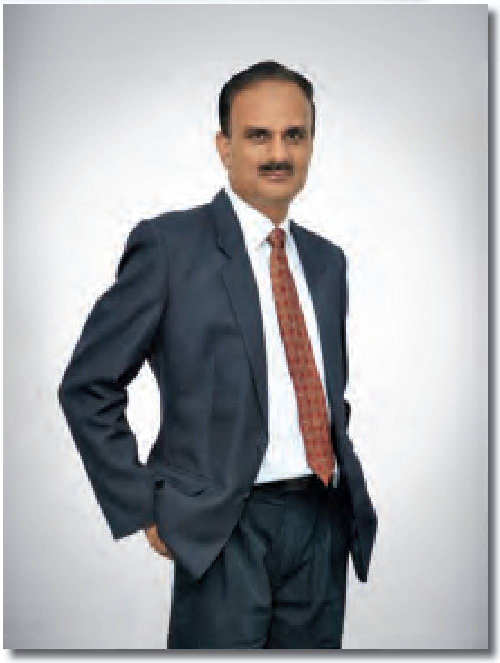
Ande Safari

Ande Safari, 55 an Indonesian was appointed to the Board of Scicom on 27 September 2010. He holds a Bachelor degree majoring in Accountancy from the University of Padjajaran, Bandung, Indonesia. Currently he is the Director of Finance and Business Operations of PT Telekomunikasi Indonesia International (TII). He has over 14 years of working experience in Finance and Accounting with PT Telekomunikasi Indonesia Tbk (Telekom Indonesia). He has held various senior management positions in Telekom Indonesia and its subsidiaries having served as Director of Finance and Business Support at PT Pramindo Ikat Nusantara. In 1996 he joined PT Patra Telekomunikasi Indonesia as the General Manager of Finance and subsequently appointed as the Head of Internal Audit with the same Company.

He does not have any family relationship with any director and/or major shareholder of Scicom and is not aware of any conflict of interest with Scicom. He has no convictions for offences within the past ten (10) years other than traffic offences.

Senior Management Team

Chief Financial Officer



Jayakumar

Jayakumar joined Scicom in 1997. His portfolio of responsibilities includes accounting and financial management, as well as the Group's corporate finance, risk management, administration, corporate secretarial, budgeting and treasury activities. He has over 29 years of experience in financial management and corporate services. Prior to joining Scicom, he previously worked in Sime Darby Berhad and the Halim Rasip Group (Integrax Berhad).

Jayakumar is an associate of Association of Chartered Certified Accountants and Institute of Chartered Secretaries and Administrators.

Chief Operating Officer - Outsourcing

Benny Philip

Benny joined Scicom in 2004. 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, management information and quality functions of the Group .

Benny has a Master's degree in Human Resources Management and a Bachelor's degree in Mathematics and brings to Scicom very significant management experience gained from working with Global organizations such as Unilever, Panasonic, Ford Motor Company and HSBC.

He has over 21 years of experience with 12 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 Global Resourcing division of the HSBC Group.

Senior Management Team
(Continued)

Chief Operating Officer - Education

Jude Mohan

Jude joined Scicom in 2007 and helms Scicom Education, a global educational initiative for formal professional development. This division is the driving force behind the need to create a globally competent work-force for emerging growth markets in the Customer Relationship Management and Contact Centre space. This division, through its research arm The International Academy of Professional Studies (IAPS) also acts as a global think tank for the CRM & Contact Centre industry, internationally. Jude has been in the business of global product management, strategic marketing and consumer behaviour for close to two decades of his life.

An ardent exponent of provocative marketing and consumer solutions, his last international posting was with American healthcare giant, 21st Century Healthcare, Inc. where he served as their Chief Operating Officer for Asia. He has worked with over 50 fast moving brands and has successfully seen the fruits of his thought, bear profit making results. Some of his past clients include Marlboro Cigarettes for Philip Morris Inc., Kent Cigarettes for British American Tobacco, Hugo Boss, Hyundai Automobiles, Starbucks Coffee, Digi Telecommunications, Otis Elevator, Porsche, TV3 (Malaysia) and Cerruti 1881.

Jude holds a Masters in Business Administration from Newcastle and is a member of the Royal British Society for Philosophers.

Chief Operating Officer - CRM & Consulting

Jasim Puthucheary

Jasim joined Scicom in 2009. As COO for CRM & Consulting, Jasim is responsible for Scicom's client focused internet and on-line marketing strategies, coupled with over 13 years of CRM and customer management consulting experience. He has P&L responsibility for the CRM & Consulting Division. An Adwords and Analytics Professional, Jasim is additionally responsible for Scicom's e-strategy.

Jasim started his career in Corporate Finance with RHB Securities. He later moved on to Usaha Tegas where he was involved in the corporate finance division which included projects for Maxis, ASTRO and Powertech. Jasim joined Commerce Dot Com, a company involved in building and operating the Government e-procurement system where he served as its chief operating officer.

Jasim holds a degree in Law (LLb) from the University of London.

Senior Management Team
(Continued)

Chief Technology Officer

Chandima Hemachandra

Chandima joined Scicom in January 2011. He is an information technology professional with over twenty three (23) years of experience, broad based knowledge and skills in implementing large scale and highly technologically complex projects in major financial institutions in UK, Sri Lanka and Kenya. Prior to joining Scicom, Chandima worked as the Chief Information Officer (CIO) at the Government owned Sri Lanka Insurance Corporation (SLIC), the oldest insurance service provider in Sri Lanka.

He brings to the table a sound knowledge of information & communication technology and software development and a highly successful background in managing large and complex projects. He has provided consultancy services to many government/private institutions and has been serving as an advisor in three National advisory councils in Sri Lanka.

In his early years, he worked as a Systems Analyst with British Hartford-Fairmount Engineering, UK, the Head of IT at CfC Stanbic Bank, the East African Headquarters of Standard Bank Africa, the Head of ICT and Banking Operations (Deputy General Manager) at Hatton National Bank, Sri Lanka and the Chief Manager ICT at Commercial Bank of Ceylon.

Chandima holds a Honours degree in Mathematics & Computer Science from the University of Middlesex, UK.

Senior Vice-President - Corporate Planning

Radah KrishnanVijaya Gopal

Radah joined Scicom in 2002. As Senior Vice President of Corporate Planning, his responsibilities includes the formulation of strategic plans, execution of business development initiatives for strategic clients, management of projects and liaison with key government authorities globally for the Group.

He has over 18 years of working experience in the areas of consulting, accounting and finance, strategic planning and business development.

Prior to joining Scicom he was a consultant in Corporate Finance and Investment Banking Services in PricewaterhouseCoopers Consulting Sdn Bhd.

Radah, graduated with a professional accounting qualification from the Association of Chartered Certified Accountants in 1997.

Senior Management Team
(Continued)

Senior Vice-President - Finance and Commercial

Kelvin Loke Cheong Hian

Kelvin joined Scicom in 2004. As the Senior Vice-President of Finance and Commercial, his responsibilities include overseeing both the compliance and commercial aspects of the finance functions of the Group such as financial reporting, budgeting, corporate finance and risk management. He has 16 years of accounting experience. Prior to joining Scicom, Kelvin had previously worked as an auditor in a Big Four accounting firm, Ernst and Young and as a Corporate Analyst in another public listed company in Malaysia.

Kelvin has graduated with a Bachelors of Accountancy with Honours from the Northern University of Malaysia and is a member of the Malaysian Institute of Accountants

Senior Vice-President - Client Management

Willie Lim

Willie joined Scicom in 2000, and carries with him over 22 years of industry experience in relation to general management, including sales, operations and client management. Willie is the strategic point of contact for Scicom's clients.

Prior to joining Scicom, he was an Executive Director in Abric Berhad. He was also previously the Country Manager of United Parcel Service (M) Sdn Bhd, as well as the General Manager of Electrolux Home Centres.

Willie holds a Bachelor's Degree in Business Administration from the National University of Singapore.

Senior Management Team
(Continued)

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

Shanti Jacqueline Jeya Raj

Shanti joined Scicom in 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 Head of the Customer Experience Team, where she developed service quality standards for Scicom's operations. Her next portfolio was a promotion as an Operations and Training Consultant in Scicom (Academy) Sdn Bhd, where she was involved in numerous projects across the Group.

Shanti's dedication and a comprehensive grasp of the contact centre business have now led to her current position. 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, compliance with ISO and SCP, and their respective 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.

Prior to joining Scicom, she had worked in various multinational corporations over a 13-year period, with her areas of expertise covering marketing communications, training 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 Vice-President - Scicom Marketing

Jerry Rajendram

Jerry joined Scicom in 2003. In his capacity as the Senior Vice-President of Scicom Marketing, he is responsible for all corporate branding responsibilities of Scicom worldwide, with the intention of formulating integrated marketing solutions to further expand the Group's existing service offerings. He is also responsible for the Group's internal and external marketing communications and public relations initiatives.

He has over 22 years of practical experience in advertising, having previously hailed from J.Walter Thompson, Dentsu, Young & Rubicam and DraftWorldwide. During his seven years at J.Walter Thompson, Jerry managed a list of global and regional brands, with the last two years being additionally involved in the setting up of the firm's integrated marketing arm, specialising in relationship management.

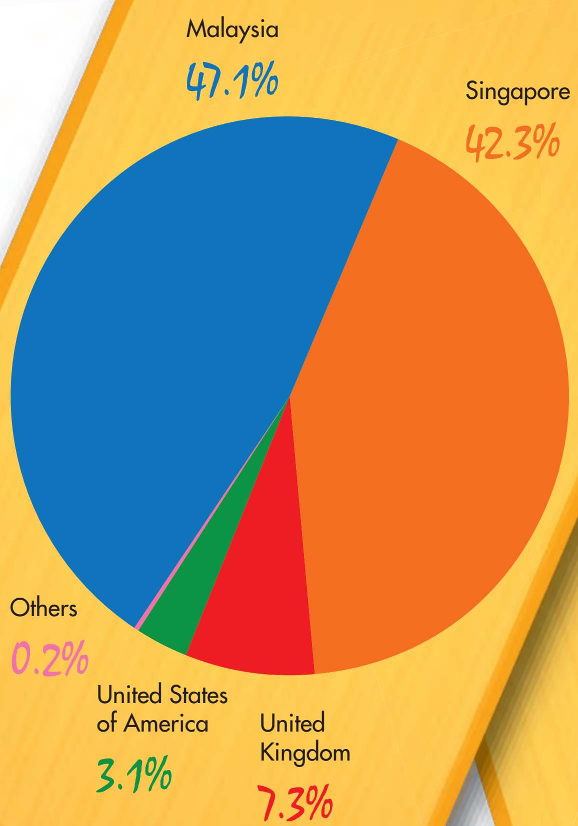
Prior to joining Scicom, he was the Regional Managing Director of DraftWorldwide. Jerry holds a Masters of Science and Honour's Degree respectively in Behavioural Science.

Group Financial Highlights

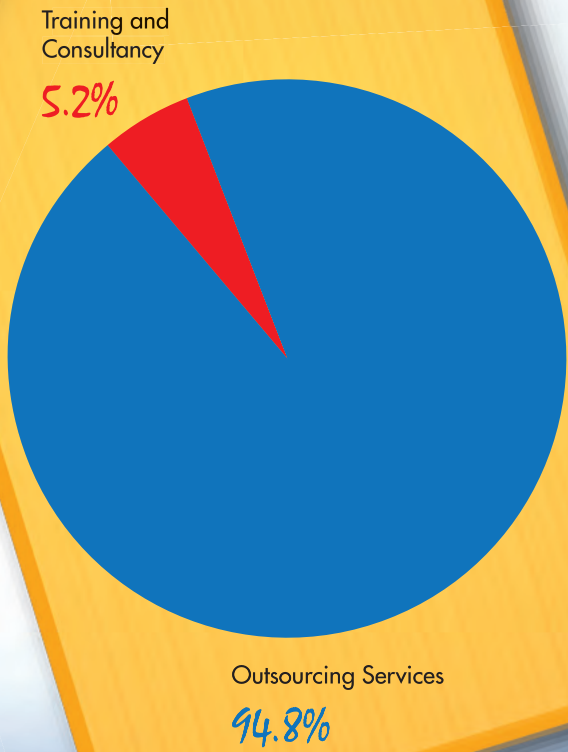
	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
PROFITABILITY (RM'000)				
Operating revenue	**131,226**	140,975	**125,352**	128,304
Profit before taxation ("PBT")	**13,487**	12,599	**14,817**	14,337
Net profit for the financial year	**13,612**	13,277	**14,978**	14,632
Net profit attributable to the equity holders of the Company	**13,735**	13,282	**14,978**	14,632
KEY BALANCE SHEET DATA (RM'000)				
Total assets	**71,875**	68,527	**70,856**	66,183
Total liabilities	**6,973**	8,416	**5,628**	7,047
Capital and reserves attributable to equity holders of the Company	**64,902**	60,111	**65,228**	59,136
FINANCIAL RATIOS				
Profitability:				
- Revenue growth (%)	**-6.9%**	14.9%	**-2.3%**	20.4%
- PBT growth (%)	**7.0%**	67.9%	**3.3%**	48.8%
- Net profit growth (%)	**2.5%**	59.3%	**2.4%**	51.7%
- Basic earnings per share (sen)	**4.64**	4.49	**N/A**	N/A
- Diluted earnings per share (sen)	**N/A**	N/A	**N/A**	N/A
- Asset turnover (times)	**1.83**	2.06	**1.77**	1.94
- Net return on equity (times)	**0.21**	0.22	**0.23**	0.25
Liquidity				
- Current (times)	**8.87**	7.14	**10.74**	7.73
- Cash over total assets (%)	**26.5%**	26.9%	**25.3%**	26.4%
- Trade receivables turnover (months)	**3.07**	2.85	**3.10**	2.91
Financing:				
- Debt over equity (times)	**-**	-	**-**	-
- Gearing (times)	**-**	-	**-**	-

Group Financial Highlights
(Continued)

Revenue by Location 2012

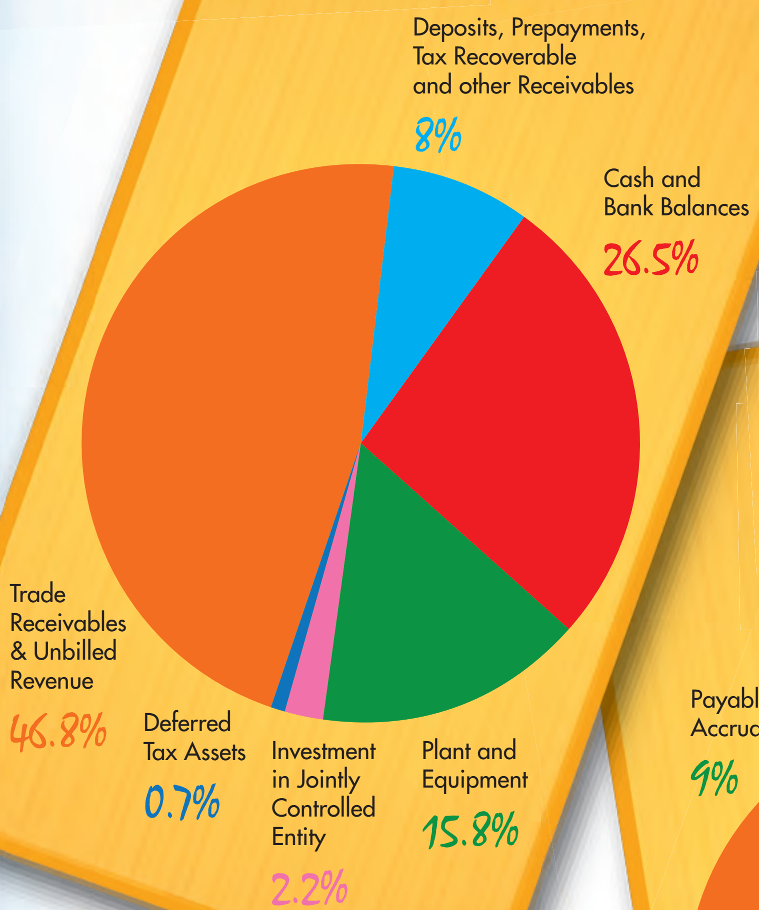


Revenue by Operating Segments 2012

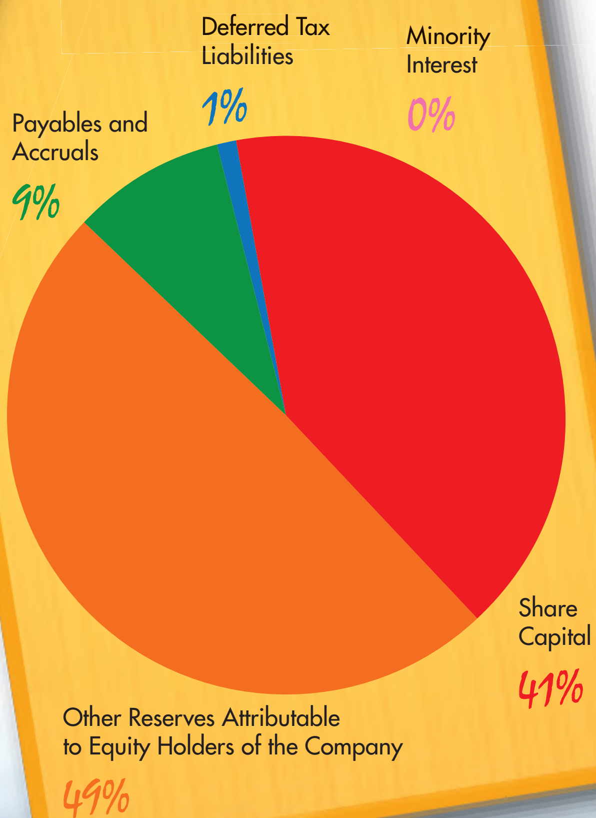


Group Financial Highlights
(Continued)

Total Assets
2012 (RM71.88 Million)



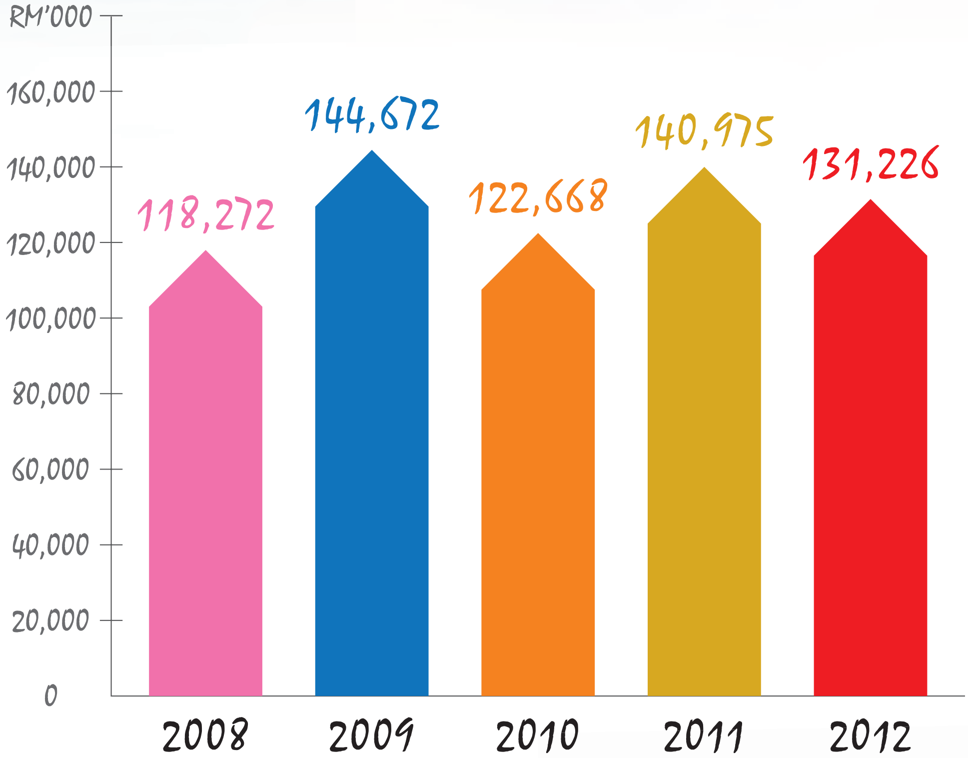
Total Liablities, Capital And Reserves
2012 (RM71.88 Million)



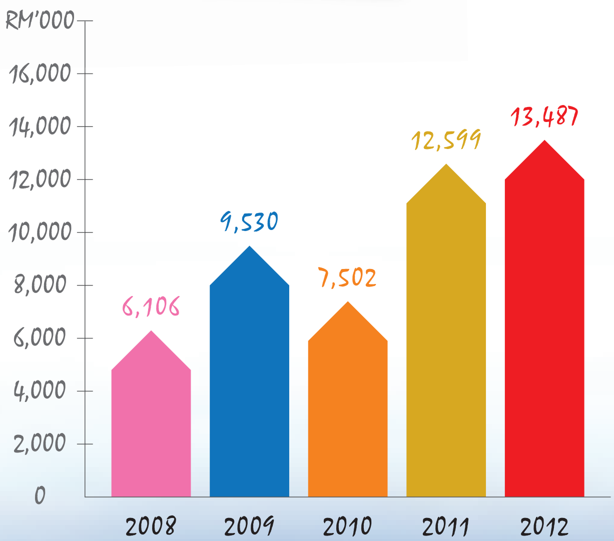
Group Financial Highlights

(Continued)

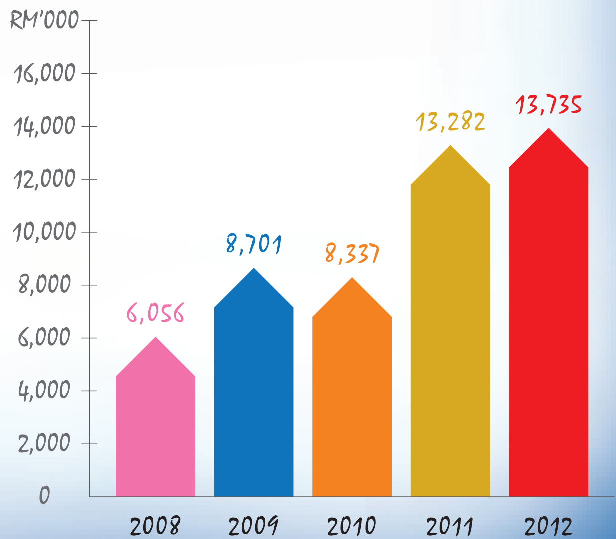
Revenue



Profit before taxation



Net profit attributable to owners of the company



Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report of Scicom (MSC) Berhad ("Scicom") for the financial year ("FY") ended 30 June 2012.

This financial year has been a challenging one as the economic woes and the financial crisis continued in Europe. This resulted in our clientele of MNC's being cautious in utilising budgets for outsourcing services. They either postponed their spending commitments or reduced their requirements for the year. Furthermore the sales cycle to convert prospective clients to use our services is now taking longer.

Against this backdrop, I am pleased to say that we weathered the storm well. Our efficient use of resources and technology has enabled Scicom to provide competitive rates and better service offering to our existing clients and acquire a number of new clients.

As I mentioned last year, we ceased our operations in the US and followed by closing our office in India during the year. Both these actions have allowed us to concentrate our resources in Malaysia, Indonesia and Sri Lanka.

CORPORATE DEVELOPMENTS

Sri Lanka - On 6 October 2011, Scicom acquired Scicom Lanka (Private) Ltd in the Republic of Sri Lanka. This facility has been set up in order to develop business opportunities in Sri Lanka and is designed to cater for UK, US and Australian markets as well. The subsidiary in Sri Lanka will commence operations in the second quarter of FY2013 and enables us to ensure that our products and services are made available in that rapidly expanding economy as well as to a wider global audience.

On 28 November 2011, Scicom entered into a Joint Venture cum Shareholders Agreement with Abans Private Ltd an established Company in Sri Lanka. Scicom Lanka (Private) Ltd is a 70% owned subsidiary of Scicom Group with Abans Private Ltd holding the remaining 30%.

Indonesia - On 30 May 2011, the Group incorporated a 100% owned subsidiary in Indonesia; PT Scicom Indonesia with a view of developing business opportunities in one of Asia's fastest growing economies. I am pleased to announce that the Group has set up a physical presence in Jakarta and is poised to commence operations in FY2013 with an Indonesian client base.

Malaysia - Scicom International College Sdn Bhd is in the final stages of obtaining various approvals for its educational programmes by the Malaysian Qualification Agency under the auspices of the Ministry of Higher Education. We expect these approvals within FY2013 and to start the marketing and delivery of our courses in Customer Contact Management soon thereafter.

FINANCIAL PERFORMANCE

Our product and services differentiation have evolved based on a deep domain understanding of our core business, and has provided us with a robust platform for the future in terms of growth potential, market penetration and product relevance.

Prudent financial management while in this evolutionary phase has allowed us to fund our operations in Malaysia and extend our reach into Sri Lanka and Indonesia through internally generated funds and we continue to end this year with zero debt and a healthy cash balance. The Group's revenue for the current financial year was RM131.23 million, representing a marginal 6.9% decrease from the preceding financial year. However net profit for the current financial year showed a slight increase at RM13.61 million as compared to RM13.28 million in the previous financial year.

Our strategy of services differentiation not only made us relevant to our discerning client base but has also laid the foundation towards our goal of obtaining greater margin differentiation for our business.

The Group's margin for the current year was 10.37% as compared to the preceding year's 9.42%.

DIVIDEND

The Board has recommended a final dividend payment of 1.0 sen per ordinary share, tax exempt, in respect of the financial year ended 30 June 2012. Two interim dividends of 1.0 sen per ordinary share each, tax exempt, were paid on 15 March 2012 and 28 September 2012 respectively. The interim dividends together with proposed final dividend collectively amount to a dividend payout for the financial year of 3.0 sen per ordinary share, tax exempt.

This recommendation translates to a dividend payout ratio on profits of approximately 65% and reflects the board's commitment towards maintaining a stable dividend payout for its shareholders.

FOCUS AREAS FOR SUSTAINABLE GROWTH

Our business focus has been in the emerging markets of the Asia Pacific region for our core businesses. Our setup of operating centres in Sri Lanka and Indonesia allows us to reach and set the platform for continuous growth.

Outsourcing - Today's outsourcing market place has evolved significantly with clients looking to us to provide integrated customer management solutions necessitating a deep domain understanding of our clients core business and processes. This is a departure from the single process coventional outsourcing that forms only aspects of a clients business to a complex solution encompassing several core business procceses along with a change in the business engagement model to that of a risk/reward, revenue sharing concept with clients.

The Group has established a good track record, attained critical mass in terms of scale and management bandwidth, financial strength, capability and a sterling reputation to be now regarded as a viable world class provider of complex service solutions. The movement of the Groups delivery capability from pure play BPO services to KPO and now integrated solutions in specicific verticals has resulted in clear competitive advantage vis a vis our local and global competition.

Education - The Group continues to be a leader and innovator in the area of education services with regard to Customer Contact Management in Malaysia. The Group has expanded its training and education services to encompass various aspects of customer service management and now is poised to move into Sri Lanka and Indonesia with these service offerings.

2013 OUTLOOK

Sales cycles for complex projects are typically 6 to 9 months; implementation can be of a similar time scale. The Group having now consolidated and embarked on marketing its comprehensive suite of Customer Services Management solutions over FY2012, is poised to start to implement these solution sets in FY2013.

I am pleased to announce that the focus areas for sustainable growth as set out above are expected to result in greater earnings and revenue for the Group for FY2013.

APPRECIATION

I wish to thank the Government of Malaysia, the regulators, our shareholders, our loyal clients, and more importantly, our dedicated staff spanning the many jurisdictions which we operate in, for their support in making our Group's business a success.

As always, I would like to express my gratitude to my fellow Board members for their ongoing support, dedication and prudent governance in shaping the Group's direction to ensure our continuous growth.

Thank you.

KRISHNAN MENON
Chairman

Ceo Update

Dear Shareholders,

Over the financial year our clients' impetus to reduce costs, and the challenges of a weak external business environment have both contributed to making FY2012 an eventful and challenging year for us. Eventful because we have to move quickly to cater to our clients rapidly evolving needs and challenging because we also had to grow our bottom line results although we were booking less revenue over the year. I am pleased to announce that we managed to grow our net profit for this year. We have also consolidated our cost base, innovated in our core business areas, moved into higher value service offerings and invested in operating entities in Sri Lanka and Indonesia to set out a platform for future growth.

Over the years we have laid a solid foundation in our lines of business to encompass a full suite of Integrated Outsourcing Services, Strategic and Operational Consulting, Training and Education products and associated Software Application Development. From strategy to execution our focus area continues to be the customer with solutions and services across every customer touch point and via every channel. We continue to strive to move away from a single process commoditised BPO service offering to that of a complex multi-process solution offering which augers well for client retention and greater margin differentiation.

Providing Total Service Solutions to our targeted client base is the way forward. Most discerning clients want to work with a partner that can fulfil the following criteria; critical mass in terms of specialist experience, track record, management bandwidth and financial strength. I am pleased to report that Scicom today is poised to demonstrate sustainable growth with all these attributes in hand. Our focus areas in terms of a client base today encompass multinational clients, large local and region conglomerates and now increasingly governments. Uniquely we also have the capability to service our clients and their multilingual customer base in Africa, Europe, the Middle East and Asia Pacific from our centres in Malaysia and soon Indonesia and Sri Lanka as well.

With over 2,950 employees as of 30th June 2012, Scicom is strongly positioned as one of Malaysia's largest and most experienced providers of Total Service Solutions. Our service offerings remain centred on the principles of customer acquisition, customer retention and customer value for our clients.

FINANCIAL PERFORMANCE

For FY 2012 the group generated RM131.23 million in revenue and RM13.61 million in net profit. The Group's net profit increased by approximately RM335,000 in FY2012 despite a decrease in revenue by RM9.75 million as compared to the preceding year.

In FY 2012, 53% of our revenue was derived from outside Malaysia which is consistent with 52% in FY2011. For this financial year we booked a foreign exchange gain of RM 605,168 as compared to RM 465,284 in FY2011.

Outsourcing remains the Group's core business accounting for 94.8% of the Group's revenue in FY2012 as compared to 93.6% in the preceding financial year.

A variety of factors contributed to lower revenues for FY 2012 as compared to FY 2011; some clients relocated some or all of their support services to where their customers are based amounting to RM13.28 million, the group completed some short term projects with a value of RM2.16 million and finally a delay in the implementation of consultancy and training contracts valued at RM2.19 million over the year contributed to lower revenues for FY 2012.

However , this was mitigated to an extent by revenue inflows recorded by newly secured clients valued at RM5.81 million. Organic growth from existing business and greater revenue recovery from existing foreign based clients (as a result of the weakening Ringgit against major trading currencies) amounting to approximately RM2.02 million.

The higher net profit in FY 2012 despite the lower revenue is due mainly to the cessation of operating costs incurred in US, a reduction in both the write off of the groups fixed assets and depreciation charge.

The net profit margin for the Group is at 10.37% for this financial year as compared to 9.42% in FY 2011.

CORPORATE DEVELOPMENTS

On 6th October 2011 Scicom acquired Scicom Lanka (Private) Ltd and on 28th November 2011 entered into a Joint Venture and Shareholder's Agreement with Abans Private Ltd. Abans , having a vast established business presence in Sri Lanka has entered into an agreement with the company, to provide Strategic Consulting, CRM application development and Customer contact centres to the Abans Group. Business development efforts over the last 6 months have also resulted in a pipeline of opportunities for both Scicom outsourcing and Scicom Education.

Scicom PT Indonesia , established as a wholly owned entity of Scicom (MSC) Berhad was set up to cater for significant domestic demand in Indonesia. Business development efforts have resulted in the acquisition of local clients for Scicom Outsourcing in Indonesia. The Indonesian entity and revenues derived therefrom is expected to grow in tandem with Indonesia's economic growth and increasing consumer expectations.

Scicom International College Sdn Bhd a subsidiary of the Group is now awaiting final approval from Malaysian Qualification Agency (MQA) which oversees academic programme quality and learning standards in Malaysia.for its course and programme accreditation and approval. Upon obtaining approvals Scicom International College Sdn Bhd would be offering diploma and degree courses in Global Services Management. This will be a first for Malaysia and the region and is possible for us because of our deep understanding of customer interaction and Services Management at every customer touch point. We expect to export these services across the region and deliver these services out of our site locations in Sri Lanka and Indonesia.

HUMAN CAPITAL AND TALENT MANAGEMENT

The success of our business is dependent solely on the quality of people we employ and the quality of our client base. Scicom through Scicom Academy continues in its goal is to be a leader in the provision of to quality customer service management education and training programs. The group has always placed an emphasis on the quality of internal training we provide to all our staff and our employees are widely regarded as the best in the Industry. This focus on internal training has been translated to a full suite of training and educational products that is both, enhancing the quality and skills base of our staff and creating opportunities for the group in terms of service, revenue and margin differentiation.

Malaysia has a finite resource pool, our training and education products enhance the skills of our people. As we move up the value chain our efforts in creating a robust foundation in training and education will afford us with both increased capability and scalability. From a national perspective our provision of higher value services has resulted in the requirement of greater specialist skills on the part of our knowledge workers and has naturally lead to higher salaries. This is in line with Malaysia's goal of enhancing the nation's workforce, moving towards a higher income economy and is commensurate with the nation's aspirations of being a knowledge-based first world economy.

AWARDS AND RECOGNITION

In Malaysia, Scicom was awarded the Best BPO and Contact Centre Service Provider of the Year for 2012 by Frost and Sullivan. This is the third consecutive year Scicom has won the award and the fifth time, since its inception in 2005. Globally, Scicom's brand continues to be a powerful force in the Outsourcing Industry. Scicom was placed in the "Top Global 100 Services Providers" listing for 2012 by the International Association of Outsourcing Professionals (IAOP) globally. This is the third consecutive year Scicom has won this award.

MOVING FORWARD

As we move up the value chain in terms of service offerings we see ourselves evolving into provider of essential services to both private enterprise and governments around the region. , The sales cycle for more complex service propositions are necessary longer. Our focus and challenge is to implement these solutions in a timely manner.

Moving forward, I am confident that our strategies with regard to our product and service relevance, new market focus, and execution capabilities will allow us to grow both revenues and profits for FY 2013.

APPRECIATION

I would like to extend my sincere gratitude to our clients and shareholders for their continued confidence and to over 2,950 of our global employees for their hard work, creativity, passion and commitment in delivering exceptional service to our clients and customers around the world.

Thank you for your continued support.

LEO ARIYANAYAKAM
Group Chief Executive Officer

Corporate Milestones

Financial year 2012 Corporate Milestones & Recognition Events

2011

JULY

AUGUST

AUGUST 2011
Scicom pays 2nd Interim Dividend for financial year 2011

AUGUST 2011
Scicom announces Boardroom changes upon the resignation of David Eric Burke as a Non-Independent & Non-Executive Director

SEPTEMBER

OCTOBER

OCTOBER 2011
Scicom acquires Scicom Lanka (Private) Ltd

OCTOBER 2011
Scicom sweeps awards at CCAM, including Best Outsourced Contact Centre in Malaysia (both Gold & Silver), Gold for Process Excellence, Gold for Best People Program, Gold for Best Technology Solution and Gold for Malaysia's Most Creative & Innovative Contact Centre.

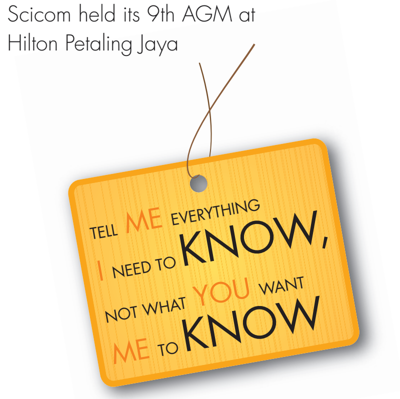
NOVEMBER

NOVEMBER 2011
Scicom enters into a Joint Venture Agreement with Abans Private Ltd in respect of Scicom Lanka (Private) Ltd

NOVEMBER 2011
Scicom held its 9th AGM at Hilton Petaling Jaya

DECEMBER

DECEMBER 2011
Scicom pays final dividend for financial year 2011



2012

JANUARY

FEBRUARY

MARCH

MARCH 2012
Scicom pays 1st Interim Dividend for financial year 2012

APRIL

APRIL 2012
Scicom wins the Frost and Sullivan Malaysia Excellence Award for BPO Service Provider of the Year

MAY

MAY 2012
Scicom listed amongst the Top 100 Outsourcing companies in the world by the Internatinal Association of Outsourcing Professionals (IAOP)

Corporate Social Responsibility

One Citizen

A charitable initiative started in 2011 to help the most vulnerable people in Malaysia and around the planet. To date caring Scicom employees have contributed over RM150,000 to causes around the world.

One Planet:

Environmental program to reduce the Group's carbon emissions by 20%: awareness campaign, waste/paper sorting/recycling, replacement of equipment with clean energies, tree planting, reduction in travel by using videoconferencing equipment. LEED certification initiative by the Group.

Corporate Social Responsibility Statement

Scicom is committed to ensure that its presence brings as many positive impacts as possible to all its stakeholders. The Group continues to strive to be a responsible corporate citizen and is mindful of improving value for all its stakeholders and in enhancing the long term sustainability of the Group.

Scicom believes in grooming its own talent and is continuously improving and enhancing its pool of talented workforce. Scicom has successfully, with inhouse courses which are accredited, managed to train and retain the right people that have the ability and motivation to perform and deliver performance of high standards.

Scicom also supports the community and the less fortunate hit by natural calamities by contributing to fund raising and donation drives. Scicom's employees raised RM 37,933 for the Thailand Flood Relief Fund. The contribution collected was sent to the Thailand Embassy in Malaysia. The Company also collected contributions towards a client's CSR initiative. This fund was set up to offer critical and specialized education and support programs for children and young people. These include special education for the intellectually or physically challenged, and programs that help young people with learning difficulties or from difficult home environments.

During the year Scicom organised a Blood Donation Campaign initiated by the National Blood Bank . The blood donation drive had an overwhelming response with a total of 170 staff donating blood .

Scicom's understanding on the importance of responsible practices is reflected in our mission statements where not only do we strive to be the best in the industry, but also to give the best to the surroundings we operate in. Our guiding values leads us to be responsible towards the focal areas we touch upon everyday: the community, the workplace and the marketplace.

scicom international college

scicom academy

asian institute of service excellence

global job connect

Corporate Social Responsibility Statement (Continued)

The Community

Scicom continues to invest in its commitment to contribute to the national economic development of the country by improving the quality of life of its workforce and their families, as well as of the local community and society at large. Scicom's CSR is about business giving back to its people.

Scicom through its subsidiary, Scicom (Academy) Sdn Bhd in collaboration with BTEC (British Certifications) continues in providing Certification, Post-Graduate Certification and Post-Graduate Diploma Programmes in Contact Centre Management to Malaysians. This provides for a key role in creating a trained & qualified workforce, armed with the relevant disciplines, for the outsourcing industry in Malaysia.

The fact that our very own 2,950 Malaysian operations based human capital workforce are able to improve their performance & capabilities by the ability to attain these various Certifications at a significantly subsidised cost, is a testimony itself to our commitment.

The Workplace

Scicom continues to provide employment and training opportunities for Malaysians. Since its employees are its greatest asset, the Company recognises the need to continually improve the quality of its workforce and the requirement to invest in training programmes to upskill its workforce. We understand that our people need to be developed, challenged, and be nurtured to be motivated to meet our business goals. We continually reward and recognise our employees for their outstanding contribution and performance.

Scicom believes that the members of any team and the various departments within our organisation must work together to achieve common goals and targets of the Company.

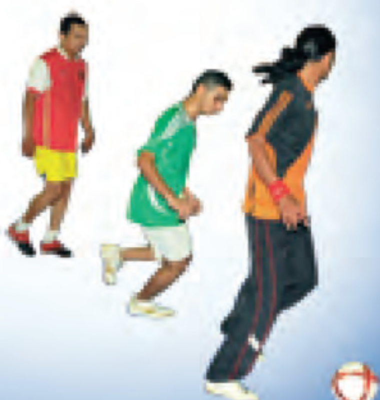
Scicom has enhanced its ability to identify the basic strengths of its employees and develop interventions that closes the gap between current and desired employee capability. We continuously assess allour employees' current level of capabilities against the desired level & create a list of high potential employees for career advancements. We also develop employees for future organisational roles and create a common framework of behaviour.

In an effort to continually enhance our values, core principles and code of conduct, we believe it is also is essential to consider all ethic diversities required for delivering our business services to the industry. At Scicom, it is critically important that everyone in the organisation knows the ethic values and principles and how to apply them at work and at home.

The Marketplace

As customers have become more interested in aligning their personal values with the brands they buy and companies they support, we at Scicom understand the need to rise to the challenge and clearly define and articulate our corporate social responsibility values. Today CSR is inherent in Scicom's management and leadership principles and Scicom is looking at creating long-term educational benefits for its employees, and the Company sees this as an important element in implementing its business strategies.

Scicom's success depends on its ability to build a sustainable people centric culture. Scicom is convinced that socially responsible activities are the best possible way to ensure the long-term success of the Company. We clearly understand today's consumer trends and what it means to our business. This allows us to capitalise on any current and future opportunities that is changing and transforming global business.



Corporate Governance Statement

The Board of Directors ("the Board") of Scicom recognises the importance to practice the Corporate Governance Standards in discharging their roles and responsibilities to protect and enhance shareholders values and in improving the financial performance of the Group. The Board subscribes to the Principles and Best Practices as set out in the Malaysian Code of Corporate Governance as a key factor towards achieving an optimal governance framework and process in managing the Group's business and operational activities.

The Board is pleased to set below the Statement on how the Group has applied the Principles of the Malaysian Code of Corporate Governance, and the extent of compliance with the Principles and Best Practices advocated there-in.

A. The Board

1. Responsibilities of the Board

The Group's Board comprising competent individuals with specialised skills and knowledge provide clear and effective leadership to the Group. The Board is responsible for charting the strategic direction of the Group as well as over-seeing the conduct, performance and internal controls of the Group's business activities. In order to ensure a constantly well-balanced Board, careful consideration is given when selecting and balancing between the composition of Independent and Non-Independent Directors.

The Board has a formal schedule of matters requiring its decision, as detailed below:

- Reviewing and adopting the Group's strategic direction, as proposed by the Group Chief Executive Officer. All approved strategies will then be communicated down to respective Heads of Departments for implementation;
- Reviewing the adequacy of significant risks identified by the Audit Committee and ensuring the implementation of appropriate measures to manage these risks;
- Reviewing the adequacy and integrity of the Group's systems and internal control and of management information, including systems for compliance with applicable laws, regulations, directives and guidelines;
- Assessing and evaluating the Group's business and operational performance, to ensure that Scicom is on track with the strategic direction as approved by the Board. Approving significant policies that may have a material impact on the Group's business activities;
- Reviewing and approving the Group's strategic business plans;
- Approving the Group's annual budget, which includes all major capital expenditure;
- Reviewing the Group's financial performance and position on a quarterly basis; and
- Reviewing other significant matters that may have a material impact on the Group.

2. Board composition and balance

The Board currently has six members, comprising two Non-Independent Non-Executive Directors, one Non-Independent Executive Director, and three Independent Non-Executive Directors. As such, the current Board composition satisfactorily fulfills the prescribed requirements for one-third of the Board membership to consist of Independent Board members.

A brief profile of the Directors is included in the Board of Directors – Profiles as set out on pages 12 to 14. 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 which is vital for the Group's success.

2. Board composition and balance (Continued)

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 Chief Executive Officer ("CEO"), via the appointment of separate Board members to hold respective positions.

The Chairman is primarily responsible for ensuring the Board's effectiveness, along with other areas as detailed below:

- Ensuring proper balance in the Board's membership, subject to the approval of the shareholders and other members of the Board;
- Ensuring that all relevant issues are included in the Board meeting agendas;
- Ensuring that all Directors, both Executive and Non-Executive, are enabled and constantly motivated to play their role to the fullest of their abilities. This includes ensuring that the Board members, particularly the Non-Executive Directors, continuously receive timely and relevant information tailored to their needs, and are properly briefed on issues arising, if any, during the Board meetings; and
- Ensuring that the Executive Director constantly looks above and beyond his management function, and fully accepts his responsibilities in the area of corporate governance.

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 SMT.

3. Board meetings

The Board meets at least four times a year on a quarter basis, with additional meetings being convened as and when necessary for urgent and important matters, such as to 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.

During the current financial year, 4 Board meetings were held of which the details of each Director's attendance are shown below:

Director	Designation	Number of meetings Attended during the Financial Year	Percentage %
Krishnan Menon	Chairman/Non-Independent Non-Executive Director	3 of 4 meetings	75
Dato' Mohd Salleh bin Hj. Harun	Independent Non-Executive Director	4 of 4 meetings	100
Leo Suresh Ariyanayakam	Chief Executive Officer/Group Executive Director/Non-Independent Executive Director	4 of 4 meetings	100
Dr. Nikolai Dobberstein	Independent Non- Executive Director	3 of 4 meetings	75
Loh Lee Soon	Independent Non- Executive Director	4 of 4 meetings	100
Ande Safari	Non-Independent Non- Executive Director	3 of 4 meetings	75

All meetings were held at the conference room, 25th Floor, Menara TA One, 22 Jalan P. Ramlee, 50250 Kuala Lumpur.

4. Retirement and Re-election of Directors

The Company's Articles of Association require at least one-third of the Board members to retire by rotation at the Annual General Meeting ("AGM"), and also for all the Directors to retire once every three years, of which the Directors will then be eligible to offer themselves for re-election.

5. Directors' Trainings

All the Directors have attended and successfully completed 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. The seminars and training courses attended by the Directors during the financial year are as listed:

Name of Director	Seminar/Training Courses Attended
Krishnan Menon	• 5 October 2011 Risk management in today's economy De-mystifying Director's legal duties and implication under the listing requirement Organised by MISC Berhad • 2 - 4 March 2012 4th Petronas BAC Forum 2012 Enhancing Governance and Control for Better Performance and Delivery Organised by Petroliam Nasional Berhad
Dato' Mohd Salleh Bin Haji Harun	• 28 September 2011 Annual Risk Workshop for Board of Directors and Risk Management Committee: Black Swans in the Horizon Organised by KPMG • 18 - 19 October 2011 FIDE Elective Program - IT Governance and Risk Management Organised by The ICLIF Leadership & Governance Centre • 4 - 5 April 2012 FIDE Elective Program,Nomination Remuneration Committee Organised by The ICLIF Leadership & Governance Centre
Dr. Nikolai Dobberstein	• 30 November - 1 December 2011 Speaker at India Strategy Forum 2011 Organised by Institute for Strategy • 14 December 2011 2nd CEOs Roundtable on Broadcast Organiszed by CII National Committee on Media & Entertainment • 14-15 February 2012 NASSCOM India Leadership Forum 2012 Organised by NASSCOM • 11- 15 April 2012 Asia Partner/Principal Meeting Organised by A.T. Kearney • 13 March 2012 FICCI Invitation: Seminar on Green Telecom Organised by Federation of Indian Chambers of Commerce & Industry (FICCI)

5. **Directors' Trainings (Continued)**

Name of Director	Seminar/Training Courses Attended
Loh Lee Soon	• 10 August 2011 Corporate Governance Workshop Organised by Bursa Malaysia • 13 September 2011 Cloud Computing Organised by Malaysian Institute of Accountants • 15 September 2011 Briefing on Goods and Services Tax Organised by Tax Review Panel, Ministry of Finance, Malaysia • 23 - 24 April 2012 Insurance Insights (Financial Industry Directors Education Program) Organised by ICLIF Leadership & Governance Centre, Bank Negara Malaysia • 10 May 2012 Creating Cross Border Champions Organised by ICLIF Leadership & Governance Centre, Bank Negara Malaysia • 21 May 2012 Update on Malaysian Code on Corporate Governance 2012 Organised by Securities Services (Holdings) Sdn Bhd Learning Center • 22 May 2012 The Audit Committee Organised by Malaysian Institute of Accountants / Bursa Securities, Malaysia
Leo Ariyanayakam	• 14 September 2011 Microsoft Seminar on Windows 8 Organised by Microsoft (M) Sdn. Bhd. • 21 March 2012 MSC Malaysia, Local Advisory Panel Seminar Organised by MSC Malaysia Local Advisory Panel
Ande Safari	• 16 - 17 September 2011 CFO Forum Organised by PT Telkom Indonesia • 16 - 22 March 2012 18th Annual Global Settlement Carrier Forum Organised by Global Settlement Carrier Group • 24 - 26 April 2012 Cross Culture Training Organised by PT Telkom Indonesia • 28 - 30 May 2012 International Telecommunication Union Regional Seminar on Cost and Traffic Organised by Ministry of Communication & Information, Indonesia

6. Supply of Information

The Directors have full, unrestricted and timely access to all information necessary for the discharge of their responsibilities. The Board is provided with the meeting agenda and Board papers, which enable the Directors to consider any matters arising and facilitate their decision-making process. The Board papers include, among others, the following documents and/or information:

- The Group's operational performance for the quarter and year-to-date, as compared to the pre-set budget and operational targets, including a detailed explanation of material variances between the actual and budgeted results. Performance is analysed at project and individual company-levels;

- A revised profitability budget based on latest events and changes in assumptions due to the prevailing environment;

- The Group's profitability, liquidity, financing and market-based ratios for the financial period;

- The listing of significant planned capital expenditure and their appropriate justifications, to be tabled for approval by the Board;

- The annual business plan and strategic initiatives are tabled for approval by the Board: and

- The Directors are regularly updated by the Company Secretaries on new statutory as well as regulatory requirements relating to Director's duties and responsibilities on the discharge of their duties as Directors of the Company. The Directors have unrestricted access to the advice and services of the Company Secretaries and SMT of the Group.

  All the Directors, whether collectively as a Board or in their individual capacity, have access to advice and services of the Group's company secretaries. The Group permits an individual Director or the Board as a whole to seek independent professional advice in carrying out his or their duties respectively.

7. Committees

In order to enhance the Board's effectiveness as well as to comply with certain fiduciary duties, the Board has delegated the following responsibilities to standing committees, which operate within clearly defined terms of reference. The respective committees are detailed below:

- Audit Committee

The Audit Committee's composition, terms of reference and summary of activities is included in the Audit Committee Report as set out on pages 44 to 47.

- Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") was formed on 12 May 2010 and is responsible for proposing candidates for directorship and assessing the directors on an ongoing basis. In addition, the NRC assesses the contribution of individual Board members, the effectiveness of the Board and the Board Committee. The NRC is responsible in determining the remuneration of the Directors and senior management staff so as to ensure that the Company attracts, retains and motivates the Directors and senior management staff of the quality needed to manage the business of the Group effectively. The remuneration scheme is reflective of the individual Director's and senior management staff's experience and level of responsibilities. In addition, the remuneration for the Executive Director and senior management staff is structured to link remuneration and rewards to corporate and individual performance.

The members of the NRC are as follows:
Dr. Nikolai Dobberstien– Independent Non-Executive Director
Dato' Mohd Salleh Bin Hj Harun – Independent Non-Executive Director
Loh Lee Soon– Independent Non-Executive Director

The NRC met once during the financial year to review the Board's structure, size and composition and to review the remuneration of the Executive Director and senior management staff.

7. Committees (Continued)

The Executive Director does not participate in any way in determining the individual remuneration package of the other Directors. The remuneration and benefits of the Non-Executive Directors is determined by the NRC with the individual Directors concerned abstaining from deliberating and voting on their own remuneration.

- Risk Management Committee

The Risk Management Committee ("RMC") was formed to oversee the Group's risk management systems, practices and procedures to ensure effectiveness of risk identification, evaluation and management as well as the compliance with internal guidelines and external requirements.

The SMT has assumed the roles and responsibilities of RMC which is deemed appropriate by the Board given the current size and complexity of the Group's operations. The RMC performs regular review on the adequacy of the risk profile of the Group, taking into consideration the prevailing and foreseeable business and operational challenges faced by the Group. The risk assessment and the conclusion thereon are tabled for endorsement to the Board on a quarterly basis.

B. Directors' Remuneration

The full Board is responsible for determining the remuneration scheme for its individual members. The annual fees payable to Non-Executive Directors are presented to the shareholders at the AGM for their approval. The Executive Director however, does not participate in any way when determining his remuneration package.

A summary of the Directors' remuneration for the financial year ended 30 June 2012, distinguishing between the Executive and Non-Executive Directors in aggregate, with categorisation into appropriate components and the number of Directors whose remuneration falling into each successive band of RM50,000, is as shown below:

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

	Executive RM	Non-Executive RM
Salaries and bonuses	811,992	-
Benefits-in-kind	31,150	-
Fees	-	210,000
Total	843,142	210,000

The number of Directors whose total remuneration during the financial year fall within the following bands is as follows:-

Range of Remuneration	Executive	Non-Executive	Total
Below RM50,000	-	4	4
RM50,000 – RM100,000	-	1	1
RM800,000 – RM850,000	1	-	1
Total	1	5	6

For security and confidentiality reasons, the details of individual Director's remuneration are not shown. The Board is of the opinion that the transparency and accountability aspects of the corporate governance as applicable to the Director's remuneration are appropriately served by the disclosures made above.

C. Shareholders And Other Stakeholders

1. Communication between the Company and its Investors and Other Stakeholders

The Board recognises the need to communicate effectively with its shareholders and other stakeholders in relation to the Group's business activities and performance. This information is disseminated through press releases, press conferences, announcements made via Bursa Securities' website, including quarterly announcements and annual reports. Scicom also maintains a website at www.scicom-intl.com, as accessible by all its stakeholders and the general public, which provides pertinent and updated information on the corporate and business aspects of the Group.

Any queries or concerns regarding the Group may be conveyed via e-mail at corpinfo@scicom.com.my.

2. AGM

The AGM is the principal forum for dialogue and communications, and also offers an opportunity for the Board and the SMT to interact with the shareholders. During the AGM, the Chairman, other Board members, SMT and Group's external auditors 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.

Shareholders are encouraged to participate in the proceedings and pose questions about the resolutions proposed and the Group's business operations.

D. Accountability And Audit

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, 1965 to prepare the Group and the Company's statutory financial statements with all material disclosures, to ensure the accuracy and completeness, in compliance with 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 Audit Committee assists the Board in over-seeing the Group's financial reporting process.

The Statement by Directors pursuant to Section 169(15) of the Companies Act, 1965, in relation to the preparation of the financial statements is set out on page 111.

2. Internal Controls

In discharging its duties in ensuring the effectiveness of the Group's internal control systems, the Board has entrusted this responsibility to the Audit Committee. The scope and results of the Audit Committee's review are detailed in the Internal Control Statement as set out on pages 40 to 43.

3. Relationship with Auditors

The Group, through the Audit Committee, has a professional and transparent relationship with both the Group's internal and external auditors. The internal auditors attend all Audit Committee meetings held on a quarterly basis and the external auditors attend the Audit Committee meeting twice in the year. Disclosure of non-audit fees is included under Additional Compliance Information as set out on page 114. Other facets of the relationship between the Audit Committee and both the internal and external auditors are elaborated in the Audit Committee Report as set out on pages 44 to 47.

Internal Control Statement

The Board of Scicom has overall responsibility for the Group's system of internal control and is pleased to provide the following internal control statement which has been prepared in compliance and in accordance with the guidelines for Directors – Statement of Internal Control: Guidance for Directors of Public Listed Companies, as issued by Bursa Securities. The internal control statement outlines the nature and features of internal controls within the Group to safeguard the Group's shareholder investment and assets for the financial year ended 30 June 2012.

The external auditors have reviewed this Statement as required under Paragraph 15.23 of Bursa Securities' Listing Requirements, and in accordance with the Recommended Practice Guide 5 – Guidance for Auditors on the Review of Directors' Statement of Internal Control ("RPG 5"), as issued by the Malaysian Institute of Accountants. The external auditors have reported to the Board that based on their review, nothing has come to their attention that causes them to believe this Statement is inconsistent with their understanding of the process which the Board has adopted in the review of the adequacy and integrity of the Group's internal controls. RPG 5 however, does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures.

BOARD RESPONSIBILITY

The Board is ultimately responsible for the Group's system of internal controls, and for reviewing its effectiveness in providing its shareholders with a return on their investments that is consistent with a responsible assessment and management of risks. The Board recognises the importance of maintaining a sound and effective system of internal controls, which includes the establishment of an appropriate control environment and framework, covering risk management and 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
- Review the adequacy 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 SMT is responsible for implementing the Board's policies on risks and controls, whereas the remaining human capital has the responsibility over internal controls as part of its accountability in achieving the Group's overall objectives.

Because of the limitations that are inherent in any system of 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 Group is growing, and thus the system of internal control will continue to be enhanced to suit the needs and requirements of the expanding Group.

RISK MANAGEMENT

The Board recognises the importance of establishing a structured risk management framework to sustain and enhance good corporate governance practices. The Board has established on-going processes for identifying, evaluating and managing significant risks faced, or potentially exposed to by the Group in pursuing its business objectives. These processes have been in place throughout the financial year. The adequacy and effectiveness of these processes are continually reviewed by the Board and is in accordance with the Group's Internal Control Policies. The SMT assumes the roles and responsibilities of Risk Management Committee and has established an on-going process for identifying, analysing, measuring, 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.

The SMT is also responsible for creating and promoting risk awareness culture amongst the Group's human capital, via a readily accessible knowledge framework for risk management. A qualified Risk Officer works closely with the SMT in the implementation of the risk management 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 Risk Officer 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 Audit Committee, as appropriate.

CONTROL ENVIRONMENT AND STRUCTURE

The Board and SMT have established numerous processes for identifying, evaluating and managing the significant risks faced by the Group. These processes include constantly updating the system of internal controls when there are changes to the business environment or regulatory guidelines. The key elements of the Group's control environment include the following:

- **Organisation structure**

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

  The Group has in place an organisation structure with well defined scope of responsibility and clear lines of accountability. A process of hierarchical reporting is in place which provides for a well 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.

- **Audit Committee**

  The Audit Committee members comprise of three (3) Non-Executive Directors all of whom are Independent Directors. The Board has empowered the Audit Committee, which meets at least on four (4) occasions each financial year, to review the adequacy and integrity of the Group's internal control systems. The Audit Committee assumes the overall duties of reviewing the external auditors' annual audit plan, audit reports, as well as findings and recommendations on internal controls, governance and efficiency matters, if any, as highlighted annually in their internal control memorandum ("ICM"). In addition, the Audit Committee also reviews and approves the adequacy of the scope as per the internal auditors' audit plan for the financial year. Also as part of its terms of reference, the Audit Committee obtains assurance on the Group's system of internal controls via quarterly updates from the CEO, the CFO, the Risk Officer , the internal and external auditors.

  The details of activities carried out by the Audit Committee are set out in the Audit Committee Report on pages 44 to 47.

- **Internal Audit Function**

  The Board 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 integrity of the Group's system of internal control. Total cost of the internal audit function in respect of the current financial year is RM70,000.

  The internal audit function adopts a risk-based approach in developing its annual audit plan which focuses on the core auditable areas of the Group's business units based on the risk profile. Scheduled quarterly internal audits are carried out by the internal auditors based on the audit plan presented to and approved by the Audit Committee. The audit area focuses on areas with high risk to ensure that adequate action plan is in place to mitigate the risk. On a quarterly basis or earlier as required, the internal auditors report to the Audit Committee and will subsequently follow up to determine the extent of their recommendations that have been implemented.

- **Policies and Procedures**

  The Group's policies, processes and procedures are continuously reviewed and further enhanced, where possible, on a periodical basis in order to raise the standards of the Group's current system of internal controls. The Board has in place extensive and properly documented policies, procedures and guidelines, which are made readily available to the Group's human capital via written manuals and also via the Group's intranet website.

- **Code of Business Conduct**

The Board has in place a written Code of Business Conduct (the "Code") as available on the Group's intranet website (as accessible by all the Group's human capital), which summarises many of the laws that Scicom and all its employees are required to live by. All of the Group's respective managers are required to be diligent in looking for indications of unethical or illegal conducts (including fraudulent activities), and in the event of such occurrences being noted, to inform either their Line Managers or the Human Resource Department.

Included in the Code is a section relating to the "accuracy of company records", which emphasises the need for honest and 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 general ledger.

All incidences of violations of the Code are immediately brought to the attention of the CEO by the Human Resource Department, whom will then alert and bring to the attention of the SMT during their SMT meetings, for their caution. Disciplinary actions for any violation of the Code include staff dismissal.

The Board of Directors and the Audit Committee respectively, communicate their views on the controls procedures to the SMT in the following manner:

a) On an ad-hoc basis during the Board of Directors and Audit Committee meetings respectively; and/or

b) As and when updates to both the Code or current internal control policies and procedures are tabled to both the Board of Directors and the Audit Committee, for their approval.

- **Limits of Authority**

The Limits of Authority ("LOA") manual sets out the authorisation limits for various levels and also those matters requiring Board 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.

- **Financial and Operational Information**

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 CFO and CEO. 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 quarterly results, as announced to Bursa Securities, to enable them to gauge the Group's financial performance and position, in comparison with prior periods as well as the approved annual budget.

- **Business Continuity Planning ("BCP")**

The Group's 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 facilitating the building of additional redundancies in network infrastructure and the establishment of an alternate site where key operational activities can be resumed. The SMT has employed 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. These tests were successfully executed and the progress of these initiatives was reported quarterly to the Risk Management Committee and the Audit Committee. BCP is an on-going project which will require continuous updating and testing.

MONITORING AND REVIEW

- **External Certifications**

  The Group's operations are periodically monitored, reviewed and evaluated so as to maintain its annual ISO 9001 and SCP 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 as significant to the Group, and issues any internal control deficiencies, together with their respective recommendations for improvement, if any, will be highlighted to the Audit Committee in the form of an Internal Control Report.

CONCLUSION

The Board is satisfied that the Group's systems of internal controls are adequate and effective. No material losses, contingencies or uncertainties have arisen from any inadequacy or failure in the Group's system of internal control, which would require separate disclosure in the Annual Report. Notwithstanding this, the Board believes that the development of the system of internal controls is an on-going process, and has taken steps throughout the financial year to improve on the existing internal control processes and procedures, and will continue to do so, on an on-going basis. This highlights the Boards 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 resolution adopted by the Board at its meeting held on 27 August 2012.

Audit Committee Report

The Audit Committee was established on 30 August 2005 in compliance with the Listing Requirements of Bursa Securities. Since the previous financial year, the Audit Committee had worked with management to establish an internal audit function for the Group, which has been outsourced to an external professional firm which reports directly to the Audit Committee. The Audit Committee's review of the Group's internal controls and risk management systems is an on-going process.

A. AUDIT COMMITTEE COMPOSITION AND MEETINGS

During the financial year ended 30 June 2012, the Audit Committee met four times, and the details of the Audit Committee members' attendances are set our below:

Director	Designation	Number of meetings Attended during the Financial Year	Percentage
Dato' Mohd Salleh bin Hj. Harun	Audit Committee Chairman/ Independent Non-Executive Director	4 of 4 meetings	100%
Dr. Nikolai Dobberstein	Independent Non- Executive Director	3 of 4 meetings	75%
Loh Lee Soon	Independent Non- Executive Director	4 of 4 meetings	100%

A brief profile of the individual members comprising the Audit Committee is included in the Board of Directors – Profiles as set out on pages 12 to 14.

B. TERMS OF REFERENCE

The Audit Committee is governed by the following terms of reference:

1. Composition

The Audit Committee shall be appointed by the Board from amongst their members and shall consist of at least three members, the majority of whom are independent Directors.

At least one member of the Audit Committee shall be a member of the Malaysian Institute of Accountants, or possess at least three years' working experience and has passed the examinations set out in Part II of the First Schedule of the Accountants Act 1967 respectively.

No alternate Director/s shall be appointed to be member/s of the Audit Committee.

The members of the Audit Committee shall elect a Chairman from amongst its members who shall be an Independent Non-Executive Director.

The Board must ensure that the CEO shall not be a member of the Audit Committee.

The Board must review the terms of office and performance of the Audit Committee and each of its members at least once every three years, to determine whether such Committee and its members have carried out their duties in accordance with their terms of reference.

2. Meetings

a) Frequency

The Audit Committee shall meet no less than four times a year and as many times as the Audit Committee deems necessary with due notice of issues to be discussed.

b) Proceedings

At least four meetings are held in a year. However, meetings are also held as and when required upon the request of the external auditors to consider any matter that the external auditors believe should be brought to the attention of the Director/s and/or shareholders.

The quorum for each Audit Committee meeting shall be two members, of which the majority of the members present must be Independent Non-Executive Directors.

The agenda of the Audit Committee meetings shall be circulated to the members of the Audit Committee before each meeting. The Audit Committee may require the external auditors and any officer of the Company to attend any of its meetings as it determines.

If, at any meeting, the Chairman of the Audit Committee is not present within 15 minutes of the time appointed for holding the same, the members of the Audit Committee shall choose another member, who shall be an Independent Non-Executive Director, to be the Chairman of such meeting.

The Company Secretary shall be the Secretary of the Audit Committee.

Questions arising at any meting shall be decided by a majority of votes. In case of an equality of votes, the Chairman of the Audit Committee shall have a second or casting vote.

c) Attendance

The presence of the external and internal auditors (if any) respectively at any Audit Committee meeting, can be requested if required by the Audit Committee.

Other members of the Board and officers of the Company and its Group may attend the meeting (specific to the relevant meeting) upon the invitation of the Audit Committee.

d) Keeping and inspection of minutes

The Company shall keep the minutes of all proceedings of the Audit Committee meetings to be entered in books kept for that purposes within 14 days of the date upon when the relevant meeting was held.

Those minutes to be signed by the Chairman of the Audit Committee meeting at which the proceedings were held, or by the Chairman of the next succeeding meeting, shall be evidence of the proceedings to which it relates.

The books containing the minutes of proceedings of the Audit Committee meeting shall be kept by the Company at the place to be determined by the Board, and shall be open to the inspection by any members of the Board or Audit Committee respectively, without any charge.

The minutes of the Audit Committee meeting shall be circulated to the members of the Board for notation.

3. Authority

The Audit Committee shall in accordance with the procedure determined by the Board and at the cost of the Company:

a) have the authority to appoint the internal auditor of the Company;

b) have explicit authority to investigate any matter within the terms of reference;

c) have the resources which the Audit Committee requires to perform the duties;

d) have full access to any information which the Audit Committee requires in the course of performing the duties;

e) have unrestricted access to the CEO of the Company;

f) have direct communication channels with the external auditors and person carrying out the internal audit function (if any);

g) be able to obtain independent professional or other advice in the performance of its duties at the cost of the Company;

h) be able to invite others with relevant experience to attend its meetings, if necessary; and

i) be able to convene meetings with the external auditors, excluding the attendance of the Executive Board members, whenever deemed necessary.

4. Duties and responsibilities

The duties and responsibilities of the Audit Committee shall include the following:

a) Matters relating to external audit:

- To review the nomination of external auditors and the external audit fee;
- To review the nature, scope and quality of the external audit plan/ arrangements;
- To review the quarterly and annual audited financial statements of the Company before submission to the Board, focusing in particular on the going-concern assumption, compliance with accounting standards and regulatory requirements, any changes in accounting policies and practices, significant issues arising from the audit and major judgment;
- To review external auditors' audit report on the financial statements;
- To review any management letter sent by the external auditors to the Company and management's response to such letter;
- To review any letter of resignation from the external auditors;
- To consider and review whether there is a reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment;
- To review the assistance given by the Company's officers to the external auditors; and
- To discuss problems and reservation arising from the interim and final audits on any significant audit findings, reservations, difficulties encountered or material weakness reported.

b) Matters relating to the internal audit function (if any):

- To review the effectiveness of the internal audit function (if any);
- To review the internal audit programme and results of the internal audit process;
- To review the follow-up actions by the management on the weakness of internal accounting procedures and controls;
- To review all areas of significant financial risk and the arrangements in place to contain those risks to acceptable levels;
- To review the assistance and co-operation given by the Company and its officers to the internal auditors;
- To review any appraisal or assessment of the performance of staff of the internal audit function, compliance with accounting standards and regulatory requirements, any change in accounting policies and practices, significant issues arising from the audit and major judgment issues; and
- To review any letter of resignation from internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

c) Roles and rights of the Audit Committee:

- To consider and review any significant transactions which are not within the normal course of the business and any related party transactions that may arise within the Company and the Group;
- To report to Bursa Securities on any matter reported by the Board of the Company which has not been satisfactorily resolved resulting in a breach of the Bursa Securities Listing Requirements; and
- To carry out any other function that may be mutually agreed upon by the Audit Committee and the Board, which would be beneficial to the Company, and ensure the effective discharge of the Audit Committee's duties and responsibilities.

d) Retirement and resignation of Audit Committee Member:

- Retirement/Resignation
  A member of the Audit Committee who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he leaves.
- Vacancy
  In the event of any vacancy in the Audit Committee, the Company shall fill the vacancy within two months, but in any case, not later than three months.

C. SUMMARY OF ACTIVITIES

During the financial year under review, the activities undertaken by the Audit Committee included the following:

a) Reviewing and approving the internal audit plan for the Group;

b) Reviewing the internal audit reports for the Group, and their quarterly updates;

c) Reviewing the external auditors' audit planning memorandum of the Group, for the financial year ended 30 June 2012;

d) Reviewing the audit report from the external auditors of the Group, with regards to the audited financial statements of the Group and the Company; and

e) Reviewing and discussing the quarterly announcement of the Group, and subsequently recommending to the Board to approve and release it to Bursa Securities, for announcement purposes.

D. INTERNAL AUDIT FUNCTION

The Group's internal audit function is carried out by a third party professional company, which is independent of the activities and operations of the Group. The internal auditors are empowered by the Audit Committee to audit the Group's business operations and internal control processes and procedures, to ensure a sound system of internal controls. The internal auditors' report will then be presented to the Audit Committee on a quarterly basis.

Responsibility Statement

By The Board Of Directors

The Directors are responsible for ensuring that the financial statements of the Group and the Company are drawn up in accordance with MASB approved accounting standards in Malaysia for Entities Other than Private Entities, the provisions of the Companies Act 1965 and the Listing Requirements of Bursa Securities, so as to give a true and fair view of the state of affairs of the Group and the Company as at 30 June 2012.

In preparing the financial statements for the financial year ended 30 June 2012, the Directors have:

- Adopted suitable accounting policies and applied them consistently;
- Made judgment, estimates and assumptions based on their best knowledge of current events and actions;
- Ensured adoption of MASB approved accounting standards in Malaysia for Entities Other than Private Entities and the provisions of the Companies Act 1965; and
- Prepared the financial statements on a going-concern basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at all times the financial position of the Group and the Company to enable them to ensure that the financial statements comply with the Companies Act 1965.

The Directors have also taken the necessary steps to ensure that appropriate systems are in place for safeguarding the assets of the Group and 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 169 of the Companies Act, 1965 is set out on page 111 of the Audited Statutory Financial Statements.

REPORTS AND STATUTORY FINANCIAL STATEMENTS 30 JUNE 2012

SCICOM (MSC) BERHAD
(Incorporated in Malaysia)

Directors' Report

The Directors are pleased to submit their Report to the members together with the audited financial statements of the Group and the Company for the financial year ended 30 June 2012.

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. The Group provides outsourcing services comprising BPO services which offers multi-lingual, multi-channel customer care, technical support help desk, consultative sales and associated fulfilment and training and consulting which includes educational and industrial training services primarily focused on customer care in the service industry. The details of the principal activities of the subsidiaries and jointly controlled entity are shown in Note 16 and Note 17 to the financial statements.

FINANCIAL RESULTS

	Group	Company
	RM	RM
Total comprehensive income attributable to:		
- Owners of the Company	13,417,380	14,978,437
- Non-controlling interest	(189,209)	-
Total comprehensive income for the financial year	13,228,171	14,978,437

DIVIDENDS

The dividends on ordinary shares paid or declared by the Company since 30 June 2011 were as follows:

	RM
In respect of the financial year ended 30 June 2011, a second interim dividend of 1 sen, tax exempt, per ordinary share, paid on 19 September 2011	2,962,113
In respect of the financial year ended 30 June 2011, a final dividend of 1 sen, tax exempt, per ordinary share, paid on 1 December 2011	2,962,113
In respect of the financial year ended 30 June 2012, an interim dividend of 1 sen, tax exempt, per ordinary share, paid on 15 March 2012	2,962,113
	8,886,339

Subsequent to the financial reporting period, on 27 August 2012, the Board of Directors declared a second interim dividend of 1 sen, tax exempt, per ordinary share, amounting to RM2,962,113 which is to be paid on 28 September 2012. The financial statements for the financial year ended 30 June 2012 do not reflect the second interim dividend. Upon declaration, the cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 30 June 2013.

The Directors now also recommend the payment of a final dividend of 1 sen per ordinary share, tax exempt, in respect of the financial year ended 30 June 2012 amounting to RM2,962,113. The final dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company.

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 who have held office during the period since the date of the last report are as follows:

Krishnan a/l C K Menon
Dato' Mohd Salleh bin Hj. Harun
Leo Suresh Ariyanayakam
Dr. Nikolai Dobberstein
Loh Lee Soon
Ande Safari

In accordance with Article 84 of the Company's Articles of Association, Leo Suresh Ariyanayakam and Loh Lee Soon are required to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

During and at the end of the financial reporting period, no arrangement subsisted to which the Group and the Company is a party, with the object or objects of enabling Directors of the Group and the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial reporting period, no Director has received or become entitled to receive a benefit (other than as disclosed in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the register of Directors' shareholdings, particulars of interests of Directors who held office at the end of the financial year in shares of the Company are as follows:

	Number of ordinary shares of RM0.10 each in the Company			
	At 1 July 2011	Bought	Disposed	At 30 June 2012
	'000	'000	'000	'000
Direct interest in shareholdings				
Krishnan a/l C K Menon	2,487	-	-	2,487
Dato' Mohd Salleh bin Hj. Harun	1,430	100	-	1,530
Leo Suresh Ariyanayakam	32,249	889	-	33,138
Dr. Nikolai Dobberstein	1,100	-	-	1,100
Loh Lee Soon	348	-	-	348

	Number of ordinary shares of RM0.10 each in the Company		
	At 1 July 2011	Bought/ disposed	At 30 June 2012
	'000	'000	'000
Deemed interest in shareholdings			
Krishnan a/l C K Menon [1]	47,099	-	47,099

[1] Deemed interest by virtue of his shareholdings in Netinsat Asia Sdn Bhd, pursuant to Section 6A of the Companies Act, 1965.

Other than as disclosed above, according to the register of Directors' shareholdings, none of the Directors in office at the end of the financial year held any interest in shares of the Company, options over shares and debentures of the Company and shares of its related corporations during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

(a) Before the statements of comprehensive income and statements of financial position were made out, 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 allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records of the Group and the Company had been written down to an amount which they 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 it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

(c) No contingent or other liability has become enforceable or is likely to become enforceable within the period of 12 months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or the Company to meet their obligations when they fall due.

(d) At the date of this Report, there does not exist:

(i) any charge on the assets of the Group or the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(ii) any contingent liability of the Group or the Company which has arisen since the end of the financial year.

(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 which would render any amount stated in the financial statements misleading.

(f) In the opinion of the Directors:

(i) the results of the Group's and the Company's operations 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 or the Company for the financial year in which this report is made.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 6 October 2011, the Company acquired one (1) ordinary share at nominal value of Sri Lanka Rupees ("SLR") Ten (10) in Scicom Lanka (Private) Limited ("SLPL"). The issued and paid-up share capital of SLPL as at 6 October 2011 was SLR20 divided into 2 ordinary shares of SLR10 each.

The Company had on 28 November 2011 entered into a Joint Venture cum Shareholders' Agreement (the "Shareholders' Agreement") with Abans Pte Ltd ("Abans"), a private limited company incorporated in Sri Lanka. Pursuant to the Shareholders' Agreement, the issued and paid up share capital of SLPL was increased from SLR20 to SLR52.5 million by way of allotment and issuance of 5,249,998 new ordinary shares of SLR10 each at par value for cash. The Company subscribed to 3,674,998 new ordinary shares of SLR10 each in SLPL for a total cash consideration of SLR 36,749,980 whilst Abans subscribed to the remaining new ordinary shares in SLPL.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 27 August 2012.

LEO SURESH ARIYANAYAKAM DIRECTOR	KRISHNAN A/L C K MENON DIRECTOR

Kuala Lumpur

Statements Of Comprehensive Income

For The Financial Year Ended 30 June 2012

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
REVENUE	6	**131,225,762**	140,975,181	**125,351,546**	128,303,773
OTHER OPERATING INCOME	7	**11,178**	40,456	**8,454**	13,195
		131,236,940	141,015,637	**125,360,000**	128,316,968
OPERATING EXPENSES					
- Depreciation of plant and equipment	15	**4,680,356**	6,592,813	**4,118,822**	5,413,624
- Employee benefit costs	8	**95,010,555**	98,966,879	**89,443,097**	91,450,488
- Impairment loss		**-**	23,200	**692,910**	9,950
- Maintenance expenses		**1,476,210**	1,610,936	**1,170,293**	834,702
- Rental expenses	9	**9,035,212**	10,198,711	**7,778,359**	8,494,576
- Telecommunication and utilities expenses		**3,461,688**	4,114,523	**3,009,728**	3,621,465
- Travelling expenses		**1,604,791**	1,841,150	**976,682**	1,209,265
- Other operating expenses		**3,226,754**	5,585,033	**3,634,351**	2,955,189
		(118,495,566)	(128,933,245)	**(110,824,242)**	(113,989,259)
PROFIT FROM OPERATIONS		**12,741,374**	12,082,392	**14,535,758**	14,327,709
NET FINANCE INCOME/(COST)	10				
Finance income		**294,098**	78,480	**281,559**	64,971
Finance costs		**(1,155)**	(99,802)	**-**	(55,771)
		292,943	(21,322)	**281,559**	9,200
SHARE OF PROFIT OF THE JOINTLY CONTROLLED ENTITY	17	**452,866**	537,904	**-**	-
PROFIT BEFORE TAXATION	11	**13,487,183**	12,598,974	**14,817,317**	14,336,909
TAXATION	12	**124,502**	678,324	**161,120**	295,291
NET PROFIT FOR THE FINANCIAL YEAR		**13,611,685**	13,277,298	**14,978,437**	14,632,200
OTHER COMPREHENSIVE INCOME					
Currency translation differences		**(383,514)**	46,555	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**13,228,171**	13,323,853	**14,978,437**	14,632,200

Statements Of Comprehensive Income

For The Financial Year Ended 30 June 2012 (Continued)

		Group		Company	
	Note	2012	2011	2012	2011
		RM	RM	RM	RM
NET PROFIT ATTRIBUTABLE TO					
- Owners of the Company		**13,735,096**	13,282,178	**14,978,437**	14,632,200
- Non-controlling interest		**(123,411)**	(4,880)	-	-
		13,611,685	13,277,298	**14,978,437**	14,632,200
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
- Owners of the Company		**13,417,380**	13,328,733	**14,978,437**	14,632,200
- Non-controlling interest		**(189,209)**	(4,880)	-	-
		13,228,171	13,323,853	**14,978,437**	14,632,200
Earnings per share:					
- Basic (sen)	13	**4.64**	4.49		

The above statements of comprehensive income due to be read in conjunction with the notes to the financial statements on pages 64 to 109.

Statements Of Financial Position

As At 30 June 2012

		Group		Company	
	Note	2012	2011	2012	2011
		RM	RM	RM	RM
NON-CURRENT ASSETS					
Plant and equipment	15	**11,385,263**	9,890,155	**7,775,093**	7,932,704
Investment in subsidiaries	16	-	-	**2,118,055**	1,069,986
Investment in jointly controlled entity	17	**1,582,534**	1,129,668	**1**	1
Deferred tax assets	23	**531,752**	308,088	**531,752**	308,088
		13,499,549	11,327,911	**10,424,901**	9,310,779
CURRENT ASSETS					
Trade receivables	18	**33,574,798**	33,526,480	**32,365,747**	31,087,661
Other receivables	19	**4,851,596**	4,592,033	**4,149,281**	4,134,186
Amounts due from subsidiaries	20	**-**	-	**6,007,085**	4,109,884
Tax recoverable		**895,728**	657,569	**-**	80,546
Cash and cash equivalents	21	**19,053,553**	18,423,497	**17,909,142**	17,459,900
		58,375,675	57,199,579	**60,431,255**	56,872,177
CURRENT LIABILITY					
Trade and other payables	22	**6,580,794**	8,005,553	**5,627,796**	7,046,694
		6,580,794	8,005,553	**5,627,796**	7,046,694
NET CURRENT ASSETS		**51,794,881**	49,194,026	**54,803,459**	49,825,483
NON-CURRENT LIABILITY					
Deferred tax liabilities	23	**391,934**	410,446	**-**	-
		391,934	410,446	**-**	-
NET ASSETS		**64,902,496**	60,111,491	**65,228,360**	59,136,262

Statements Of Financial Position

As At 30 June 2012 (Continued)

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	24	**29,621,130**	29,621,130	**29,621,130**	29,621,130
Share premium reserve	25	**1,982,994**	1,982,994	**1,982,994**	1,982,994
Currency translation reserve	25	**(437,396)**	(119,680)	**-**	-
Retained earnings	25	**33,420,684**	28,571,927	**33,624,236**	27,532,138
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**64,587,412**	60,056,371	**65,228,360**	59,136,262
NON-CONTROLLING INTEREST		**315,084**	55,120	**-**	-
TOTAL EQUITY		**64,902,496**	60,111,491	**65,228,360**	59,136,262

The above statements of financial position are to be read in conjunction with the notes to the financial statements on pages 64 to 109.

Statements Of Changes In Equity

		Issued and fully paid ordinary shares of RM0.10 each		Non-distributable		Distributable		
	Note	Number of shares	Nominal value	Share premium reserve	Currency translation reserve	Retained earnings	Non-controlling interest	Total equity
		unit	RM	RM	RM	RM	RM	RM
Group								
Balance at 1 July 2011		296,211,300	29,621,130	1,982,994	(119,680)	28,571,927	55,120	60,111,491
Currency translation differences, representing total income and expense recognised directly in equity		-	-	-	(317,716)	-	(65,798)	(383,514)
Net profit for the financial year		-	-	-	-	13,735,096	(123,411)	13,611,685
Total comprehensive income for the financial year		-	-	-	*(317,716)*	*13,735,096*	*(189,209)*	*13,228,171*
Transactions with owners:								
Dividends for financial year ended:								
- 30 June 2011	14	-	-	-	-	(5,924,226)	-	(5,924,226)
- 30 June 2012	14	-	-	-	-	(2,962,113)	-	(2,962,113)
Non-controlling interest arising on business combination		-	-	-	-	-	449,173	449,173
Total contribution by and distribution to owners		-	-	-	-	*(8,886,339)*	*449,173*	*(8,437,166)*
Balance at 30 June 2012		296,211,300	29,621,130	1,982,994	(437,396)	33,420,684	315,084	64,902,496

	Note	Issued and fully paid ordinary shares of RM0.10 each		Non-distributable		Distributable		
		Number of shares	Nominal value	Share premium reserve	Currency translation reserve	Retained earnings	Non-controlling interest	Total equity
		unit	RM	RM	RM	RM	RM	RM
Group								
Balance at 1 July 2010		268,023,000	26,802,300	4,478,214	(166,235)	20,944,692	-	52,058,971
Currency translation differences, representing total income and expense recognised directly in equity		-	-	-	46,555	-	-	46,555
Net profit for the financial year		-	-	-	-	13,282,178	(4,880)	13,277,298
Total comprehensive income for the financial year		-	-	-	*46,555*	*13,282,178*	*(4,880)*	*13,323,853*
Transactions with owners:								
Dividends for financial year ended:								
- 30 June 2010	14	-	-	-	-	(2,692,830)	-	(2,692,830)
- 30 June 2011	14	-	-	-	-	(2,962,113)	-	(2,962,113)
Issuance of ordinary shares of RM0.10 each pursuant to the ESOS at an issue price of RM0.30 per ordinary share	24	1,260,000	126,000	252,000	-	-	-	378,000
Issuance of new ordinary shares of RM0.10 each pursuant to bonus issue	24	26,928,300	2,692,830	(2,692,830)	-	-	-	-
Expenses incurred pursuant to bonus issue		-	-	(54,390)	-	-	-	(54,390)
Changes in ownership interest in a subsidiary that does not result in a loss of control:								
- Non-controlling interest arising on business combination		-	-	-	-	-	60,000	60,000
Total contribution by and distribution to owners		*28,188,300*	*2,818,830*	*(2,495,220)*	-	*(5,654,943)*	*60,000*	*(5,271,333)*
Balance at 30 June 2011		296,211,300	29,621,130	1,982,994	(119,680)	28,571,927	55,120	60,111,491

	Note	Issued and fully paid ordinary shares of RM0.10 each		Non-distributable	Distributable	
		Number of shares	Nominal value	Share premium reserve	Retained earnings	Total equity
		unit	RM	RM	RM	RM
Company						
Balance at 1 July 2011		296,211,300	29,621,130	1,982,994	27,532,138	59,136,262
Net profit for the financial year		-	-	-	14,978,437	14,978,437
Total comprehensive income for the financial year		-	-	-	*14,978,437*	*14,978,437*
Transactions with owners:						
Dividend for financial year ended:						
- 30 June 2011	14	-	-	-	(5,924,226)	(5,924,226)
- 30 June 2012	14	-	-	-	(2,962,113)	(2,962,113)
Total contributions by and distributions to owners		-	-	-	*(8,886,339)*	*(8,886,339)*
Balance at 30 June 2012		296,211,300	29,621,130	1,982,994	33,624,236	65,228,360
Balance at 1 July 2010		268,023,000	26,802,300	4,478,214	18,554,881	49,835,395
Net profit for the financial year		-	-	-	14,632,200	14,632,200
Total comprehensive income for the financial year		-	-	-	*14,632,200*	*14,632,200*
Transactions with owners:						
Dividend for financial year ended:						
- 30 June 2010	14	-	-	-	(2,692,830)	(2,692,830)
- 30 June 2011	14	-	-	-	(2,962,113)	(2,962,113)
Issuance of ordinary shares of RM0.10 each pursuant to the ESOS at an issue price of RM0.30 per ordinary share	24	1,260,000	126,000	252,000	-	378,000
Issuance of new ordinary shares of RM0.10 each pursuant bonus issue	24	26,928,300	2,692,830	(2,692,830)	-	-
Expenses incurred pursuant to bonus issue		-	-	(54,390)	-	(54,390)
Total contributions by and distributions to owners		*28,188,300*	*2,818,830*	*(2,495,220)*	*(5,654,943)*	*(5,331,333)*
Balance at 30 June 2011		296,211,300	29,621,130	1,982,994	27,532,138	59,136,262

The above statements of changes in equity are to be read in conjunction with the notes to the financial statements on pages 64 to 109.

Statements Of Cash Flows

For The Financial Year Ended 30 June 2012

		Group		Company	
	Note	2012	2011	2012	2011
		RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Net profit for the financial year		**13,611,685**	13,277,298	**14,978,437**	14,632,200
Adjustments for:					
Impairment loss:					
- trade receivables		**-**	13,250	**-**	-
- deposits		**-**	9,950	**-**	9,950
- amounts due from subsidiaries		**-**	-	**692,910**	-
Bad debts		**-**	54,800	**-**	-
Depreciation of plant and equipment		**4,680,356**	6,592,813	**4,118,822**	5,413,624
(Gain)/loss on disposal of plant and equipment		**-**	(24,960)	-	27,040
Plant and equipment written off		**18,088**	718,782	-	337,134
Finance costs		**1,155**	99,802	-	55,771
Finance income		**(294,098)**	(78,480)	**(281,559)**	(64,971)
Share of profit of the jointly controlled entity		**(452,866)**	(537,904)	**-**	-
Unrealised exchange (gain)/loss		**(148,892)**	333,982	**111,926**	441,820
Reversal of impairment loss		**-**	(2,542)	**-**	(387,952)
Taxation		**(124,502)**	(678,324)	**(161,120)**	(295,291)
Operating profit before changes in working capital		**17,290,926**	19,778,467	**19,459,416**	20,169,325
Changes in working capital:					
Receivables		**(154,403)**	(1,797,942)	**(1,338,277)**	(3,387,598)
Payables		**(1,424,759)**	(149,555)	**(1,416,657)**	85,449
Intercompany balances		**-**	-	**(2,738,378)**	3,828,865
Cash generated from operating activities		**15,711,764**	17,830,970	**13,966,104**	20,696,041
Interest received		**294,098**	78,480	**281,559**	64,971
Tax (paid)/refund		**(354,239)**	1,474,779	**17,982**	(13,523)
Net cash generated from operating activities		**15,651,623**	19,384,229	**14,265,645**	20,747,489

Statements Of Cash Flows

For The Financial Year Ended 30 June 2012 (Continued)

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of plant and equipment		-	60,900	55,529	8,900
Acquisition of new subsidiaries		-	-	(1,048,069)	(494,000)
Purchase of plant and equipment	15	(6,246,423)	(2,798,808)	(4,016,740)	(4,116,360)
Net cash used in investing activities		(6,246,423)	(2,737,908)	(5,009,280)	(4,601,460)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of share capital to non-controlling interest		449,173	60,000	-	-
Repayment of finance lease principal		-	(453,754)	-	(11,812)
Interest paid		(1,155)	(99,802)	-	(55,771)
Proceeds from issuance of new ordinary shares		-	378,000	-	378,000
Expenses incurred for bonus issue		-	(54,390)	-	(54,390)
Payment of dividends		(8,886,339)	(5,654,943)	(8,886,339)	(5,654,943)
Net cash used in financing activities		(8,438,321)	(5,824,889)	(8,886,339)	(5,398,916)
NET INCREASE IN CASH AND CASH EQUIVALENTS		966,879	10,821,432	370,026	10,747,113
EFFECT OF FOREIGN EXCHANGE ON CASH AND CASH EQUIVALENTS		(336,823)	130,711	79,216	(132,814)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		18,423,497	7,471,354	17,459,900	6,845,601
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	21	19,053,553	18,423,497	17,909,142	17,459,900

The above statements of cash flows are to be read in conjunction with the notes to the financial statements on pages 64 to 109.

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. The Group provides outsourcing services comprising of BPO services which offers multi-lingual, multi-channel customer care, technical support help desk, consultative sales and associated fulfilment and training and consulting which includes educational and industrial training services primarily focused on customer care in the service industry. The details of the principal activities of the subsidiaries and jointly controlled entity are shown in Note 16 and 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").

There is no ultimate controlling party in the Company.

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

Level 18, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

The address of the principal place of business 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 the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards in Malaysia for Entities Other than Private Entities ("FRS").

The financial statements have been prepared under the historical cost convention except as disclosed in the summary of significant accounting policies in Note 3 to the financial statements.

The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported financial year. 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 judgement are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

2 BASIS OF PREPARATION (CONTINUED)

(a) Standards, amendments to published standards and interpretations that are effective

The new accounting standards, amendments and improvements to published standards and interpretations that are effective for the Group and Company's financial year beginning on or after 1 July 2011 are as follows:

- Amendments to FRS 1 "First-time adoption of financial reporting standards"
- Amendment to FRS 2 "Share-based payment - Group cash-settled share-based payment transactions"
- Amendment to FRS 7 "Financial instruments: Disclosures - improving disclosures about financial instruments"
- IC Interpretation 4 "Determining whether an arrangement contains a lease"
- IC Interpretation 18 "Transfers of assets from customers"
- IC Interpretation 19 "Extinguishing Financial Liabilities with Equity Instruments"
- Amendment to IC 14 "Prepayment of a Minimum Funding Requirement"
- Improvements to FRSs (2010)

The impact of the above new accounting standards, amendments and improvements to published standards and interpretations are not material to the financial statements of the Group and Company.

(b) Standards early adopted by the Group and Company

The Group and Company have not early adopted any new accounting standards, amendments and improvements to published standards and interpretations.

(c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and Company but not yet effective

In the next financial year, the Group will be adopting the new IFRS-compliant framework, Malaysian Financial Reporting Standards ("MFRS"). In adopting the new framework, the Group will be applying MFRS 1 "First-time adoption of MFRS".

The Group will apply the new standards, amendments to standards and interpretations in the following period:

(i) Financial year beginning on/after 1 July 2012

- MFRS 139 "Financial instruments: recognition and measurement" - Bank Negara Malaysia has removed the transitional provision for banking institutions on loan impairment assessment and provisioning to comply with the MFRS 139 requirements.

- The revised MFRS 124 "Related party disclosures" (effective from 1 January 2012) removes the exemption to disclose transactions between government-related entities and the government, and all other government-related entities. The following new disclosures are now required for government related entities:
  - The name of the government and the nature of their relationship;
  - The nature and amount of each individually significant transactions; and
  - The extent of any collectively significant transactions, qualitatively or quantitatively.

- Amendment to MFRS 112 "Income taxes" (effective from 1 January 2012) introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. MFRS 112 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in MFRS 140 "Investment property". As a result of the amendments, IC Interpretation 121 "Income taxes - recovery of revalued non-depreciable assets" will no longer apply to investment properties carried at fair value. The amendments also incorporate into MFRS 112 the remaining guidance previously contained in IC Interpretation 121 which is withdrawn.

2 BASIS OF PREPARATION (CONTINUED)

(c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and Company but not yet effective (continued)

(i) Financial year beginning on/after 1 July 2012 (continued)

- Amendment to MFRS 7 "Financial instruments: Disclosures on transfers of financial assets" (effective from 1 January 2012) promotes transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets.

- Amendment to MFRS 101 "Presentation of items of other comprehensive income" (effective from 1 July 2012) requires entities to separate items presented in 'other comprehensive income' ("OCI") in the statement of comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. The amendments do not address which items are presented in OCI.

(ii) Financial year beginning on/after 1 July 2013

- MFRS 10 "Consolidated financial statements" (effective from 1 January 2013) changes the definition of control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. It establishes control as the basis for determining which entities are consolidated in the consolidated financial statements and sets out the accounting requirements for the preparation of consolidated financial statements. It replaces all the guidance on control and consolidation in MFRS 127 "Consolidated and separate financial statements" and IC Interpretation 112 "Consolidation – special purpose entities".

- MFRS 11 "Joint arrangements" (effective from 1 January 2013) requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations arising from the arrangement, rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.

- MFRS 12 "Disclosures of interests in other entities" (effective from 1 January 2013) sets out the required disclosures for entities reporting under the two new standards, MFRS 10 and MFRS 11, and replaces the disclosure requirements currently found in MFRS 128 "Investments in associates". It requires entities to disclose information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

- MFRS 13 "Fair value measurement" (effective from 1 January 2013) aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across MFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The enhanced disclosure requirements are similar to those in MFRS 7 "Financial instruments: Disclosures", but apply to all assets and liabilities measured at fair value, not just financial ones.

- The revised MFRS 127 "Separate financial statements" (effective from 1 January 2013) includes the provisions on separate financial statements that are left after the control provisions of MFRS 127 have been included in the new MFRS 10.

- The revised MFRS 128 "Investments in associates and joint ventures" (effective from 1 January 2013) includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of MFRS 11.

- Amendment to MFRS 7 "Financial instruments: Disclosures" (effective from 1 January 2013) requires more extensive disclosures focusing on quantitative information about recognised financial instruments that are offset in the statement of financial position and those that are subject to master netting or similar arrangements irrespective of whether they are offset.

2 BASIS OF PREPARATION (CONTINUED)

(c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and Company but not yet effective (continued)

(ii) Financial year beginning on/after 1 July 2013 (continued)

- Amendment to MFRS 119 "Employee benefits" (effective from 1 January 2013) makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. Actuarial gains and losses will no longer be deferred using the corridor approach. MFRS 119 shall be withdrawn on application of this amendment.

(iii) Financial year beginning on/after 1 July 2014

- Amendment to MFRS 132 "Financial instruments: Presentation" (effective from 1 January 2014) does not change the current offsetting model in MFRS 132. It clarifies the meaning of 'currently has a legally enforceable right of set-off' that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria.

(iv) Financial year beginning on/after 1 July 2015

- MFRS 9 "Financial instruments - classification and measurement of financial assets and financial liabilities" (effective from 1 January 2015) replaces the multiple classification and measurement models in MFRS 139 with a single model that has only two classification categories: amortised cost and fair value. The basis of classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

  The accounting and presentation for financial liabilities and for de-recognising financial instruments has been relocated from MFRS 139, without change, except for financial liabilities that are designated at fair value through profit or loss ("FVTPL"). Entities with financial liabilities designated at FVTPL recognise changes in the fair value due to changes in the liability's credit risk directly in other comprehensive income ("OCI"). There is no subsequent recycling of the amounts in OCI to profit or loss, but accumulated gains or losses may be transferred within equity.

  The guidance in MFRS 139 on impairment of financial assets and hedge accounting continues to apply.

  MFRS 7 requires disclosures on transition from MFRS 139 to MFRS 9.

The assessment on the impact of the above to the financial statements of the Group and Company is still ongoing.

(d) Standards, amendments to published standards and interpretations to existing standards that are not relevant and not yet effective for the Group and Company

(i) Financial year beginning on/after 1 July 2012

- MFRS 141 "Agriculture" (effective from 1 January 2012) requires biological assets and agricultural produce at the point of harvest to be measured at fair value less costs to sell. The change in fair value less costs to sell of a biological asset shall be included in profit or loss for the period in which it arises.

- IC Interpretation 15 "Agreements for construction of real estates" (effective from 1 January 2012) supersedes FRS 201 "Property development activities" and clarifies that property development activities are sale of goods, instead of construction contracts.

2 BASIS OF PREPARATION (CONTINUED)

(d) Standards, amendments to published standards and interpretations to existing standards that are not relevant and not yet effective for the Group and Company (continued)

(ii) Financial year beginning on/after 1 July 2013

- Amendment to MFRS 1 "First time adoption of MFRSs: Government loans" (effective from 1 January 2013) provides relief to first-time adopters from the retrospective application of MFRS 120 "Accounting for Government Grants and Disclosure of Government Assistance" on government loans at a below-market rate of interest existing at the date of transition to MFRS.

- IC Interpretation 20 "Stripping costs in the production phase of a surface mine" (effective from 1 January 2013) sets out the accounting for overburden waste removal (stripping) costs in the production phase of a surface mine. There can be two benefits accruing to the entity from the stripping activity: usable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods. This interpretation considers when and how to account separately for these two benefits, as well as how to measure them both initially and subsequently.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

(a) Investments in subsidiaries

Investments in subsidiaries are shown at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(e) on impairment of assets.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

(b) Subsidiaries

Subsidiaries are those corporations in which the Company has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiaries acquired or disposed during the financial year are included from the date of acquisition to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' identifiable assets, liabilities and contingent liabilities are determined and these values are reflected in the consolidation financial statements. The cost of acquisition is measured as fair value of assets and liabilities incurred or assume, plus cost directly attributable to the acquisition. The excess of the cost of acquisition over fair value of the Group's share of the subsidiaries' identifiable net assets at the date of acquisition is reflected as goodwill on consolidation.

All intra-group transactions, balances and unrealised gains on intra-group transactions are eliminated; unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary is recognised in the statement of comprehensive income. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

Changes in parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Jointly controlled entity

The Group has interest in a joint venture which is a jointly controlled entity. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Investment in jointly controlled entity is accounted for in the consolidated financial statements using the equity method of accounting. In the Company's separate financial statements, an investment in jointly controlled entity is stated at cost less accumulated impairment losses. On disposal of such investment, the difference between net disposal proceed and the carrying amount is recognised in profit or loss.

(d) Plant and equipment

Plant and equipment are initially stated at cost, and subsequently at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Plant and equipment are depreciated on the straight line basis to write off the cost of the assets to their residual values over their estimated useful lives, summarised as follows:

Furniture and fittings	20%
Office equipment and computers	20% - 33 1/3%
Telecommunications equipment	20% - 33 1/3%
Software	20% - 33 1/3%
Office renovations	33 1/3% - 50%
Motor vehicles	20%
Educational manuals	33 1/3%

Computer software and development costs with economic benefits exceeding three years are capitalised where material. Computer software costs are amortised on a straight line basis over the estimated useful life of the software, which is between three to five years.

Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

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

All repairs and maintenance expenses are charged to profit or loss during the financial year in which they are incurred.

At the end of each reporting period, the Group assesses 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 assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in profit or loss.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Impairment of assets

Plant and equipment and other assets with finite lives (excluding deferred tax assets and prepayments) are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Non-financial assets with indefinite useful lives (such as goodwill) are not subject to amortisation, and are tested annually for impairment or when an indication of impairment exists. Impairment loss is recognised for the amount by which the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level, for which there is separately identifiable cash flows (cash-generating unit). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is recognised in profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Any subsequent increase in recoverable amount is recognised in the statements of comprehensive income unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

(f) Financial assets

(i) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available-for-sale and held-to-maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term. Derivatives are also categorised as held for trading unless they are designated as hedges.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade receivables', 'other receivables', 'amount due from subsidiaries' and 'cash and cash equivalents' in the statements of financial position as set out in Note 18 to 21.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available for sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets (continued)

(ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

(iii) Subsequent measurement – gains and losses

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividend income are recognised in profit or loss in the period in which the changes arise.

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income, except for impairment losses (see accounting policy note f(iv)) and foreign exchange gains and losses on monetary assets. The exchange differences on monetary assets are recognised in profit or loss, whereas exchange differences on non-monetary assets are recognised in other comprehensive income as part of fair value change.

Interest and dividend income on available-for-sale financial assets are recognised separately in profit or loss. Interest on available-for-sale debt securities calculated using the effective interest method is recognised in profit or loss. Dividends income on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

(iv) Subsequent measurement - Impairment of financial assets

Assets carried at amortised cost

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- Disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
  (i) adverse changes in the payment status of borrowers in the portfolio; and
  (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets (continued)

(iv) Subsequent measurement - Impairment of financial assets (continued)

Assets carried at amortised cost (continued)

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If 'loans and receivables' or a 'held-to-maturity investment' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

Assets classified as available-for-sale

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, the Group uses criteria and measurement of impairment loss applicable for 'assets carried at amortised cost above. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

In the case of equity securities classified as available-for-sale, in addition to the criteria for assets carried at amortised cost above, a significant or prolonged decline in the fair value of the security below its cost is also considered as an indicator that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss that had been recognised directly in equity is removed from equity and recognised in profit or loss. The amount of cumulative loss that is reclassified to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss.

(v) De-recognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Receivables that are factored out to banks and other financial institutions with recourse to the Group are not de-recognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

When available-for-sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. The Group's financial liabilities comprise payables.

A financial liability is recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in statements of comprehensive income.

(h) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements 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.

(i) Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances, deposits held at call with banks, bank overdrafts and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts. Deposits held as pledged securities for bank overdrafts are not included in cash and cash equivalents.

(j) Finance leases

Leases of plant and equipment where the Group and the Company assumes substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a periodic constant rate of interest on the outstanding balance. The corresponding rental obligations, net of finance charges are included in borrowings. The interest element of the finance charge 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.

Plant and equipment acquired under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Share capital

(i) Classification

Ordinary shares with discretionary dividends are classified as equity.

Distributions to holders of a financial instrument classified as an equity instrument are charged directly to other comprehensive income.

(ii) Share issue costs

External costs directly attributable to the issue of new shares are shown as a deduction, net of tax, in other comprehensive income from the proceeds other share issue costs are change to profit or loss.

(iii) Dividends to owners of the Company

Dividends on ordinary shares are recognised as liabilities when proposed or declared before end of reporting period. A dividend proposed or declared after the end of the reporting period, but before the financial statements are authorised for issue, is not recognised as a liability at the end of the reporting period.

Upon the dividend becoming payable, it will be accounted as a liability.

(l) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Group's activities. Revenue is shown net of sales taxes, rebates and discounts.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

If circumstances arise that may result in revenue not billed to customers, accrued revenue will be recognised. Accrued revenue is disclosed together with trade receivables as unbilled receivables.

(i) Sales of services

Revenue from rendering of services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

If circumstances arise that may change the original estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(ii) Other operating income

Other operating income comprises income earned on other services.

(iii) Finance income

Interest income is recognised on an accrual basis.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Employee and post-employment benefits

(i) Short-term employee benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group and the Company.

(ii) Post-employment benefits

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will 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's contribution to defined contribution plans are charged to profit or loss in the period to which they relate once the contributions have been paid, the Group has no further payment obligations.

(iii) Share-based compensation

The Group operates an equity-settled, share-based compensation plan for the eligible employees of the Group, whereby employee services received are exchanged for the grant of share options on the Company's ordinary shares. However, the fair value of the Group's share-based compensation is not recognised as expense in profit or loss, as the respective share option grants had already vested prior to the effective date of FRS 2, thus rendering the standard not applicable to the Group.

(n) Income taxes

Current tax expenses are determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based upon the taxable profits, including withholding taxes payable by a foreign subsidiary on distributions of retained earnings to companies in the Group and real property gains taxes payable on disposal of properties (for countries other than Malaysia).

Deferred taxation is recognised 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. However, deferred tax is 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 assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred income tax is recognised on temporary differences arising on investment in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) 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 ("RM"), which is the Group and 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.

Monetary assets and liabilities in foreign currencies at the reporting period are translated into the functional currency at exchange rate ruling at that date.

Foreign exchange gains and losses resulting from 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.

The principal closing rates used in translation of foreign currency amount were as follows:

	2012 RM	2011 RM
1 US Dollar ("USD")	3.20	3.03
1 Singapore Dollar ("SGD")	2.50	2.46
1 Sterling Pound ("GBP")	4.96	4.86
100 Indian Rupee ("INR")	5.63	6.77
100 Indonesian Rupiah ("IDR")	0.034	0.035
100 Japanese Yen ("YEN")	4.03	3.75
100 Sri Lanka Rupee ("SLR")	2.39	N/A

(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:

(a) assets and liabilities at the end of each reporting period presented are translated at the closing rate at the date of the statements of financial position;

(b) 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

(c) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the statements of comprehensive income as part of the gain or loss on sale.

Fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Operating leases

Leases of assets under which a significant portion of risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statements of comprehensive income on a straight line basis over the lease period.

(q) Segment reporting

The segment disclosures are based on the components that the Management personnel monitor in making financial and operational decisions. These components are identified on the bases of internal reports that the Management and the Board reviews regularly in assessing their performance and allocating of resources.

(r) Contingent liabilities

The Group does not recognise a contingent liability 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 of one or more uncertain future events beyond the control of the Group 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 circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any non-controlling interest.

The Group recognises separately the contingent liabilities of the acquiree as part of allocating the cost of a business combination where their fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisition. Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provisions of FRS 137 and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with FRS 118.

(s) Government grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of comprehensive income over the financial period necessary to match them with the costs they are intended to compensate.

4 CRITICAL ACCOUNTING ESTIMATES

Estimates 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 makes estimates and assumptions concerning the future. 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.

4 CRITICAL ACCOUNTING ESTIMATES (CONTINUED)

(i) Allowance for doubtful debts

The Group assesses at the end of each reporting period whether there is objective evidence that receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such allowance is adjusted periodically to reflect the actual and anticipated impairment.

(ii) Income tax

The Group is subject to income taxes in several jurisdictions. Significant judgment is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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:

(a) Outsourcing services comprising of BPO services which offers multi-lingual, multi-channel customer care, technical support help desks, consultative sales and associated fulfilment.

(b) Training and consulting includes educational and industrial training services primarily focused on customer care in the service industry.

Inter-segment pricing is determined based on negotiated terms. In accordance with the requirements of the applicable accounting standards, the comparatives have been represented for outsourcing services and training and consulting.

(a) Operating segments

Segment results represent segment operating revenue less segment expenses. Unallocated income/other gains comprise other operating income such as gain on disposal of plant and equipment which is not allocated to a particular business segment.

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 of the Company and plant and equipment of the Company's dormant entities in the Group.

Segment liabilities comprise operating liabilities and exclude borrowings, interest payable on borrowings, taxation liabilities, deferred tax liabilities and dividend payable.

Segment capital expenditure comprises additions to plant and equipment.

Significant non–cash expenses comprise mainly provision for impairment and unrealised foreign exchange gains or losses on settlement as disclosed in Note 5(a) to the financial statements.

5 SEGMENT REPORTING (CONTINUED)

(a) Operating segments (continued)

For the financial year ended 30 June 2012

	Outsourcing services	Training and consulting	Adjustments and eliminations	Total
	RM	RM	RM	RM
External revenue	124,360,998	6,864,764	-	131,225,762
Inter segment revenue	990,548	1,829,362	(2,819,910)	-
Total revenue	125,351,546	8,694,126	(2,819,910)	131,225,762
Segment Results	18,599,762	(1,189,210)	-	17,410,552
Unallocated income/other gains				11,178
Operating profit before finance income				17,421,730
Finance income				294,098
Finance costs				(1,155)
Depreciation of plant and equipment				(4,680,356)
Share of profit of the jointly controlled entity (net of tax)				452,866
Profit before taxation				13,487,183
Taxation				124,502
Profit for the financial year				13,611,685

5 SEGMENT REPORTING (CONTINUED)

(a) Operating segments (continued)

As at 30 June 2012

	Outsourcing services	Training and consulting	Adjustments and eliminations	Total
	RM	RM	RM	RM
Segment Assets	74,670,172	2,948,447	(5,745,716)	71,872,903
Unallocated assets				2,321
Total assets				71,875,224
Segment Liabililites	10,925,194	4,654,360	(8,609,663)	6,969,891
Unallocated liabilities				2,837
Total liabilities				6,972,728

For the financial year ended 30 June 2012

	Outsourcing services	Training and consulting	Adjustments and eliminations	Total
	RM	RM	RM	RM
Capital expenditure	5,856,610	1,007,991	(618,178)	6,246,423
Depreciation of plant and equipment	4,508,347	420,956	(248,947)	4,680,356
Significant non-cash expenses	813,494	13,501	(962,386)	(135,391)

5 SEGMENT REPORTING (CONTINUED)

(a) Operating segments (continued)

For the financial year ended 30 June 2011

	Outsourcing services	Training and consulting	Adjustments and eliminations	Total
	RM	RM	RM	RM
External revenue	131,920,157	9,055,024	-	140,975,181
Inter segment revenue	770,043	-	(770,043)	-
Total revenue	132,690,200	9,055,024	(770,043)	140,975,181
Segment Results	18,467,972	166,777	-	18,634,749
Unallocated income/other gains				40,456
Operating profit before finance cost				18,675,205
Finance income				78,480
Finance costs				(99,802)
Depreciation of plant and equipment				(6,592,813)
Share of profit of the jointly controlled entity (net of tax)				537,904
Profit before taxation				12,598,974
Taxation				678,324
Profit for the financial year				13,277,298

As at 30 June 2011

	Outsourcing services	Training and consulting	Adjustments and eliminations	Total
	RM	RM	RM	RM
Segment Assets	64,573,022	3,598,193	-	68,171,215
Unallocated assets				356,275
Total assets				68,527,490
Segment Liabililites	7,553,796	859,438	-	8,413,234
Unallocated liabilities				2,765
Total liabilities				8,415,999

5 SEGMENT REPORTING (CONTINUED)

(a) Operating segments (continued)

For the financial year ended 30 June 2011

	Outsourcing services	Training and consulting	Adjustments and eliminations	Total
	RM	RM	RM	RM
Capital expenditure	2,251,516	547,292	-	2,798,808
Depreciation of plant and equipment	5,973,334	619,479	-	6,592,813
Significant non-cash expenses	1,101,743	134,317	(107,838)	1,128,222

(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.
- Other countries that contributed less than 10% of the consolidated revenue are shown as others.

The Group provides services to clients based in the following geographical areas:

	Revenue		Assets **	
	2012	2011	2012	2011
	RM	RM	RM	RM
Malaysia *	**61,748,704**	67,616,259	**11,127,928**	9,888,697
Singapore	**55,540,223**	56,284,005	**-**	-
United Kingdom	**9,632,570**	9,082,009	**-**	-
United States of America	**4,087,913**	3,650,249	**-**	-
India	**-**	-	**-**	1,131,126
Sri Lanka	**-**	-	**1,839,869**	-
Others	**216,352**	4,342,659	**-**	-
	131,225,762	140,975,181	**12,967,797**	11,019,823

* Group's home country.
** Represents non-current assets other than financial instruments and deferred tax assets.

6 REVENUE

Revenue represents the following types of services rendered:

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Outsourcing services	**124,360,998**	131,920,157	**125,351,546**	128,303,773
Training and consultancy	**6,864,764**	9,055,024	**-**	-
	131,225,762	140,975,181	**125,351,546**	128,303,773

7 OTHER OPERATING INCOME

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Gain on disposal of plant and equipment	**-**	24,960	**-**	-
Others	**11,178**	15,496	**8,454**	13,195
	11,178	40,456	**8,454**	13,195

8 EMPLOYEE BENEFIT COSTS

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Salaries and bonuses	**81,256,904**	85,737,208	**76,453,384**	79,180,066
Defined contribution plans	**7,237,169**	7,586,146	**6,726,150**	7,129,026
Other employee benefits	**5,066,606**	4,079,434	**4,818,324**	3,574,674
Staff welfare	**427,884**	519,101	**423,247**	521,732
	93,988,563	97,921,889	**88,421,105**	90,405,498
Directors' remuneration:				
- Salaries and bonuses	**811,992**	834,990	**811,992**	834,990
- Fees	**210,000**	210,000	**210,000**	210,000
	95,010,555	98,966,879	**89,443,097**	91,450,488

The estimated monetary value of benefits-in-kind receivable by a Director of the Group and the Company during the financial year amounted to RM31,150 (2011: RM16,983).

Salaries and bonuses for the Group and Company are presented net of incentives received of RM464,000 (2011: RM986,000).

8 EMPLOYEE BENEFIT COSTS (CONTINUED)

The Directors of the Company in office during the financial year are as follows:

Executive Director

Leo Suresh Ariyanayakam

Non-executive Directors

Krishnan a/l C K Menon
Dato' Mohd Salleh bin Hj. Harun
Dr. Nikolai Dobberstein
Loh Lee Soon
Ande Safari

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

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Executive Director:				
- salaries and bonuses	**811,992**	834,990	**811,992**	834,990
- estimated monetary value of benefits-in-kind	**31,150**	16,983	**31,150**	16,983
	843,142	851,973	**843,142**	851,973
Non-executive Directors:				
- fees	**210,000**	210,000	**210,000**	210,000
	1,053,142	1,061,973	**1,053,142**	1,061,973

Key management personnel 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 key management personnel are the directors and the Chief Executive Officer of the Company.

9 RENTAL EXPENSES

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Rental:				
- Apartments	**941,886**	1,638,842	**958,513**	1,596,792
- Offices	**8,020,449**	8,509,835	**6,777,390**	6,849,850
- Office equipment	**72,877**	16,479	**42,456**	14,379
- Others	**-**	33,555	**-**	33,555
	9,035,212	10,198,711	**7,778,359**	8,494,576

10 NET FINANCE INCOME/(COST)

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Finance income:				
- fixed deposit	**294,098**	78,480	**281,559**	64,971
Finance costs:				
- finance lease	**-**	(56,228)	**-**	(15,012)
- bank overdraft	**-**	(32,007)	**-**	(32,007)
- others	**(1,155)**	(11,567)	**-**	(8,752)
	(1,155)	(99,802)	**-**	(55,771)
	292,943	(21,322)	**281,559**	9,200

11 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Auditors' remuneration				
- PricewaterhouseCoopers, Malaysia	**150,300**	121,000	**123,650**	98,000
- Other auditors	**15,807**	19,855	**-**	-
Bad debts	**-**	54,800	**-**	-
Depreciation of plant and equipment	**4,680,356**	6,592,813	**4,118,822**	5,413,624
Directors' fees	**210,000**	210,000	**210,000**	210,000
Foreign exchange (gain)/loss				
- Realised	**(456,276)**	(799,266)	**(728,782)**	(455,655)
- Unrealised	**(148,892)**	333,982	**111,926**	441,820
(Gain)/loss on disposal of plant and equipment	**-**	(24,960)	**-**	27,040
Immigration expenses	**313,883**	820,994	**311,885**	819,602
Impairment loss on:				
- trade receivables	**-**	13,250	**-**	-
- deposits	**-**	9,950	**-**	9,950
- amounts due from subsidiaries	**-**	-	**692,910**	-
Finance costs	**1,155**	99,802	**-**	55,771
Finance income	**(294,098)**	(78,480)	**(281,559)**	(64,971)
Marketing expenses	**394,451**	528,339	**188,767**	145,740
Office supplies expenses	**691,169**	793,543	**553,282**	587,086
Other professional fees	**477,969**	540,880	**32,595**	206,517
Plant and equipment written off	**18,088**	718,782	**-**	337,134
Recruitment expenses	**198,836**	214,357	**181,031**	177,923
Reversal of impairment loss on:				
- trade receivables	**-**	(2,542)	**-**	-
- amounts due from subsidiaries	**-**	-	**-**	(387,952)
Security service	**119,397**	149,802	**109,976**	127,167
Software support	**329,282**	382,026	**152,661**	222,597

12 TAXATION

	Group		Company	
	2012	2011	**2012**	2011
	RM	RM	**RM**	RM
Income tax:				
Current financial year				
- Malaysian tax	**62,544**	141,274	**62,544**	12,797
- foreign tax	**2,394**	43,833	**-**	-
Under/(over) provision in prior year				
- Malaysian tax	**51,142**	(77,126)	**-**	-
	116,080	107,981	**62,544**	12,797
Deferred tax (Note 23):				
Relating to temporary differences	**(240,582)**	(786,305)	**(223,664)**	(308,088)
	(124,502)	(678,324)	**(161,120)**	(295,291)

The taxation charge for the Company is in respect of interest income. The Company was awarded the Multimedia Super Corridor ("MSC") status on 7 November 2002. 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. This exemption was renewed for a second five-year term and will expire on 6 November 2012.

The Malaysian current income tax is calculated at the statutory tax rate of 25% (2011: 25%) of the estimated assessable profit for the financial year.

Taxation for other jurisdictions is calculated at rates prevailing in the respective jurisdictions.

At the reporting period, the amount of unused tax losses for the Group was RM933,373 (2011: RM948,902). Deferred tax asset was not recognised in the statement of financial position due to the uncertainty of its recoverability.

The explanation of the relationship between taxation expense and profit before taxation is as follows:

	Group		Company	
	2012	2011	**2012**	2011
	%	%	%	%
Numerical reconciliation between the average effective tax rate and the Malaysian tax rate:				
Malaysian tax rate	**25**	25	**25**	25
Tax effects of:				
- Expenses not deductible for tax purposes	**9**	3	**6**	2
- Income not subject to tax	**(35)**	(32)	**(32)**	(29)
- Over provision of tax expense in prior year	**-**	(1)	**-**	-
Average effective tax rate	**(1)**	(5)	**(1)**	(2)

13 EARNINGS PER SHARE

(i) 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	
	2012	**2011**
Net profit for the financial year attributable to owners of the Company (RM'000)	**13,735**	13,282
Weighted average number of issued ordinary shares ('000)	**296,211**	296,025
Basic earnings per share (sen)	**4.64**	4.49

There is no dilutive potential ordinary share outstanding during the year.

14 DIVIDENDS

The dividends paid by the Company during the financial year are set out below:

	2012		2011	
	Gross dividend per share	Amount of dividend, tax exempt	Gross dividend per share	Amount of dividend, tax exempt
	sen	RM	sen	RM
Final dividends paid in respect of the financial years ended:				
- 30 June 2011	**1.0**	**2,962,113**	-	-
- 30 June 2010	**-**	**-**	1.0	2,692,830
Interim dividends paid in respect of the financial years ended:				
- 30 June 2012	**1.0**	**2,962,113**	-	-
- 30 June 2011	**1.0**	**2,962,113**	1.0	2,962,113
	3.0	**8,886,339**	2.0	5,654,943

Subsequent to the financial reporting period, on 27 August 2012, the Board of Directors declared a second interim dividend of 1 sen, tax exempt, per ordinary share, amounting to RM2,962,113 which is to be paid on 28 September 2012. The financial statements for the financial year ended 30 June 2012 do not reflect the second interim dividend. Upon declaration, the cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 30 June 2013.

The Directors now also recommend the payment of a final dividend of 1 sen per ordinary share, tax exempt, in respect of the financial year ended 30 June 2012 amounting to RM2,962,113. The final dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company.

15 PLANT AND EQUIPMENT

	As at 1.7.2011	Additions	Write offs	Disposals	Currency translation differences	As at 30.6.2012
	RM	RM	RM	RM	RM	RM
2012						
Group						
At cost						
Furniture and fittings	3,125,816	340,565	(10,160)	-	(10,869)	**3,445,352**
Office equipment and computers	21,000,749	932,458	(146,180)	-	(101,540)	**21,685,487**
Telecommunications equipment	9,149,663	72,508	(48,113)	-	(231,204)	**8,942,854**
Software	9,926,207	1,208,331	-	-	(4,294)	**11,130,244**
Office renovations	4,847,028	1,852,692	-	-	(16,764)	**6,682,956**
Motor vehicles	936,659	-	-	-	-	**936,659**
Educational manuals	1,392,013	-	-	-	-	**1,392,013**
Capital work-in-progress	-	1,839,869	-	-	-	**1,839,869**
	50,378,135	6,246,423	(204,453)	-	(364,671)	**56,055,434**

	As at 1.7.2011	Charge for the financial year	Write offs	Disposals	Currency translation differences	As at 30.6.2012
	RM	RM	RM	RM	RM	RM
Accumulated depreciation						
Furniture and fittings	2,151,794	307,192	(5,176)	-	(9,706)	**2,444,104**
Office equipment and computers	16,124,825	1,699,338	(137,662)	-	(75,829)	**17,610,672**
Telecommunications equipment	7,899,302	461,920	(43,527)	-	(205,207)	**8,112,488**
Software	8,085,395	1,138,742	-	-	(4,294)	**9,219,843**
Office renovations	4,336,507	953,072	-	-	(16,764)	**5,272,815**
Motor vehicles	538,143	96,092	-	-	-	**634,235**
Educational manuals	1,352,014	24,000	-	-	-	**1,376,014**
	40,487,980	4,680,356	(186,365)	-	(311,800)	**44,670,171**

15 PLANT AND EQUIPMENT (CONTINUED)

	As at 1.7.2010	Additions	Write offs	Disposals	Currency translation differences	As at 30.6.2011
	RM	RM	RM	RM	RM	RM
2011						
Group						
At cost						
Furniture and fittings	3,765,240	146,058	(693,190)	(48,246)	(44,046)	3,125,816
Office equipment and computers	20,648,667	997,430	(439,775)	(18,670)	(186,903)	21,000,749
Telecommunications equipment	10,598,011	167,599	(1,431,684)	-	(184,263)	9,149,663
Software	9,233,101	771,687	(41,195)	-	(37,386)	9,926,207
Office renovations	5,920,776	235,574	(1,222,445)	-	(86,877)	4,847,028
Motor vehicles	691,199	480,460	-	(235,000)	-	936,659
Educational manuals	1,392,013	-	-	-	-	1,392,013
	52,249,007	2,798,808	(3,828,289)	(301,916)	(539,475)	50,378,135

	As at 1.7.2010	Charge for the financial year	Write offs	Disposals	Currency translation differences	As at 30.6.2011
	RM	RM	RM	RM	RM	RM
Accumulated depreciation						
Furniture and fittings	2,542,095	335,589	(660,655)	(22,210)	(43,025)	2,151,794
Office equipment and computers	14,104,338	2,517,018	(326,558)	(8,766)	(161,207)	16,124,825
Telecommunications equipment	7,378,405	1,640,352	(980,125)	-	(139,330)	7,899,302
Software	7,093,813	1,059,993	(38,606)	-	(29,805)	8,085,395
Office renovations	5,033,033	493,913	(1,103,563)	-	(86,876)	4,336,507
Motor vehicles	691,199	81,944	-	(235,000)	-	538,143
Educational manuals	888,010	464,004	-	-	-	1,352,014
	37,730,893	6,592,813	(3,109,507)	(265,976)	(460,243)	40,487,980

15 PLANT AND EQUIPMENT (CONTINUED)

	2012	2011
	RM	RM
Group		
Net book value		
Furniture and fittings	**1,001,248**	974,022
Office equipment and computers	**4,074,815**	4,875,924
Telecommunications equipment	**830,366**	1,250,361
Software	**1,910,401**	1,840,812
Office renovations	**1,410,141**	510,521
Motor vehicles	**302,424**	398,516
Educational manuals	**15,999**	39,999
Capital work-in-progress	**1,839,869**	-
	11,385,263	9,890,155

15 PLANT AND EQUIPMENT (CONTINUED)

	As at 1.7.2011	Additions	Disposals	As at 30.6.2012
	RM	RM	RM	RM
2012				
Company				
At cost				
Furniture and fittings	2,324,265	216,882	-	**2,541,147**
Office equipment and computers	13,721,515	1,237,240	(16,473)	**14,942,282**
Telecommunications equipment	5,382,226	123,903	(51,484)	**5,454,645**
Software	9,316,105	1,344,168	(124,699)	**10,535,574**
Office renovations	3,799,550	1,094,547	-	**4,894,097**
Motor vehicles	867,634	-	-	**867,634**
	35,411,295	4,016,740	(192,656)	**39,235,379**

	As at 1.7.2011	Charge for the financial year	Disposals	As at 30.6.2012
	RM	RM	RM	RM
Accumulated depreciation				
Furniture and fittings	1,641,295	261,556	-	**1,902,851**
Office equipment and computers	9,751,965	1,534,599	(16,473)	**11,270,091**
Telecommunications equipment	4,737,011	401,934	(46,899)	**5,092,046**
Software	7,356,169	1,147,791	(73,755)	**8,430,205**
Office renovations	3,523,033	676,850	-	**4,199,883**
Motor vehicles	469,118	96,092	-	**565,210**
	27,478,591	4,118,822	(137,127)	**31,460,286**

15 PLANT AND EQUIPMENT (CONTINUED)

	As at 1.7.2010	Additions	Write offs	Disposals	As at 30.6.2011
	RM	RM	RM	RM	RM
2011					
Company					
At cost					
Furniture and fittings	2,305,750	66,761	-	(48,246)	2,324,265
Office equipment and computers	12,049,839	1,699,683	(9,337)	(18,670)	13,721,515
Telecommunications equipment	6,140,924	190,572	(949,270)	-	5,382,226
Software	7,660,621	1,655,484	-	-	9,316,105
Office renovations	3,776,150	23,400	-	-	3,799,550
Motor vehicles	387,174	480,460	-	-	867,634
	32,320,458	4,116,360	(958,607)	(66,916)	35,411,295

	As at 1.7.2010	Charge for the financial year	Write offs	Disposals	As at 30.6.2011
	RM	RM	RM	RM	RM
Accumulated depreciation					
Furniture and fittings	1,372,590	290,915	-	(22,210)	1,641,295
Office equipment and computers	7,423,482	2,345,280	(8,031)	(8,766)	9,751,965
Telecommunications equipment	4,570,433	780,020	(613,442)	-	4,737,011
Software	5,863,623	1,492,546	-	-	7,356,169
Office renovations	3,100,114	422,919	-	-	3,523,033
Motor vehicles	387,174	81,944	-	-	469,118
	22,717,416	5,413,624	(621,473)	(30,976)	27,478,591

	2012	2011
	RM	RM
Net book value		
Furniture and fittings	**638,296**	682,970
Office equipment and computers	**3,672,191**	3,969,550
Telecommunications equipment	**362,599**	645,215
Software	**2,105,369**	1,959,936
Office renovations	**694,214**	276,517
Motor vehicles	**302,424**	398,516
	7,775,093	7,932,704

16 INVESTMENT IN SUBSIDIARIES

	Company 2012	Company 2011
	RM	RM
Unquoted shares at cost	**2,118,055**	1,069,986

Details of the subsidiaries are as follows:

Name	Group's effective interest 2012	Group's effective interest 2011	Principal activities
	%	%	
Subsidiary of the Company Incorporated in Malaysia			
Scicom (Academy) Sdn. Bhd.*	**100**	100	Provides customer service training products as well as contact centre consulting and marketing services
Scicom International College Sdn. Bhd.*	**70**	70	Dormant
Incorporated in India			
Scicom Contact Centre Services Private Limited**	**100**	100	Dormant
Incorporated in the United Kingdom			
Scicom International (UK) Ltd^	**100**	100	Investment holding
Incorporated in the United States of America			
Subsidiary of Scicom International (UK) Ltd			
Scicom Inc.^	**100**	100	Dormant
Incorporated in Indonesia			
PT Scicom Indonesia^	**100**	100	Dormant
Incorporated in Sri Lanka			
Scicom Lanka (Private) Limited^#	**70**	0	Dormant

* Audited by PricewaterhouseCoopers, Malaysia.
** Audited by a firm other than PricewaterhouseCoopers, Malaysia.
^ Not required by their local laws to appoint statutory auditors.
\# Refer to Note 30 for details of the acquisition of Scicom Lanka (Private) Limited.

17 INVESTMENT IN JOINTLY CONTROLLED ENTITY

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Unquoted shares at cost	**1**	1	**1**	1
Share of net assets of the jointly controlled entity	**1,582,533**	1,129,667	**-**	-
	1,582,534	1,129,668	**1**	1

Name	Group's effective interest		Principal activities
	2012	2011	
	%	%	
Incorporated in Malaysia			
Asian Contact Centres Sdn Bhd ("ACCS") *	**50**	50	Managing the customer contact centre outsourcing services.

* Audited by PricewaterhouseCoopers, Malaysia.
** ACCS financial year end is 31 December.

The Group's aggregate share of assets and liabilities, income and expenses of the jointly controlled entity are as follows:

	Group	
	2012	2011
	RM	RM
Assets and Liabilities		
Current assets	**5,277,102**	5,296,930
Current liabilities	**3,661,228**	4,167,262
Results		
Revenue	**616,370**	837,860
Profit before taxation	**537,412**	719,378
Less: Taxation	**(84,546)**	(181,474)
Net profit for the financial year	**452,866**	537,904

During the financial year ended 30 June 2012, the Group and Company rendered services to the Jointly Controlled Entity ("JCE") totalling RM18,024,742 (2011: RM23,315,271). The amount due from JCE to the Group and Company as at 30 June 2012 amounted to RM3,855,076 (2011: RM4,161,861).

18 TRADE RECEIVABLES

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Financial assets				
Trade receivables				
Third parties	**18,455,082**	18,806,998	**18,373,462**	18,098,245
Jointly controlled entity	**3,855,076**	4,161,861	**3,855,076**	4,161,861
	22,310,158	22,968,859	**22,228,538**	22,260,106
Less: Impairment loss				
Third parties	**-**	(13,250)	**-**	-
	22,310,158	22,955,609	**22,228,538**	22,260,106
Non-financial assets				
Unbilled receivables *	**11,264,640**	10,570,871	**10,137,209**	8,827,555
	33,574,798	33,526,480	**32,365,747**	31,087,661

* The unbilled receivables will be classified as financial assets when the invoices for the receivables are issued.

18 TRADE RECEIVABLES (CONTINUED)

Credit terms of trade receivables range from 30 to 90 days (2011: 30 to 90 days).

The Group's and 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 Company's trade receivables.

Ageing analysis of trade receivables

The ageing analysis of the Group's and the Company's trade receivables are as follows:

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Neither past due nor impaired	**16,425,123**	20,754,763	**16,343,503**	20,133,312
Past due but not impaired				
- 1 to 30 days past due not impaired	**4,065,084**	1,369,520	**4,065,084**	1,369,520
- 31 to 60 days past due not impaired	**1,802,781**	720,562	**1,802,781**	720,562
- 61 to 90 days past due not impaired	**-**	36,712	**-**	36,712
- More than 90 days past due not impaired	**17,170**	74,052	**17,170**	-
Impaired:				
- More than 90 days	**-**	13,250	**-**	-
	22,310,158	22,968,859	**22,228,538**	22,260,106
Less: Impairment loss	**-**	(13,250)	**-**	-
	22,310,158	22,955,609	**22,228,538**	22,260,106

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment history.

The credit quality of trade receivables that are neither past due nor impaired can be assessed by historical information about counterparty defaults:

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Existing customers with no history of defaults	**14,732,451**	20,081,298	**14,732,451**	20,071,645
New customers within the last 6 months	**1,692,672**	673,465	**1,611,052**	61,667
	16,425,123	20,754,763	**16,343,503**	20,133,312

A significant number of these receivables comprise of multinational organisations and Malaysian government agencies. These receivables account for RM13,867,088 (2011: RM18,160,689 for the Group and RM18,151,036 for the Company) of the Group's and Company's trade receivables as at 30 June 2012. None of the Group's and Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

18 TRADE RECEIVABLES (CONTINUED)

Trade receivables that are past due but not impaired

The Group and Company have trade receivables amounting to RM5,885,035 (2011: RM2,200,846) and RM5,885,035 (2011: RM2,126,794) respectively that are past due at the reporting date but not impaired. These receivables are mainly multinational organisations for whom there are no recent history of default. The trade receivable balances are unsecured in nature.

Impairment loss

The movement in impairment loss are as follows:

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
At 1 July	**13,250**	1,211,553	**-**	1,158,181
Reversal of impairment loss	**-**	(2,452)	**-**	-
Charge for the financial year	**-**	13,250	**-**	-
Written off	**(13,250)**	(1,209,101)	**-**	(1,158,181)
At 30 June	**-**	13,250	**-**	-

The impairment of trade receivables are individually determined. The impaired receivables are from customers in financial difficulties. These receivables are not secured by collateral or credit enhancements.

The fair value of trade receivables approximates its carrying value.

19 OTHER RECEIVABLES

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Financial assets				
Other receivables	**569,799**	473,251	**321,625**	229,958
Deposits	**3,079,272**	3,423,044	**2,776,933**	3,276,420
Less: Impairment loss	**(9,950)**	(9,950)	**(9,950)**	(9,950)
	3,639,121	3,886,345	**3,088,608**	3,496,428
Non-financial assets				
Prepayments	**1,212,475**	705,688	**1,060,673**	637,758
	4,851,596	4,592,033	**4,149,281**	4,134,186

19 OTHER RECEIVABLES (CONTINUED)

The Group's and the Company's other receivables are neither past due nor impaired.

None of the Group's or Company's other receivables that are neither past due nor impaired have been renegotiated during the financial year. The credit quality of the Group's and Company's other receivables that are neither past due nor impaired are due from counterparties with no history of defaults.

Impairment loss

The movement in impairment loss are as follows:

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
At 1 July	**9,950**	3,759,938	**9,950**	3,747,518
Charge for the financial year	**-**	9,950	**-**	9,950
Written off	**-**	(3,759,938)	**-**	(3,747,518)
At 30 June	**9,950**	9,950	**9,950**	9,950

All impaired other receivables and deposits are individually determined. These impaired receivables are from counterparties who are in financial difficulties and have defaulted on payments. These receivables are not secured by collateral or credit enhancements.

The fair value of other receivables and deposits approximate its carrying value.

20 AMOUNTS DUE FROM SUBSIDIARIES

	Company 2012 RM	Company 2011 RM
Amounts due from subsidiaries	**9,030,909**	6,440,798
Less: Impairment loss	**(3,023,824)**	(2,330,914)
	6,007,085	4,109,884

The amounts due from subsidiaries are unsecured, interest free and repayable on demand.

The ageing analysis of the amounts due from subsidiaries are as follows:

	Company 2012 RM	Company 2011 RM
Neither past due nor impaired	**6,007,085**	4,109,884
Impaired:		
More than 90 days	**3,023,824**	2,330,914
	9,030,909	6,440,798
Less: Impairment loss	**(3,023,824)**	(2,330,914)
	6,007,085	4,109,884

<u>Impairment loss</u>

The movement in impairment loss is as follows:

	2012	2011
At 1 July	**2,330,914**	2,718,866
Charge for the financial year	**692,910**	-
Reversal of impairment loss	**-**	(387,952)
At 30 June	**3,023,824**	2,330,914

All impaired amounts due from subsidiaries are individually determined. The prior year reversal of impairment loss arises from the foreign translation difference from currencies other than RM. The impaired receivables in current year reflect a decrease in the business activities of the respective subsidiaries and foreign translation difference from currencies other than RM. These receivables are not secured by collateral or credit enhancements.

21 CASH AND CASH EQUIVALENTS

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Cash and bank balances	**7,388,514**	1,744,010	**6,386,397**	951,769
Deposits with licensed banks	**11,665,039**	16,679,487	**11,522,745**	16,508,131
	19,053,553	18,423,497	**17,909,142**	17,459,900

The weighted average interest rates of deposits with licensed banks as at reporting period for the Group and Company are 2% and 2% (2011: 3% and 3%) per annum respectively. The Group and Company's deposits have weighted average maturity period of 24 and 24 (2011: 263 and 12) days respectively.

The assets of the Group are pledged to a financial institution for banking facilities amounted to RM61,079 (2011: RM73,554).

The credit quality of financial institutions in respect of cash at bank and deposits with licensed banks are as follows:

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Cash at bank and deposits with licensed banks				
AAA	**18,508,307**	17,877,654	**17,367,620**	16,930,716
AA	**522,745**	508,131	**522,745**	508,131
A	**3,725**	16,159	**-**	-
	19,034,777	18,401,944	**17,890,365**	17,438,847

The credit qualities of the above balances are assessed by reference to RAM Ratings Services Berhad.

22 TRADE AND OTHER PAYABLES

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Financial liabilities				
Trade payables	**556,648**	690,585	**556,648**	685,373
Accruals	**1,496,890**	1,902,594	**749,592**	1,215,244
Performance-related bonus	**508,520**	1,615,574	**452,882**	1,439,892
Other payroll-related liabilities	**312,355**	546,257	**312,355**	414,733
Other payables	**1,969,645**	1,483,566	**1,916,935**	1,548,234
	4,844,058	6,238,576	**3,988,412**	5,303,476
Non-financial liabilities				
Other payroll-related liabilities	**1,574,109**	1,446,274	**1,495,353**	1,446,274
Other payables	**162,627**	320,703	**144,031**	296,944
	6,580,794	8,005,553	**5,627,796**	7,046,694

Credit terms of trade payables range from cash basis to 90 days (2011: cash basis to 90 days).

23 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, determined after appropriate offsetting, are shown in the statements of financial position:

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Deferred tax assets	**(531,752)**	(308,088)	**(531,752)**	(308,088)
Deferred tax liabilities	**391,934**	410,446	**-**	-
At beginning of financial year	**102,358**	883,739	**(308,088)**	-
Charged to profit or loss (Note 12):				
- plant and equipment	**(240,582)**	(882,631)	**(223,664)**	(308,088)
- others	**-**	96,326	**-**	-
	(240,582)	(786,305)	**(223,664)**	(308,088)
Currency translation	**(1,594)**	4,924	**-**	-
At end of financial year	**(139,818)**	102,358	**(531,752)**	(308,088)

23 DEFERRED TAXATION (CONTINUED)

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Deferred tax assets				
- plant and equipment	**(531,752)**	(308,088)	**(531,752)**	(308,088)
Deferred tax liabilities				
- plant and equipment	**391,934**	410,446	**-**	-

24 SHARE CAPITAL

Share capital is the amount subscribed for shares at nominal value.

	Group and Company	
	2012	2011
	RM	RM
Authorised ordinary shares of RM0.10 each:		
At beginning/end of the financial year	**100,000,000**	100,000,000
Issued and fully paid ordinary shares of RM0.10 each:		
At beginning of financial year	**29,621,130**	26,802,300
ESOS issued during the financial year	**-**	126,000
Bonus issued during the financial year	**-**	2,692,830
At end of financial year	**29,621,130**	29,621,130

During the last financial year, 1,260,000 new ordinary shares of RM0.10 each at an exercise price of RM0.30 were issued by the Company for cash by virtue of the exercise of options pursuant to the Company's ESOS.

On 19 November 2010, the Company completed a bonus issue of 26,928,300 new ordinary shares of RM0.10 each in the Company. The bonus shares were credited as fully paid-up on the basis of one share for every ten existing shares held in the Company.

All ordinary shares issued rank pari-passu.

25 RESERVES

(a) Retained earnings

Retained earnings represent the cumulative earnings of the Group and Company attributable to the owners of the Company.

(b) Share premium reserve

Share premium reserve represents the excess of the amount subscribed for share capital over the nominal value of those shares net of share issue expenses. Share issue expenses comprise costs incurred in respect of the issue of new bonus shares.

(c) 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.

Under the single-tier system which came into effect from 1 January 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividends paid under this system are tax exempted in the hand of shareholders.

The company may continue to frank dividends until the Section 108 credits are exhausted or 31 December 2013, whichever is earlier, unless they opt to disregard the Section 108 credits to pay single-tier dividends under the special transitional provisions of the Finance Act, 2009.

Subject to agreement by the tax authorities, the Company has tax exempt income under the Promotion of Investments Act, 1986 and tax credit under Section 108 of the Malaysian Income Tax Act, 1967 of RM62,120,428 (2011: RM56,190,141) and RM85,798 (2011: RM85,798) respectively, to frank dividends out of its entire retained earnings.

26 COMMITMENTS

(a) Capital expenditure

Capital expenditure authorised by the Directors not provided for in the financial statements are as follows:

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Authorised and contracted:				
- Plant and equipment	**1,120,059**	315,233	**-**	315,233

26 COMMITMENTS (CONTINUED)

(b) Non-cancellable operating lease commitments

The future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
- not later than one year	**9,492,153**	4,512,758	**8,079,875**	4,448,745
- later than one year and not later than five years	**13,028,614**	1,208,046	**10,496,131**	1,208,046
	22,520,767	5,720,804	**18,576,006**	5,656,791

27 SIGNIFICANT RELATED PARTY DISCLOSURES

In addition to related party transactions and balances mentioned elsewhere in the financial statements, set out below are the significant related party transactions and balances which were carried out on terms and conditions negotiated amongst the related parties.

Whenever exist, related party transactions also include transactions with entities that are controlled, jointly controlled or significantly influenced directly or indirectly by any key management personnel or their close family members.

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Sales of services:				
- Subsidiaries	**-**	-	**990,548**	770,043
Purchase of services:				
- Subsidiaries	**-**	-	**(1,727,750)**	-
Invoices billed on behalf:				
- Subsidiaries	**-**	-	**(7,235,100)**	(7,244,894)
Expenses paid on behalf:				
- Subsidiaries	**-**	-	**8,074,847**	5,937,045
(Repayment)/Advances:				
- Subsidiaries	**-**	-	**2,798,124**	(1,377,964)
Purchase of equipment:				
- Subsidiaries	**-**	-	**(516,291)**	(1,864,844)
Amount due from:				
- Subsidiaries	**-**	-	**6,007,085**	4,109,884

28 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group's and Company's activities expose it to a variety of financial risks from its operations including market risk, credit risk and liquidity risk. The Group's and Company's overall financial risk management objectives are to ensure that the Group and Company create value for its shareholders and to ensure that adequate financial resources are available for the development of the Group's and Company's businesses. The Group and Company operate within clearly defined guidelines that are approved by the Board and seeks 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 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 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 Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Market risk

Market risk refers to the risk that changes in market prices such as foreign exchange rates, interest rates and prices will affect the Group's and Company's financial position and cash flows.

(i) Foreign currency exchange risk

The Group and Company are exposed to currency risk as a result of foreign currency transactions entered into currencies other than their measurement currency, mainly SGD, GBP and USD.

At 30 June 2012, if RM had strengthened by 6% (2011: 8%) against the US dollar with all other variables held constant, pre-tax profit for the year for the Group and Company would have been RM182,821 and RM332,420 (2011: RM 61,788 and RM215,592) lower respectively, mainly as a result of foreign exchange losses on translation of US dollar-denominated trade receivables and other receivables.

At 30 June 2012, if RM had strengthened by 2% (2011: weakened by 5%) against the Singapore dollar with all other variables held constant, pre-tax profit for the year would have been RM103,284 lower (2011: RM539,469 higher) for the Group and Company, mainly as a result of foreign exchange losses (2011: gains) on translation of Singapore dollar-denominated trade receivables and other receivables.

At 30 June 2012, if RM had strengthened by 2% (2011: 1%) against the Sterling pound with all other variables held constant, pre-tax profit for the year for the Group and Company would have been RM88,543 and RM97,069 (2011: RM37,244 and RM42,162) lower respectively, mainly as a result of foreign exchange gains on translation of Sterling pound-denominated trade receivables and other receivables.

(ii) Interest rate risk

The Group's and Company's exposure to interest rate risk is limited to its financing through the utilisation of an overdraft facility. It is the Group's and Company's policy to source for the most favourable interest rate available. As at 30 June 2012, the Group and Company has no outstanding borrowings.

The Group's and Company's surplus funds are deposited with licensed financial institutions at the most favourable interest rate.

(iii) Price risk

For key contracts, the Group and Company establishes price levels that the Group and Company considers acceptable and also enters into supply agreements where necessary, to achieve these levels.

The Group and Company does not have exposure to share price risk as it does not hold investment in quoted equity instruments.

28 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(b) Credit 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 financial loss to the Group and Company.

At the reporting date, the Group's and Company's maximum exposure to credit risk is represented by the carrying amounts of each class of financial assets recognised in the statements of financial position.

(i) Trade and other receivables

There exists concentration of credit risk with respect to the Group's and the Company's trade receivables as at 30 June 2012, where four customers contributed RM13.0 million (2011: RM13.5 million) of the Group's and the Company's trade receivables. The Group's and the Company's historical experience in collection of trade receivables falls within recorded allowances. Management believes that no additional credit risk beyond amounts provided for doubtful debts is inherent in the Group's and the Company's 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 considers the risk of material loss in the event of non-performance by a customer to be unlikely. The credit quality of the trade and other receivables that are neither past due nor impaired can be assessed by reference to historical information about counterparties as set out in notes 18 and 19.

(ii) Intercompany balances

The Company maintains a current account with subsidiaries. The current accounts include transactions relating to payment and paying on behalf of subsidiaries or vice versa as applicable. The Company monitors the results of the subsidiaries regularly. As at 30 June 2012, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that intercompany receivables are stated at the realisable values. As at 30 June 2012, there was no indication that the carrying value of the amounts due from the subsidiaries are not recoverable.

(iii) Bank balances

Bank balances 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 statement of financial position.

In view of the sound credit rating of counterparties, management does not expect any counterparties to fail to meet their obligations.

The credit quality of the financial institutions in respect of the bank balances and short-term deposits are set out in note 21.

28 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(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 has sufficient cash and bank balances and maintains standby credit lines to ensure availability of funding to meet operational requirements. The Group's and Company's borrowings and standby credit lines are provided by financial institutions with sound credit ratings.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and Company's liabilities at the reporting date based on contractual undiscounted repayment obligations:

	Group	Company
	2012	2012
	On demand or less than three months	On demand or less than three months
	RM	RM
Trade and other payables	6,580,794	5,627,796

	Group	Company
	2011	2011
	On demand or less than three months	On demand or less than three months
	RM	RM
Trade and other payables	8,005,553	7,046,694

(d) Capital management risk

The Group and the Company defines capital as the total equity and debts of the Group and the Company. The objective of the Group and the Company's capital management is to maintain an optimal capital structure and ensuring availability of funds in order to support its business and maximises shareholders value.

As of 30 June 2012, the Group and the Company had no outstanding borrowings.

29 FINANCIAL INSTRUMENTS BY CATEGORY

	Group 2012 RM	Company 2012 RM
Loans and receivables		
Trade receivables excluding unbilled revenues	22,310,158	22,228,538
Other receivables excluding prepayments	3,639,121	3,088,608
Cash and bank balances	19,053,553	17,909,142
Amounts due from subsidiaries	-	6,007,085
Total	45,002,832	49,233,373
Other financial liabilities		
Trade and other payables excluding statutory liabilities	4,844,058	3,988,412

	Group 2011 RM	Company 2011 RM
Loans and receivables		
Trade receivables excluding unbilled revenues	22,955,609	22,260,106
Other receivables excluding prepayments	3,886,345	3,496,428
Cash and bank balances	18,423,497	17,459,900
Amounts due from subsidiaries	-	4,109,884
Total	45,265,451	47,326,318
Other financial liabilities		
Trade and other payables excluding statutory liabilities	6,238,576	5,303,476

30 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 6 October 2011, the Company acquired one (1) ordinary share at nominal value of Sri Lanka Rupees ("SLR") Ten (10) in Scicom Lanka (Private) Limited ("SLPL"). The issued and paid-up share capital of SLPL as at 6 October 2011 was SLR20 divided into 2 ordinary shares of SLR10 each.

The Company had on 28 November 2011 entered into a Joint Venture cum Shareholders' Agreement (the "Shareholders' Agreement") with Abans Pte Ltd ("Abans"), a private limited company incorporated in Sri Lanka. Pursuant to the Shareholders' Agreement, the issued and paid up share capital of SLPL was increased from SLR20 to SLR52.5 million by way of allotment and issuance of 5,249,998 new ordinary shares of SLR10 each at par value for cash. The Company subscribed to 3,674,998 new ordinary shares of SLR10 each in SLPL for a total cash consideration of SLR 36,749,980 whilst Abans subscribed to the remaining new ordinary shares in SLPL.

31 CONTINGENT LIABILITY

A subsidiary of the Company has received tax assessment notices of RM1.4 million (INR23.1 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 2012 paid RM0.4 million (INR7.2 million) in respect of the assessments. This amount has been classified as tax recoverable in the Group 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 crystalise from these assessments. Furthermore, the amount paid of RM0.4 million will be recovered.

32 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 27 August 2012.

33 SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

The breakdown of retained profits of the Group and the Company as at the reporting date, into realised and unrealised profits, pursuant to the directive, is as follows:

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Total retained profits/(accumulated losses):				
Realised	**26,977,778**	23,007,435	**34,239,748**	26,496,800
Unrealised	**(1,007,446)**	1,137,696	**(615,512)**	1,035,338
	25,970,332	24,145,131	**33,624,236**	27,532,138
Total share of retained profits from jointly controlled entity:				
Realised	**1,582,533**	1,129,667	**-**	-
	27,552,865	25,274,798	**33,624,236**	27,532,138
Less: Consolidation adjustments	**5,867,819**	3,297,129	**-**	-
Total Group's and Company's retained profits	**33,420,684**	28,571,927	**33,624,236**	27,532,138

The determination of realised and unrealised profits is based on the Guidance of Special Matter No 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysia Institute of Accountants on 20 December 2010.

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Leo Suresh Ariyanayakam and Krishnan a/l C K Menon, the Directors of Scicom (MSC) Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 55 to 109 are drawn up so as to give a true and fair view of the state of affairs of the Group and the Company as at 30 June 2012 and of its results and cash flows of the Group and the Company for the financial year ended on that date in accordance with Financial Reporting Standards, MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the provisions of the Companies Act, 1965.

The supplementary information set out in Note 33 on page 110 have been prepared in accordance with the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysia Institute of Accountants.

Signed on behalf of the Board of Directors in accordance with their resolution dated 27 August 2012.

LEO SURESH ARIYANAYAKAM
DIRECTOR

KRISHNAN A/L C K MENON
DIRECTOR

Kuala Lumpur

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Jayakumar A/L Narayana Pillai Sreedharan Nair, 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 55 to 109 are, to the best of my knowledge and behalf, 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.

JAYAKUMAR A/L NARAYANA PILLAI SREEDHARAN NAIR
OFFICER

Subscribed and solemnly declared by the above named Jayakumar A/L Narayana Pillai Sreedharan Nair at Kuala Lumpur in Malaysia on 27 August 2012, before me.

CHRISTOPHER KOH SWEE KIAT (NO. W554)
COMMISSIONER FOR OATH

TO THE MEMBERS OF SCICOM (MSC) BERHAD

(Incorporated in Malaysia)
(Company No. 597426 H)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Scicom (MSC) Berhad on pages 55 to 109, which comprise the statements of financial position as at 30 June 2012 of the Group and of the Company, and the statements of comprehensive income, statement of changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 32.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2012 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' report of subsidiaries of which we have not acted as auditors, which are indicated in Note 16 to the financial statements;

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

TO THE MEMBERS OF SCICOM (MSC) BERHAD (CONTINUED)

(Incorporated in Malaysia)
(Company No. 597426 H)

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 33 on page 110 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

IRVIN GEORGE LUIS MENEZES
(No. 2932/06/14 (J))
Chartered Accountant

Kuala Lumpur
27 August 2012

Additional Compliance Information

The information set out below is disclosed in compliance with the Listing Requirements of Bursa Securities:

1. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

As at the date of this Annual Report, the proceeds from Scicom's IPO has been fully utilised.

2. SHARE BUY-BACK

The Company does not have a scheme to buy back its own shares.

3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES EXERCISED

The Company does not have any warrants or convertible securities in issue. For the financial year ended 30 June 2012.
The Company currently does not have any ESOS scheme.

4. DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme for the financial year ended 30 June 2012.

5. IMPOSITION OF SANCTIONS AND/OR PENALTIES

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies, during the financial year ended 30 June 2012.

6. NON-AUDIT FEES

The amount of non-audit fees paid by the Group and the Company for the financial year ended 30 June 2012 were RM20,250 and RM10,200 respectively, representing fees for tax-related services.

7. VARIATION IN RESULTS

There was no profit estimation, forecast or projection made or released by the Company during or in relation to the financial year ended 30 June 2012. There were no variances of 10% or more between the results between the audited and unaudited results for the current financial year.

8. PROFIT GUARANTEE

There were no profit guarantees given by the Group and the Company during the financial year ended 30 June 2012.

9. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

For the financial year ended 30 June 2012, no contracts of a material nature were entered into or were subsisting between the Group and its Directors, or major shareholders.

10. RECURRENT RELATED PARTY TRANSACTIONS

There were no recurrent related party transactions entered by the Group and the Company during the financial year ended 30 June 2012.

11. CORPORATE SOCIAL RESPONSIBILITY

The Group's corporate social responsibility activities and/or practices undertaken during the financial year ended 30 June 2012 are set out on pages 29 to 31 and of the Annual Report.

Analysis of Shareholdings

SHARE CAPITAL AS AT 19 SEPTEMBER 2012

	Amount RM
Authorised Share Capital	
Authorised ordinary shares of RM0.10 each	100,000,000
Issued and Fully Paid-up Share Capital	
Issued and fully paid-up ordinary shares of RM0.10 each	29,621,130
Class of Securities	Ordinary shares of RM0.10 each
Voting Rights	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS AS 19 SEPTEMBER 2012

No. of Shareholders	%	Size of Shareholdings	%
13	1.55%	Less than 100 shares	0.00%
37	4.41%	100 to 1,000 shares	0.00%
308	36.71%	1,001 to 10,000 shares	0.44%
364	43.38%	10,001 to 100,000 shares	3.75%
113	13.47%	100,001 to less than 5% of issued shares	35.93%
4	0.48%	5% and above of issued shares	59.88%
839	**100.00%**		**100.00%**

LIST OF 30 LARGEST REGISTERED SHAREHOLDERS AS AT 19 SEPTEMBER 2012

(As shown in the record of Depositors)

No.	Name of Shareholder	No. of Shares Held	%
1	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD MAYBANK KIM ENG SECURITIES PTE LTD FOR PT TELEKOMUNIKASI INDONESIA INTERNATIONAL	87,993,620	29.706
2	NETINSAT ASIA SDN BHD	46,200,000	15.596
3	TA NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEO SURESH ARIYANAYAKAM	22,023,600	7.435
4	LEMBAGA TABUNG HAJI	21,156,740	7.142
5	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR SEOW LUN HOO @ SEOW WAH CHONG	11,862,400	4.004
6	ALI BIN ABDUL KADIR	11,000,000	3.713
7	HLG NOMINEE (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEO SURESH ARIYANAYAKAM	9,100,000	3.072
8	LALITHA D/O K KRISHNAN NAMBIAR	6,439,950	2.174
9	JAGANATH DEREK STEVEN SABAPATHY	5,912,060	1.995
10	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	4,996,860	1.686
11	TAN SOH GOH	4,534,000	1.530
12	AMBANK (M) BERHAD PLEDGED SECURITIES ACCOUNT FOR ALI BIN ABDUL KADIR (SMART)	3,100,000	1.046
13	MULTI-PURPOSE INSURANS BHD	2,693,020	0.909
14	GUNARETNAM A/L KATHIGASU	2,630,100	0.887
15	KRISHNAN A/L C K MENON	2,487,100	0.839

Analysis of Shareholdings
(Continued)

No.	Name of Shareholder	No. of Shares Held	%
16	TASEC NOMINEES (ASING) SDN BHD TA CAPITAL SDN BHD FOR LEO SURESH ARIYANAYAKAM	2,200,000	0.742
17	SIEH KOK SWEE	1,861,640	0.628
18	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR SALBIAH BINTI SHUIB	1,794,500	0.605
19	CHEAH TEIK SENG	1,650,000	0.557
20	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RAHIMAH STEPHENS (CEB)	1,485,000	0.501
21	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PARAMJIT SINGH GILL (MARGIN)	1,375,000	0.464
22	MOHD SALLEH BIN HJ HARUN	1,309,000	0.441
23	BENNY PHILIP	1,210,000	0.408
24	DR. NIKOLAI DOBBERSTEIN	1,100,000	0.371
25	EAPEN THOMAS A/L K I THOMAS	990,000	0.334
26	NETINSAT ASIA SDN BHD	898,920	0.303
27	JAYA KUMAR	888,950	0.300
28	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SALBIAH BINTI SHUIB (CEB)	825,000	0.278
29	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR SIVA KUMAR A/L M JEYAPALAN (PB)	800,000	0.270
30	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR VIJEYARATNAM A/L V.THAMOTHARAM PILLAY	770,000	0.259
	Total	**261,287,460**	**88.209**

SUBSTANTIAL SHAREHOLDERS AS AT 19 SEPTEMBER 2012

No.	Name of Shareholder	Direct Interest	%	Deemed Interest	%
1	Maybank Securities Nominees (Asing) Sdn Bhd (Kim Eng Securities Pte Ltd for PT Telekomunikasi Indonesia International)	87,993,620	29.71%	0	0.00%
2	Netinsat Asia Sdn Bhd	47,098,920	15.90%	0	0.00%
3	Leo Suresh Ariyanayakam	33,532,812	11.32%	0	0.00%
4	Lembaga Tabung Haji	21,156,740	7.14%	0	0.00%

DIRECTORS' SHAREHOLDINGS AS AT 19 SEPTEMBER 2012

No.	Name of Director	Direct Interest	%	Deemed Interest	%
1	Leo Suresh Ariyanayakam	33,532,812	11.32%	0	0.00%
2	Krishnan A/L C K Menon [1]	2,487,100	0.84%	47,098,920	15.90%
3	Dato' Mohd Salleh bin Hj. Harun	1,530,000	0.52%	0	0.00%
4	Dr. Nikolai Dobberstein	1,100,000	0.37%	0	0.00%
5	Loh Lee Soon	347,600	0.12%	0	0.00%

[1] *Deemed interest by virtue of his shareholdings in Netinsat Asia Sdn Bhd*

Glossary of Abbreviations

Act	Companies Act, 1965
AGM	Annual General Meeting
AUD	Australian Dollar
ACCSB	Asian Contact Centre Services Sdn Bhd
B2B	Business to business
BCP	Business continuity planning
Board	Board of Directors
BPO	Business Process Outsourcing
BPO/SSO	Business Process Outsourcing/Shared Services Outsourcing
Bursa Securities	Bursa Malaysia Securities Berhad
BTEC	Business and Technical Education Council
CCAM	Customer Relationship Management and Contact Centre Association
CEO	Chief Executive Officer
COO	Chief Operating Officer
Code	Code of Business Conduct
CRM	Customer Relationship Management
CSR	Corporate Social Responsibility
ESOS	Employees' Share Option Scheme
FRS	Financial Reporting Standards
FY	Financial Year
GBP	British Pound Sterling
HR	Human Resource
HRO	Human Resource Outsourcing
ICM	Internal control memorandum
INR	Indian Rupee
IPO	Initial Public Offering
ISO	International Standards Organization
IT	Information Technology
KPO	Knowledge Process Outsourcing

Glossary of Abbreviations
(Continued)

LOA	Limits of Authority
MASB	Malaysian Accounting Standards Board
MNC	Multinational Corporation
MSC	Multimedia Super Corridor
MQA	Malaysian Qualification Agency
PBT	Profit Before Taxation
PIKOM	Association of the Computer and Multimedia Industry of Malaysia
PJ	Petaling Jaya, Malaysia
PTSI	PT Scicom Indonesia
RM	Ringgit Malaysia
RPG 5	Recommended Practice Guide 5 – Guidance for Auditors on the Review of Directors' Statement on Internal Control
Scicom	Scicom (MSC) Berhad
Scicom Academy	Scicom (Academy) Sdn Bhd
Scicom (UK)	Scicom International (UK) Limited
SCP	Support Center Practices
SEA	South East Asia
SGD	Singapore Dollar
SMS	Short Messaging Service
SMT	Senior Management Team
SLPL	Scicom Lanka (Private) Limited
SSPA	Service and Support Professionals Association
STAR	Scicom's Talent Assessment, Recognition and Development
Statement	Directors' Statement on Internal Control
The Company	Scicom (MSC) Berhad
The Group	Scicom (MSC) Berhad and its subsidiaries
TQM	Total Quality Management
UK	United Kingdom
USA	United States of America
USD	United States Dollar

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 : corpinfo@scicom-intl.com

2nd Floor, FSBM Plaza
3539, Jalan Teknokrat 7
63000 Cyberjaya
Selangor Darul Ehsan Malaysia
Tel : 603 8312 4262
Fax : 603 8312 2255

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
E-mail : academy@scicom-intl.com

Scicom Contact Centre Services Private Limited
Door No 2, No.1A
Venkateshwar Nilya
Anjenya Temple Road
RMV 2nd Stage
Bangalore 560094
India
Tel : 99 86 374436

Scicom Inc
234, Waukegan Road
Glenview, Illinois 60025
United States of America
Tel : 847-998-0557
Fax : 847-998-0561

Asian Contact Centres 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
5th Floor, The Landmark Centre
Tower B, Jl. Jenderal Sudirman No.1
Jakarta 12910, Indonesia

Notice of Tenth
Annual General Meeting

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of the Company will be held at Banyan Room, Ground Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Tuesday, 6 November 2012 at 10.00 a.m. to transact the following businesses:-

A.	**Ordinary Business**	
1.	To receive the Audited Financial Statements for the financial year ended 30 June 2012 together with the Reports of the Directors and Auditors thereon.	(See Note 2)
2.	To declare a tax exempt final dividend of RM0.01 per ordinary share for the financial year ended 30 June 2012 as recommended by the Directors.	(Ordinary Resolution 1)
3.	To re-elect the following Directors who retire pursuant to Article 84 of the Company's Articles of Association:-	
	(i) Leo Suresh Ariyanayakam	(Ordinary Resolution 2)
	(ii) Loh Lee Soon	(Ordinary Resolution 3)
4.	To approve the payment of Directors' Fees for the financial year ended 30 June 2012.	(Ordinary Resolution 4)
5.	To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration.	(Ordinary Resolution 5)
B.	**Special Business**	
	To consider and if thought fit, to pass, with or without modifications, the following Special Resolution:-	
6.	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY	(Special Resolution)
	"THAT the amendments to the Articles of Association of the Company as contained in Appendix I be hereby approved.	
	AND THAT the Directors of the Company be and are hereby authorised to do all such acts, deeds and things as are necessary and/or expedient in order to give full effect to the amendments to the Articles of Association of the Company with full powers to assent to any conditions, modifications and/or amendments as may be required by the relevant authorities."	
C.	**Other Business**	
7.	To transact any other business of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.	

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the members at the Tenth Annual General Meeting to be held on 6 November 2012, a tax exempt final dividend of RM0.01 per ordinary share for the financial year ended 30 June 2012, if approved, will be paid on 10 December 2012.

The entitlement date for the dividend payment is 26 November 2012.

A depositor shall qualify for entitlement to the dividend only in respect of:-

(a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 26 November 2012 in respect of transfers; and

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

NG YEN HOONG (LS 008016)
LIM POH YEN (MAICSA 7009745)
Company Secretaries

Kuala Lumpur
12 October 2012

NOTES:-

1. **APPOINTMENT OF PROXY**

(i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy (or in the case of a corporation, a duly authorised representative) to attend and vote in his stead. A proxy may, but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965, shall not apply to the Company.

(ii) Where a member or authorised nominee appoints two (2) or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

(iii) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), 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.

(iv) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.

(v) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

(vi) The instrument appointing a proxy must be completed and deposited at the Registered Office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

(vii) For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 60 of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 31 October 2012 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting.

2. **AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012**

The Audited Financial Statements in Agenda 1 is meant for discussion only as an approval from shareholders is not required pursuant to the provision of Section 169(1) of the Companies Act, 1965. Hence, this Agenda is not put forward for voting by shareholders of the Company.

3. **EXPLANATORY NOTE ON SPECIAL BUSINESS**

Special Resolution – Proposed Amendments to the Articles of Association of the Company

The proposed Special Resolution, if passed, will enable the Company to comply with the recent amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and to issue shares pursuant to a Dividend Reinvestment Scheme.

Appendix 1

The details of the Existing Article(s) and the Proposed Amendments to the Article(s) are as set out below:-

Existing Article No.	Amended Article No.
77. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. The Directors may but shall not be bound to require evidence of the authority of any such attorney or officer. A proxy may but need not be a Member and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.	77. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. The Directors may but shall not be bound to require evidence of the authority of any such attorney or officer. A Member of the Company who is entitled to attend and vote at a meeting of the Company, or at a meeting of any class of Members of the Company, may appoint not more than two (2) proxies to attend and vote instead of the Member at the meeting. Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), 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. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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 SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA. Where a Member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. A proxy need not be a member. There shall be no restriction as to the qualification of the proxy and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

	Existing Article No.	Amended Article No.
78. (notes)	A proxy may but need not be a Member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. To be valid, this form, duly completed must be deposited at the registered office of the Company not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof. In the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the form of proxy, other than the particulars of the proxy have been duly completed by the member(s). A member shall be entitled to appoint more than two (2) proxies to attend and vote at the same meeting and the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. Where a member is an authorised nominee as defined under the Depositories Act, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. If the appointor is a corporation this form must be executed under its common seal or under the hand of an officer or attorney duly authorised.	A proxy need not be a member. There shall be no restriction as to the qualification of the proxy and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. To be valid, this form, duly completed must be deposited at the registered office of the Company not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof. In the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the form of proxy, other than the particulars of the proxy have been duly completed by the member(s). Where a Member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), 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. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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. If the appointor is a corporation this form must be executed under its common seal or under the hand of an officer or attorney duly authorised.

Existing Article No.	Amended Article No.
NIL	142A. Dividend Reinvestment Scheme refers to a scheme which enables members to reinvest cash dividend into new shares. Subject to the approval being obtained from the members of the Company and the Listing Requirements, the Company may issue shares pursuant to a Dividend Reinvestment Scheme to all its members who are entitled to dividend in accordance with the provisions of the Act and any rules, regulations and guidelines there under or issued by the Exchange and any other relevant authorities in respect thereof.

scicom

TOTAL CUSTOMER DELIGHT

Proxy Form

Scicom (MSC) Berhad (597426-H)
(Incorporated in Malaysia)

Telephone No. ....
(DURING OFFICE HOURS)

I / We : ....
(INSERT FULL NAME IN BLOCK CAPITAL)

NRIC (New)/Company No.
....

CDS Account No.
....

of ....
....
....
(FULL ADDRESS)

being a member/members of **SCICOM (MSC) BERHAD** hereby appoint*
....
(INSERT FULL NAME IN BLOCK CAPITAL)

NRIC (New) No
....

of ....

or failing him/her ....
(INSERT FULL NAME IN BLOCK CAPITAL)

NRIC (New) No.
....

of ....

or the Chairman of the Meeting as *my/our proxy/proxies to attend and vote for *me/us on *my/our behalf, at the Tenth Annual General Meeting of the Company to be held at Banyan Room, Ground Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on **Tuesday, 6 November 2012 at 10.00 a.m.** and at any adjournment thereof, to vote as indicated below:-

Ordinary Resolutions		For	Against
1	Declaration of a tax exempt final dividend of RM0.01 per ordinary share for the financial year ended 30 June 2012.		
2	Re-election of Mr. Leo Suresh Ariyanayakam as Director pursuant to Article 84 of the Company's Articles of Association.		
3	Re-election of Mr. Loh Lee Soon as Director pursuant to Article 84 of the Company's Articles of Association.		
4	Approval of Directors' Fees for the financial year ended 30 June 2012.		
5	Re-appointment of Messrs Pricewaterhouse-Coopers as Auditors.		
Special Resolution			
	Amendments to the Articles of Association of the Company.		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the Proxy will vote or abstain from voting at his/her discretion.)

Dated this ________ day of __________________ 2012
No. of ordinary shares held

The proportions of my/our shareholding to be represented by my/our proxy(ies) are as follows:

First named Proxy.....................%

Second named Proxy...............%

100%

____
Signature of Member / Common Seal

NOTES:-

(i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy (or in the case of a corporation, a duly authorised representative) to attend and vote in his stead. A proxy may, but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965, shall not apply to the Company.

(ii) Where a member or authorised nominee appoints two (2) or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

(iii) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), 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.

(iv) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.

(v) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

(vi) The instrument appointing a proxy must be completed and deposited at the Registered Office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

(vii) For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 60 of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 31 October 2012 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting.

SCICOM (MSC) BERHAD
(Company No. 597426 - H)

Incorporated in Malaysia under the
Companies Act, 1965

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