scicom

TOTAL CUSTOMER DELIGHT

ANNUAL REPORT 2013

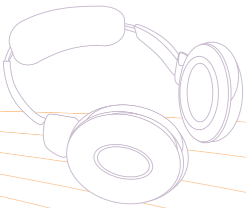
The Science of Communication

scicom

TOTAL CUSTOMER DELIGHT

(sy-com)

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



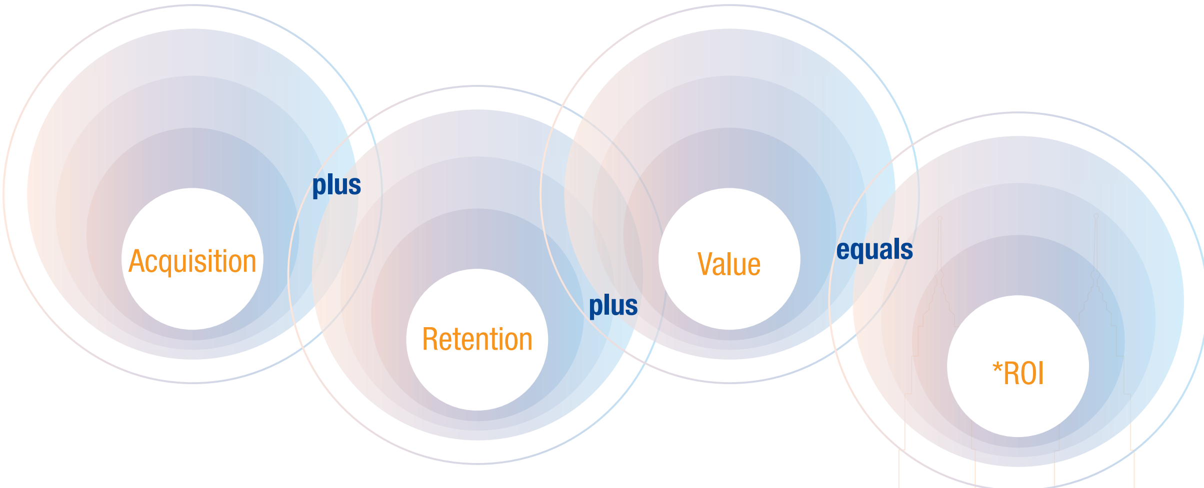
Content

Company Profile About Scicom

Scicom (MSC) Berhad was incorporated in 1997 in Malaysia and is a Public Listed Company (PLC) listed on the main board of Bursa Malaysia. Scicom has been a PLC since 2005. Scicom is a leading outsourcing and services company specializing in Customer Contact Management Solutions. Our centres located in Kuala Lumpur, Colombo and Jakarta service both large local conglomerates and multi-national clients. Our services revolve around on clients' customers, their channels and languages of engagement and the ability to provide our clients with a discernable return on investment.

Our services include integrated outsourcing (BPO & KPO) solutions, IT outsourcing, software application development, e-commerce solutions, strategic operational consulting and marketing services, back office processing and a host of training and education products in Customer and Service Management.

Customer



*ROI-Return On Investment

Sectors

- Central Government
- Corporates
- Education
- Emergency Services
- Financial Services
- Health
- Insurance
- Local Government
- Retail
- Retail Banking
- Telecommunications
- Media
- Transport
- Travel and Leisure
- Utilities

Services

- Administration and Business Support
- Business Process Management
- Consultancy and Change Management
- Customer Management
- Financial Services
- Human Resources and Recruitment
- Information Technology
- Insurance Services
- Legal Process Outsourcing
- Property and Infrastructure
- Service Design
- Software Solutions
- Travel and Events Services
- Payment Gateways
- Education and Training

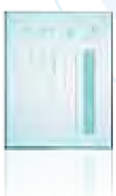
Solutions

- Changing Customer Behaviour
- Data Analytics
- Improving Customer Loyalty
- Improving Efficiency
- Improving Your Services
- Increasing Revenue
- Reducing Risk
- Understanding Your Customers
- Enhancing Your Brand

2013 The Global Outsourcing 100 IAOP

Best Rising Stars in Overall Revenue

FROST & SULLIVAN



Frost & Sullivan Malaysia Excellence Award 2013 BPO Service Provider of the Year

2013 The Global Outsourcing 100 IAOP

Best Rising Stars in Number of Employees

Company Profile Global Support Network

Multi-Channel Customer Touch Points : Multi-Lingual Interaction Excellence : Strategic Locations

We live in incredibly exciting, as well as, challenging times where advances in technology and customer expectation have dramatically empowered the customer. This technology, expectation and access to information has fueled a customer revolution.

Scicom talks, emails, tweets, chats and writes to millions of customers annually. Over 100 million distinct transactions resolve, enhance, provide value and serves our clients customers in over 40 languages.

Our centres in Malaysia, Sri Lanka and Indonesia, linked and fully redundant via state of the art multi-channel technology platforms, serves a discerning multi-national client base. Scicom provides unique solutions in service excellence across Asia Pacific.

- Highly trained and motivated multi-cultural and multi-lingual workforce.
- Best in class, certified quality and operational processes.
- Centralized support to optimize costs and performance.
- Centralized account management and reporting.
- Unified and flexible, multi-skilled workforce management.
- Premium facilities.

Strive For

- Satisfied Customers
- Loyalty to Client Brands
- Enhanced Business Results

Focus On

Lower Attrition Rates
- Skills Development
- Better Understanding of Products and Customer Needs

The Right

Recruitment Strategy
Training
Infrastructure
Development Programmes
Motivation
Commitment

Company Profile
Awards, Certifications And Recognitions

Company Profile
Awards, Certifications And Recognitions (Continued)

Company Profile
Values And Goal

Our Values

Quality

DELIGHT ME EACH TIME WE INTERACT

MAKE ME FEEL VALUED

Teamwork

CONVINCE ME TO TRUST YOU

RESPECT MY PRIVACY

Innovation

TELL ME EVERYTHING I NEED TO KNOW, NOT WHAT YOU WANT ME TO KNOW

PERSONALISE IT TO MY TASTES & NEEDS

Integrity

DON'T PRETEND TO KNOW WHAT I WANT

ANTICIPATE MY FUTURE NEEDS

People

ONCE IN A WHILE, PLEASANTLY SURPRISE ME

DELIVER ON YOUR PROMISE EVERY TIME

Our Goal

Total Customer Delight

Best Outsourced Outbound Contact Centre 2012 (Under 100 Seats) Silver Award

Best Contact Professional 2012 (Over 100 Seats) Silver & Bronze Award

Best Contact Centre Support Professional 2012 - MIS / IT (Over 100 Seats) Gold Award

Key Facts

We offer **24 x 7 x 365** operations

We provide services for over **35 blue-chip** clients

We support customers from over **89 countries** from our centres in Kuala Lumpur, Colombo and Jakarta

Over 48% of our revenues are derived from outside Malaysia

We support customers in over **40 languages**

We have over **16 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 6 years

We handle over **100 million** customer interactions annually

We have been winning **International & Local Industry Awards** since **1998**

Best Contact Centre Manager 2012 (Over 100 Seats) Gold & Silver Award

Malaysia HR Awards (MIHRM) 2012
• Employer of Choice
Gold Award

Malaysia HR Awards (MIHRM) 2012
• Malaysia Human Resource Breakthrough Category
Gold Award

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

Audit and Risk Management 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

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

Principal Banker
HSBC Bank Malaysia Berhad
Main Branch, No.2 Leboh Ampang
50100 Kuala Lumpur
Malaysia

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

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

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

Company Profile

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

Krishnan Menon
Non-Independent Non-Executive Director & Chairman

Krishnan Menon, 63, 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 the Chairman of KLCC Property Holdings Berhad and KLCC Holdings Sdn Bhd. He is a non-executive director of Petroliam Nasional Berhad and MISC 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.

Dato' Mohd Salleh bin Hj Harun
Independent Non-Executive Director

Dato' Mohd Salleh bin Hj Harun, 69, a Malaysian, was appointed to the Board of Scicom on 22 August 2005. He is also the Chairman of the Audit and Risk Management Committee and a member of the Nomination and Remuneration Committee. He is a Fellow of the Institute of Bankers and a member of the Malaysian Institute of Certified Public Accountants. He started his career in the government service in 1971, then he moved on to the banking and financial sector in 1974, where he accumulated thirty two (32) years of experience holding various senior positions in Aseambankers Malaysia Berhad and Malayan Banking Berhad respectively. He was 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 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

Krishnan Menon

Dato' Mohd Salleh bin Hj Harun

Leo Ariyanayakam
Non-Independent Executive Director

Leo Ariyanayakam, 50, a Sri Lankan, was appointed to the Board of Scicom 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 4 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 honored 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.

Dr. Nikolai Dobberstein
Independent Non-Executive Director

Dr. Nikolai Dobberstein, 47, a German, was appointed to the Board of Scicom on 22 August 2005. He is also a member of the Audit and Risk Management 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.

Loh Lee Soon
Independent Non-Executive Director

Loh Lee Soon, 58, a Malaysian, was appointed to the Board of Scicom on 25 April 2007. He is also a member of the Audit and Risk Management 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 management consultancy firm which specializes in IT and social media strategy. He is also an Independent Director of Etiqa Insurance Berhad, Etiqa Takaful Berhad, Maybank Asset Management Group Berhad, and Maybank International (L) Ltd.

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.

Loh Lee Soon

Senior Management Team

Jayakumar
Chief Financial Officer

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 30 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.

Benny Philip
Chief Operating Officer - Outsourcing

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 22 years of experience with 13 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)

Jude Mohan
Chief Operating Officer - Education

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.

Jasim Puthucheary
Chief Operating Officer - CRM & Consulting

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 14 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.

Jude Mohan

Jasim Puthucheary

Senior Management Team (Continued)

Chandima Hemachandra
Chief Technology Officer

Chandima joined Scicom in January 2011. He is an information technology professional with over twenty four (24) 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.

Kelvin Loke Cheong Hian
Senior Vice-President - Finance

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.

Chandima Hemachandra

Kelvin Loke Cheong Hian

Senior Management Team (Continued)

Radah Krishnan Vijaya Gopal

Senior Vice-President - Corporate Planning

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 19 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 Pricewaterhouse-Coopers Consulting Sdn Bhd.

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

Radah Krishnan Vijaya Gopal

Shanti Jacqueline Jeya Raj

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

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.

Shanti Jacquelinei Jeya Raj

Jerry Rajendram

Senior Vice-President & Global Head - Scicom Marketing

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 23 years of practical experience in advertising, having previously hailed from J.Walter Thompson, Dentsu, Young & Rubicam and DraftWorldwide. D t 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.

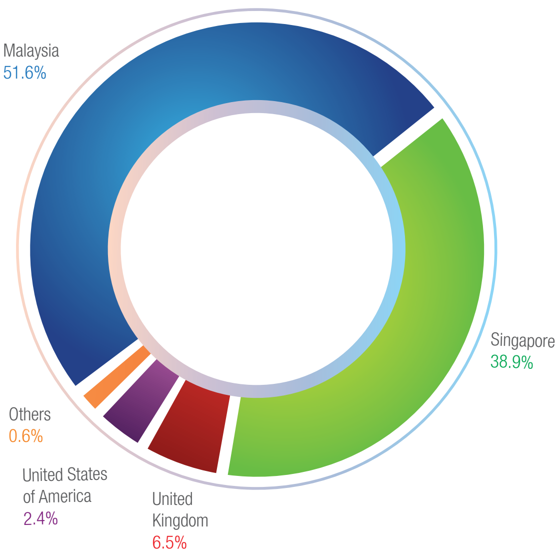
Jerry Rajendram

Group Financial Highlights

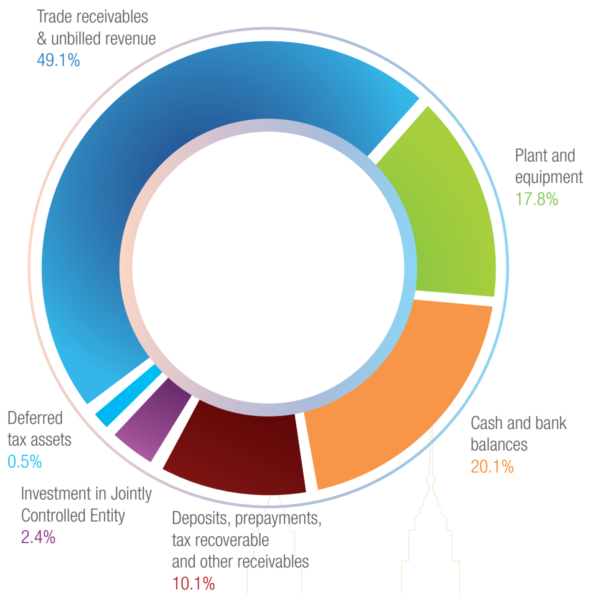
	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
PROFITABILITY (RM'000)				
Operating revenue	133,844	131,226	125,418	125,352
Profit before taxation ("PBT")	14,653	13,487	17,943	14,817
Net profit for the financial year	14,556	13,612	17,782	14,978
Net profit attributable to the equity holders of the Company	14,852	13,735	17,782	14,978
KEY BALANCE SHEET DATA (RM'000)				
Total assets	77,641	71,875	79,551	70,856
Total liabilities	7,096	6,973	5,427	5,628
Capital and reserves attributable to equity holders of the Company	70,545	64,902	74,124	65,228
FINANCIAL RATIOS				
Profitability:				
- Revenue growth (%)	2.0%	-6.9%	0.1%	-2.3%
- PBT growth (%)	8.6%	7.0%	21.1%	3.3%
- Net profit growth (%)	6.9%	2.5%	18.7%	2.4%
- Basic earnings per share (sen)	5.01	4.64	N/A	N/A
- Diluted earnings per share (sen)	N/A	N/A	N/A	N/A
- Asset turnover (times)	1.72	1.83	1.58	1.77
- Net return on equity (times)	0.21	0.21	0.24	0.23
Liquidity				
- Current (times)	9.07	8.87	11.44	10.74
- Cash over total assets (%)	20.1%	26.5%	18.8%	25.3%
- Trade receivables turnover (months)	3.42	3.07	3.03	3.10
Financing:				
- Debt over equity (times)	-	-	-	-
- Gearing (times)	-	-	-	-

Group Financial Highlights (Continued)

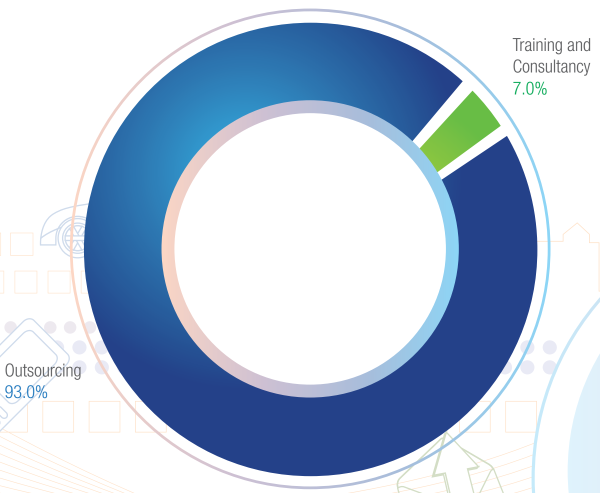
Revenue by location 2013



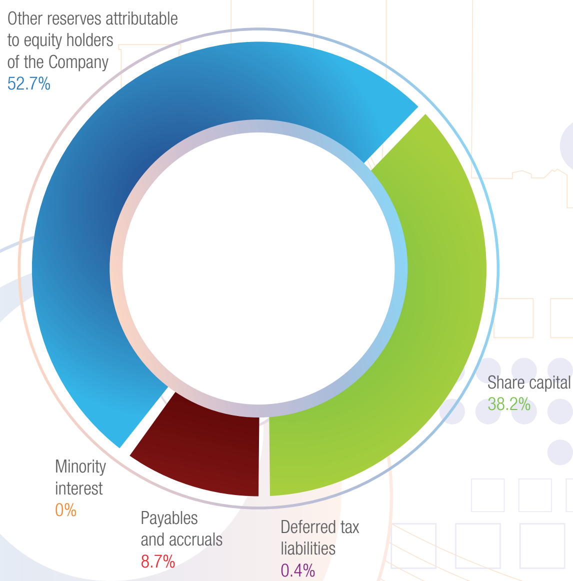
Total Assets 2013



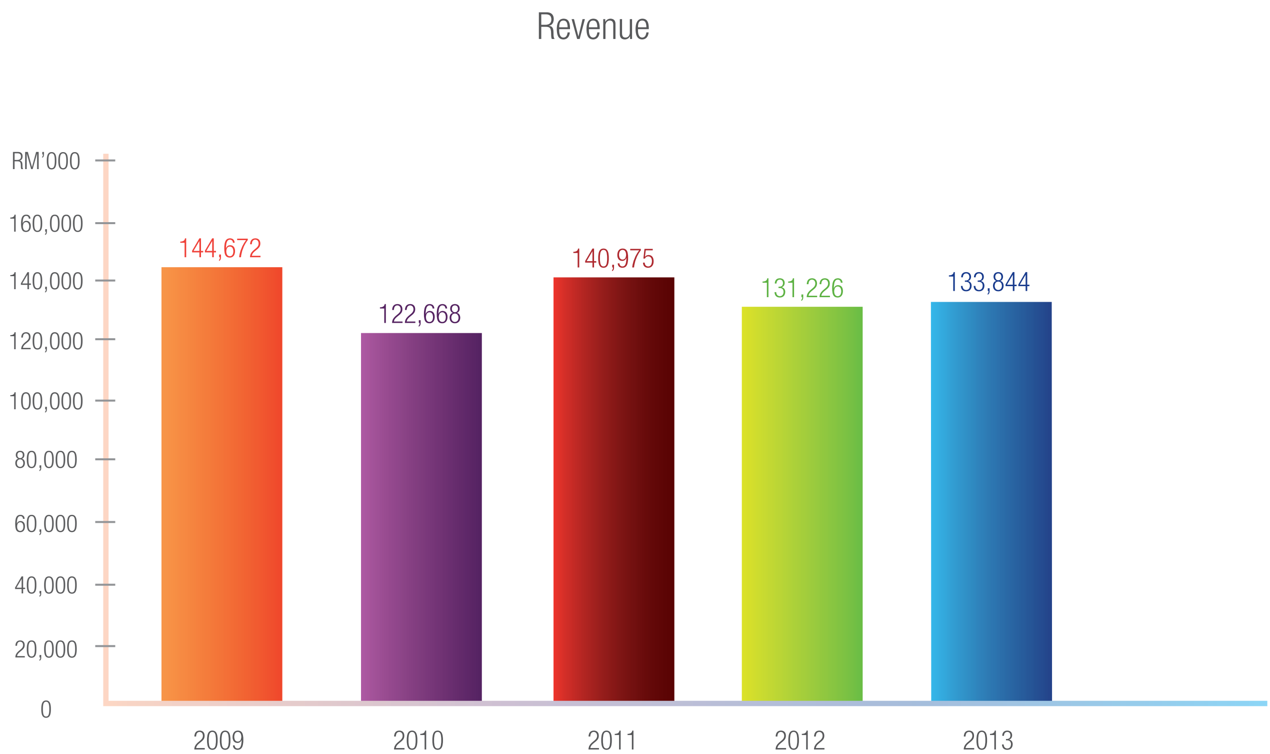
Revenue by operating segments 2013

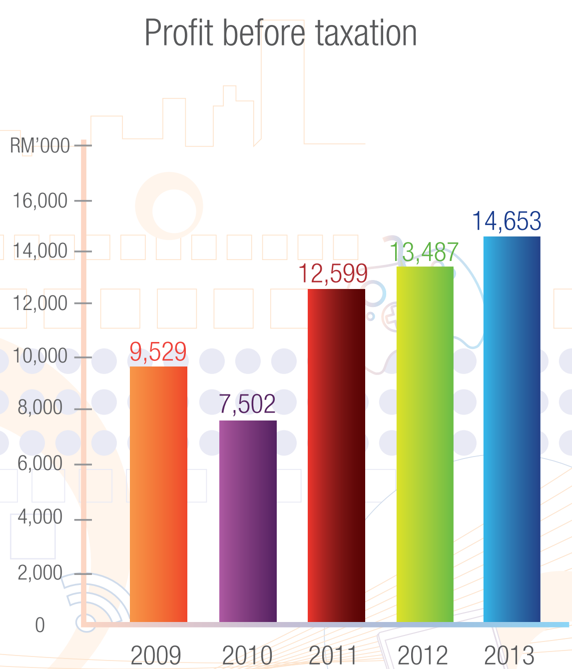


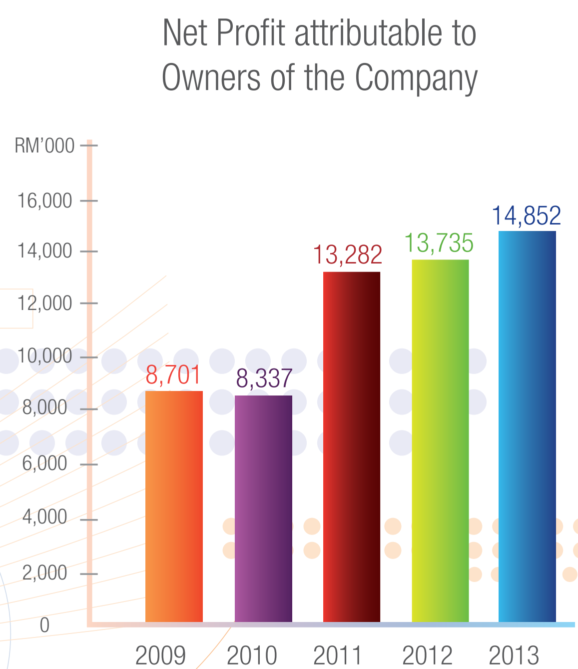
Total Liablities, Capital And Reserves 2013



Group Financial Highlights (Continued)







Chairman's Statement

Dear Shareholders

Since our inception 16 years ago, we have been helping leading global brands, domestic conglomerates and government build lasting relationships with their customers. We initially communicated these transactions via phone, fax and email. Today we enhance these relationships through millions of interactions across an array of emerging channels including face to face interactions, video, chat, email, social media and voice. With our multi-channel engagement model and the marriage of the front and back office functions, our mission has been to create an exceptional experience for our clients and their customers and deliver sustainable value for them as well as our shareholders.

We live in incredibly exciting as well as challenging times where advances in technology and customer expectation have dramatically empowered the customer. This technology, expectation and access to information has fueled a customer revolution. Cloud computing and the delivery of multi-channel solutions via social web and mobile communication technologies has taken off and these data-rich, multi-channel interactions increase customer expectation. Most MNC's still do not have the capability to meet these integrated propositions and that is the real opportunity here for Scicom. In today's fast paced enviroment, to survive, companies must untangle the maze of channels and legacy infrastructure and tap into the flow of customer insight created by every tap, click, tweet, email, SMS and conversation a customer has with a brand. The companies that are taking an integrated, enterprise-wide approach to customer experience are winning and many of those companies are outsourcing their requirements today.

To that end Scicom has necessarily had to migrate from just offering standard BPO services to providing technology driven solutions that encompass many functions and processes. These solutions in effect drive a clients business to excel as we have over the years made it second nature for us to provide process driven solutions that are clearly measured , transparent and performance driven while providing a discernable return of investment to our clients. Scicom is now in the business of being a key strategic collaborative partner with clients developing innovative end to end solutions and business models all towards finding and delivering new types of value to an increasingly discerning client base.

Over the last few years we have also enhanced our suite of services and today provide solutions in Education, Technology Outsourcing (ITO) Services, Customer Service and Sales Strategy formulation and Customer Contact Management all towards enhancing a customer's brand value at every single customer touch point.

Corporate Developments

PT Telekomunikasi Indonesia International (a wholly owned subsidiary of PT Telekom Indonesia) and Scicom's largest shareholder with a 29.70% stake, disposed of its entire shareholding in the open market in September 2013 as a result of a change in it's corporate strategy.

Netinsat Asia Sdn Bhd and our Chief Executive Officer Mr Leo Ariyanayakam purchased some of these shares to increase their shareholding in the company to 22.65% and 20.08% respectiveley.

We wish to thank the senior management of PT Telekomunikasi Indonesia International for its involvement in Scicom over the last few years and wish them well in the future.

There has been no impact to revenues or earnings for the Group as a result of this development. PT Scicom Indonesia which was set up on the 30th of May 2011 has now commenced operations with two clients and is well positioned to acqurire further business from a promising pipeline in a market poised to grow rapidly in the near future.

Financial Performance

In FY 2013, we made progress in communicating and delivering our suite of solutions to the markets we operate in. Clients and prospects are responding to our integrated business model that encompases front end, back office and value added processes and services and we have grown revenue from our diversified business segments.

Chairman's Statement (Continued)

Our ability to deliver these results for our clients, while improving our returns to shareholders, continued to be a priority in 2013. Some clients ramped down due to their own eroding position in the global market place or reduced revenues to the Group as a result of a change in their customer engagement model . This in turn showed a relative flat 2% increase of Group's revenue to RM 133.84 million in FY 2013 as compared to RM131.23 million in FY 2012. New business wins that came to fruition over the financial year contributed to sustaining the Group's revenues.

Importantly, however new business wins with better margins contributed to our operating margin reaching 10.88% for this financial year. The Group achieved net earnings of RM14.56 million for this financial year as compared to RM13.61 million for the previous financial year.

Our balance sheet and solid cash flows continue to provide us with the operating flexibility to fund organic growth, explore new business initiatives and provide a healthy dividend for 2013. We completed FY 2013 with RM 15.61 million in cash and a zero debt position.

Dividend

Over the financial year the board recommended two interim dividends, the 1st interim dividend of 1.0 sen per ordinary share each, tax exempt, was paid on the 22nd of March 2013 and the 2nd interim dividend of 2.0 sen per ordinary share, tax exempt , was paid on the 27th of September 2013. Total interim dividends amounted to a dividend payout for the financial year of 3.0 sen per ordinary share, tax exempt.

These recommendations translated to a dividend payout ratio of approximately 60% of total profits and reflects the board's continuing commitment towards maintaining a stable dividend payout for its shareholders.

Focus Areas For Sustainable Growth

To accelerate our progress for FY 2014, we continue to be keenly focused on:

Outsourcing Solutions: Position the company for growth with increased penetration into targeted verticals. As the customer experience becomes more complex, our clients are looking to us as both a strategic advisor and delivery partner within the context of their specific vertical. To meet that need, we are expanding our offerings with new industry-specific solutions and proprietary intellectual property in the areas of Communications and Media, Financial Services, Government, Healthcare, Retail, Hospitality, Technology and Transportation.

Education Solutions: Provide innovative education solutions for corporate and retail sectors with a focus on Customer Contact Management at all customer touch points. Our innovative education products and solutions ensure that we remain a vital partner to our clients and retail customers, while also driving higher margins. The ability to stay strategically relevant to our customers is a key differentiator for Scicom and these products are now available in Malaysia, Indonesia and Sri Lanka.

Overseas Operations: Roll out our solutions and services to our new geographies in Sri Lanka and Indonesia. As customer expectations increase and demand for our services increase we are expanding our sales and marketing efforts, enhancing our technology and consolidating our shared services propositions in Kuala Lumpur in order to support our growth in these markets.

Moving Forward

The Group is now a mature but constantly evolving and innovation focused organization. With the right people, track record , financial strength , reputation for delivery and capability to propel it forward in the new outsourcing paradigm now emerging for smart and collaborative partnerships with clients.

I expect to see Group's revenues and earnings continue to grow for FY 2014 in tandem with the trend towards vertical integration with clients.

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.

PT Telekomunikasi Indonesia International's appointed representatives as Non Independent and Non Executive directors to the Scicom Board, Mr. Ande Safari and Mr. Suranto Paruhum Natigor Sitorus resigned from the Board on the 23rd of May 2013 and the 27th of September 2013, respectively. I wish to thank both of them for their contribution during their tenure of service and wish them well.

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 Scicom Shareholders,

The financial year 2013 has been a year of consolidation and building upon our solid foundations in three key areas. We have enhanced our existing client relationships, expanded our suite of products and services and grown our overseas operations.

Our services continue to evolve in line with the needs of our clients. Our outsourcing business clients are more demanding and require us to provide more value rather than just offering pure play BPO services which have been thus far mainly offered as a horizontal integration proposition. Today, our clients are asking us to be involved in numerous aspects of their value chain and the trend is to provide a vertically integrated outsourcing service which in turn encompasses all of their customer touch points. The ability to provide revenue generation through value enhanced customer acquisition and retention strategies is now a key differentiator. In order to succeed, business process outsourcers must be able to demonstrate their proven ability to execute these strategies to a discerning client base.

We know that the key to providing successful differentiated services lies in our ability to create and develop domain expertise in related disciplines. This insight in turn has led us to create strong business lines that complement and enhance our core business as well as contributing to revenues; diversifying and enhancing earnings; creating channels for new business development and enhancing our brand proposition globally.

Today our lines of business encompass a full suite of Integrated Outsourcing Services (including front and back office processing), IT outsourcing, Strategic and Operational Consulting, Training and Education products and associated Software Application Development.

From the development of strategy to delivery and execution, our focus area continues to be the customer, with solutions and services across every touch point and via every channel.

We also continue to focus on key industry verticals and today have a proven track record and capability in telecommunications, airlines, financial services, healthcare, FMCG and the provision of government services. Our growth strategy through our operating centres in Sri Lanka and Malaysia is to market our services to both a local and global client base. In Indonesia we plan to capitalize on the significant domestic growth potential to market our suite of services to the domestic market.

Malaysia continues to be at the heart of our service propositions and is our operational HQ for our centres serving Sri Lanka and Indonesia. We have consolidated Treasury, Human Resources and some IT functions in Kuala Lumpur. The associated applications used by these shared services are delivered via our internal cloud infrastructure. This gives us the advantage of being able to deploy rapidly at a lower cost for our clients and future prospects.

With over 2,600 employees as of 30th June 2013, Scicom is strongly positioned as one of Malaysia's largest and most experienced providers of outsourcing solutions. Our service offerings remain centred on the principles of customer acquisition, customer retention and customer value across multi-lingual touch points and channels for our clients.

Financial Performance

We have seen some our new business initiatives come to fruition over the financial year. At the same time some clients have also ramped down for various reasons leading to a relatively flat revenue growth for this financial year.

For FY 2013 the Group generated RM133.84 million in revenue and RM14.56 million in net profit. The Group's net profit increased by approximately RM945,000 in FY2013 and the revenue increased by approximately RM2.62 million in comparison to the preceding financial year.

In FY 2013, 48.4% of our revenue was derived from outside Malaysia which is 4.5% lower than in FY2012. For this financial year we booked a foreign exchange gain of RM456, 827 compared to RM 605,168 in FY2012.

Outsourcing remains the Group's core business accounting for 93.0% of the Group's revenue in FY2013, compared to 94.8% in the preceding financial year.

The increase in revenue and net profit for the FY 2013 as compared to FY 2012 is attributable to newly secured projects during the financial year. Revenue inflows recorded by newly secured clients are valued at approximately RM12.85 million for this financial year.

The net profit margin for the Group is at 10.88% for this financial year as compared to 10.37% in FY 2012. We expect to grow both revenues and earnings moving forward in tandem with our targeted growth in our outsourcing and education lines of business in all the markets that we operate in.

Ceo Update (Continued)

Country Highlights

Malaysia

In FY 2013, Scicom Academy graduated 3,940 students through its various certification programmes for both government and corporate clients. The success of these programmes, in terms of graduate numbers and relevance, reaffirms our assertion that there is a strong market demand for vocational and skills based training.

During the financial year, Scicom International College Sdn. Bhd. was awarded a full college license and obtained Malaysian Qualification Agency (MQA) approval for its suite of Diploma programmes in "Global Services Management". The first batch of students have recently been inducted into the Diploma program in Malaysia. The key difference between Scicom International College and other service orientated courses of study is that these courses will be delivered from a vocational and skills based learning perspective rather than offered as traditional academic courses.

Sri Lanka

Scicom Lanka (Private) Ltd. incorporated on the 28th of November 2011 has started its outsourcing business with a handful of clients and is expected to grow this significantly in the coming year. We have built a core front and back office banking and financial services proposition for local and global clients, taking advantage of that country's abundance of finance graduates and competitive cost base.

Scicom Lanka has also begun to offer its portfolio of educational products to the Sri Lankan market and expects to mirror its success in Malaysia by providing vocational and skills based educational products for this growing and purely services orientated economy.

Indonesia

Business development efforts in Indonesia continue to be focused on the domestic market. Indonesia now has the world's fastest growing middle class population and we expect consumer awareness and expectation to increase in tandem , thereby fueling a demand for our services. In Indonesia, our airlines experience and capability has allowed us to provide services to low-cost airlines based in the region. Our current pipeline of prospects for our outsourcing services for this market looks promising.

Scicom Indonesia has also begun to offer its portfolio of educational products to the Indonesian market and we expect to make inroads into this lucrative training market in the coming financial year.

Awards And Recognition

In Malaysia, Scicom was again awarded the Best BPO and Contact Centre Service Provider of the Year for 2013 by Frost and Sullivan. This is the fourth consecutive year that Scicom has won the award and the sixth time since Frost and Sullivan began the awards in 2005.

Moving Forward And Appreciation

As we move through the new financial year we are mindful that progress seldom follows a linear path , we are however focused in our commitment to achieve our long-term financial objectives.

Scicom's ability to deliver complex projects on a large scale is now firmly established as we compete with global outsourcers based around the region. We are focused on rolling out all our products and services within the markets we operate in, looking at opportunities for domestic and regional expansion on the back of current successes and going to market via smart collaborative partnerships with clients.

We have a strong foundation reinforced by comprehensive delivery capabilities, breadth and depth of service offerings, a diverse vertical mix, a low-risk profile and a solid balance sheet. Coupled with the continued success of our operational optimization efforts and sustained investments in our service offerings we are confident that we will be able to optimise opportunities and continue to drive value creation for our shareholders.

These strategies, focused on product and service relevance, targeting new markets, enhancing the client engagement model and our proven delivery capabilities, will allow us to grow both revenues and profits for FY 2014.

I would like to extend my sincere gratitude to our clients and shareholders for their continued confidence and to all 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 2013 Corporate Milestones & Recognition Events

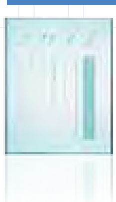
2012

September	Scicom pays 2nd Interim Dividend for financial year 2012
October	Scicom sweeps awards at Customer Relationship Management & Contact Centre Association Malaysia
November	Suranto Paruhum Natigor Sitorus is appointed as a Director of Scicom Scicom held its 10th AGM at Sime Darby Covention Centre, Kuala Lumpur
December	Scicom pays final dividend for financial year 2012

2013

February	The International Association of Outsourcing Professionals (IAOP) recognizes and rates Scicom as a Rising Star in the category of overall Revenue and Number of Employees amongst the World's Best Outsourcing Service Providers
March	Scicom pays 1st Interim Dividend for financial year 2013
April	Scicom wins the Frost and Sullivan Malaysia Excellence Award for BPO Service Provider of the Year
May	Ande Safari resigns as a Director of Scicom

CCAM - Customer Relationship Management & Contact Centre Association Malaysia Champion Male Fustal Team 2012



Frost & Sullivan Malaysia Excellence Award 2012 BPO Service Provider of the Year

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

Corporate Social Responsibility

One Citizen

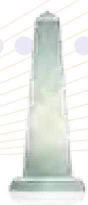
A charitable initiative started in 2011 to help the most vulnerable people in Malaysia and around the planet. To date caring Scicom employees have contributed over RM150,000 to causes around the world.

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.

Malaysia HR Awards (MIHRM) 2012
• Human Resource Leader of the Year Category Silver Award

Listed in GS 100 Global Outsourcing Companies (Rank #79)
Only Malaysian Company Listed in the GS 100



Best Contact Centre Support Professional 2012 - Training / Human Resources (Under 100 Seats) Silver Award

Corporate Social Responsibility Statement

Scicom is committed towards integrating social and environmental concerns in all its business operations on a voluntary basis and in ensuring that its presence brings as many positive impacts as possible to all its stakeholders.

Scicom believes in grooming its own talent and is continuously improving and enhancing its pool of talented workforce. Scicom has successfully, with in-house 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'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 lead us to be responsible towards the focal areas we touch upon everyday: the community, the workplace and the marketplace.

Our Environment

At Scicom, staffs are mindful of environmental issues and constantly engage in measures to reduce carbon footprints. Various initiatives have been implemented to conserve paper, electricity, water and office supplies usage in our daily operations. Employees are encouraged through monthly dialogue sessions to suggest innovative ideas that can generate more savings of resources. This has resulted in savings not only from a financial standpoint but also in cultivating a culture of environmental awareness and conservation amongst our employees.

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.

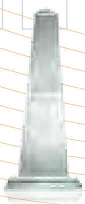
The fact that our very own 2,600 Malaysian operations based human capital workforce are able to improve their performance & capabilities by the ability to attain these various Certifications at a significantly subsidised cost, is a testimony itself to our commitment.

The Workplace

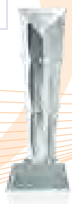
Scicom continues to provide employment and training opportunities for Malaysians. Since its employees are its greatest asset, the Company recognises the need to continually improve the quality of its workforce and the requirement to invest in training programmes to upskill its workforce. We understand 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 all our 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.



Best Contact Centre Support Professional 2012 - Training / Human Resources (Over 100 Seats) Gold, Silver & Bronze Award



Best Contact Centre Support Professional 2012 - Workforce Management / Quality Assurance (Under 100 Seats) Silver Award

Best Contact Centre Support Professional 2012 - Workforce Management / Quality Assurance (Over 100 Seats) Gold & Bronze Award

Corporate Social Responsibility Statement
(Continued)

In an effort to continually enhance our values, core principles and code of conduct, we believe it is also 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 values and principles and how to apply them at work and at home.

The Marketplace

As a Group, we are committed to adhering to the principles and best practices of corporate governance as set out in the Malaysian Code of Corporate Governance.

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.

Best Outsourced Inbound Contact Centre 2012 (Over 100 Seats) Bronze Award

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 2012 ("the Code") and the governance standards prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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

1. Roles and Responsibilities of the Board

The Board comprises of competent individuals with specialised skills and knowledge providing clear and effective leadership to the Group. The Board is responsible for charting the strategic direction of the Group as well as over-seeing the conduct, performance, risk management 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 CEO. All approved strategies will then be communicated down to respective Heads of Departments for implementation;
- Reviewing the adequacy of significant risks presented by the Audit and Risk Management Committee and ensuring the implementation of appropriate measures to manage these risks;
- Reviewing the adequacy and integrity of the Group's systems of internal control and of management information, including ensuring that a sound risk management framework, reporting framework and systems for compliance with applicable laws, regulations, directives and guidelines are in place;
- Reviewing, approving and monitoring the implementation of the Group's strategic business plans;
- Assessing and evaluating the Group's business and operational performance, to ensure that the Group 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;
- Approving the Group's annual budget, which includes all major capital expenditure and all new investment activities;
- 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 five (5) members, comprising one (1) Non-Independent Non-Executive Directors, one (1) Non-Independent Executive Director and three (3) Independent Non-Executive Directors. This is in compliance with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Securities ('the Listing Requirements') which requires at least one-third (1/3) of the Board to comprise of Independent Directors.

A brief profile of the Directors is included in the Board of Directors – Profiles as set out on pages 10 to 12 of the Annual Report.
The Board is well-balanced and comprises highly respected professionals of various backgrounds and industries which are relevant to the Group's business activities. The Directors' wide ranging experience and expertise provide the Group with the strategic thinking which is vital for the Group's success.

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 Group 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 Group 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 Charter and Responsibilities

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

To enhance accountability, the Board Charter also sets out specific functions reserved for the Board and those delegated to the Management. The principal functions of the Board are as follows:

a) Ensuring that the Company's goals are clearly established and strategies are in place for achieving them;

b) Reviewing and approving major corporate strategies, plans and annual budget;

c) Monitoring the performance of the corporate strategies;

d) Approving capital expenditure, capital management and acquisitions/divestments;

e) Monitoring the performance of management in the implementation of strategies and policies.

4. Board meetings

The Board meets at least four (4) 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.

Board meetings are scheduled in advance to facilitate Directors to plan ahead and to maximise participation. The agenda and a full set of Board papers are distributed prior to Board meetings to ensure that Directors have sufficient time to read and prepare for discussion at the meetings.

Corporate Governance Statement
(Continued)

During the current financial year, four (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	4 of 4 meetings	100
Dato' Mohd Salleh bin Hj. Harun	Independent Non-Executive Director	4 of 4 meetings	100
Leo Suresh Ariyanayakam	Group Chief Executive Officer /Non-Independent Executive Director	4 of 4 meetings	100
Dr. Nikolai Dobberstei	Independent Non- Executive Director	3 of 4 meetings	75
Loh Lee Soon	Independent Non-Executive Director	4 of 4 meetings	100
****Suranto Paruhum Natigor Sitorus	Non-Independent Non- Executive Director	2 of 2 meetings	100
**Ande Safari	Non-Independent Non- Executive Director	4 of 4 meetings	100

* Appointed on 6th November 2012.
** Resigned on 23rd May 2013.
*** Resigned on 27th September 2013.

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

Minutes of Board meetings which include a record of the decisions and resolutions of the Board meetings are maintained by the Company Secretary. The Directors have full access to the advice and services of the Company Secretary who is responsible for ensuring that Board meetings procedures are adhered to. The Company Secretary also advises the Board on matters relating to corporate compliance with relevant laws and regulations affecting the Board and the Group, as well as best practices on governance.

5. Retirement and Re-election of Directors

The Company's Articles of Association require at least one-third (1/3) 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 (3) years, of which the Directors will then be eligible to offer themselves for re-election.

6. 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:

Corporate Governance Statement
(Continued)

Name	Training / Course / Conference Title	Date of attending	Organised By
Krishnan Menon	Audit Committee and Chief Audit Executive Forum Enhancing Internal Audit's Value	5 October 2012 (1½day)	Petroliam Nasional Berhad
	MISC Berhad Directors' Annual Training 2012 Malaysian Code on Corporate Governance 2012: Implications & Challenges to the Board of Directors Corporate Planning – Execute Effective Transformation Process Succession Planning – Management Succession and Related Talent Management Issues : Insight for the Board of Directors AET Awareness Session	5 December 2012 (1 day)	MISC Berhad
	Audit Committee Conference 2013 Powering for Effectiveness	12 March 2013 (1 day)	Malaysian Institute of Accountants and The Institute of Internal Auditors Malaysia
Dato' Mohd Salleh Bin Hj. Harun	Annual Risk Workshop for BOD	23 October 2012 (1 day)	Group Credit & Risk Management (GCRM) of Maybank Malaysia
	The Guru Series Defining the New Normal Capitalism 2030 Leveraging on Islamic & Humanising Principles	4 March 2013 (1 day)	Group Organisational & Learning Maybank
	Fundamentals of the Asia Catastrophe Pool (ACP) and Asia Agriculture Pool (AAP)	15 April 2013 (1 day)	Asia Capital Reinsurance Malaysia Sdn Bhd (ACRM)
	The Guru Series The Doctor is in Our House A Learning Engagement	13 Jue 2013 (1 day)	Group Organisational & Learning Maybank

Corporate Governance Statement
(Continued)

Name	Training / Course / Conference Title	Date of attending	Organised By
Dr. Nikolai Dobberstein	Worldwide Partner Conference	27 to 30 August 2012 (2 days)	A.T. Kearney
	India Telecoms Conference	12 to 14 December 2012 (2 days)	Department of Communications, India
	Asia Pacific Partner & Principal Conference	17 to 19 March 2013 (2 days)	A.T. Kearney
Loh Lee Soon	Making the most of the Chief Financial Officer role	4 July 2012 (half day)	Institute of Chartered Accounts in England & Wales / Bursa Securities, Malaysia
	Islamic Finance Transactions: Reporting under IFRS	18 September 2012 (half day)	Malaysian Institute of Accountants / Malaysian Accounting Standards Board
	Directors Forum 2012: Board Rising to the Challenges of Corporate Entrepreneurship	7 – 9 October 2012 (2 days)	Malaysian Directors' Academy (MINDA)
	Internal Capital Adequacy Assessment Process	1 – 2 November 2012 (2 days)	ICLIF Leadership & Governance Centre, Bank Negara Malaysia
	AMLATFA Workshop: Risk Based Analysis, Mitigation and Due Diligence	17 December 2012 (1 day)	VJ Success Solutions /Maybank Asset Management Sdn Bhd (Facilitator – Mr Vijayaraj R Kanniah)
	Personal Data Protection Act	19 April 2013 (half day)	ICLIF Leadership & Governance Centre, Bank Negara Malaysia
	Risk Management in Takaful	23 April 2013 (1 day)	ICLIF Leadership & Governance Centre, Bank Negara Malaysia

7. 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.

8. 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 and Risk Management Committee

The Audit and Risk Management Committee's composition, terms of reference and summary of activities is included in the Audit and Risk Management Committee Report as set out on pages 40 to 44 of this Annual Report.

- 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 three (3) times during the financial year to review the Board's structure, nomination of new Director and to review the remuneration of the Executive Director and senior management staff.

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.

9. Directors' Remuneration

The 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 2013, 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:

Description	Executive (RM)	Non-Executive (RM)
Salary and Bonuses	812,326	-
Benefits-in-kind	24,600	-
Fees	-	247,500
Total	836,926	247,500

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

Range of remuneration	Executive	Non- Executive	Total
Below RM50,000	-	5	5
RM50,000 – RM100,000	-	1	1
RM800,000 – RM850,000	1	-	1
Total	1	6	7

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.

10. Accountability and Audit

i) 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's 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 and Risk Management Committee assists the Board in over-seeing the Group's financial reporting process and the quality of its financial reporting.

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 109 of the Annual Report.

ii) Risk Management and Internal Controls

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

In discharging its duties in ensuring the effectiveness of the Group's systems of risk management and internal control, the Board has entrusted this responsibility to the Audit and Risk Management Committee. The scope and results of the Audit and Risk Management Committee's review are detailed in the Internal Control Statement as set out on pages 36 to 39 of the Annual Report.

iii) Relationship with Auditors

The Group, through the Audit and Risk Management Committee, has a professional and transparent relationship with both the Group's internal and external auditors. The internal auditors attend all Audit and Risk Management Committee meetings held on a quarterly basis and the external auditors attend the Audit and Risk Management Committee meeting twice during the financial year. Disclosure of non-audit fees is included under Additional Compliance Information as set out on page 112 of the Annual Report. Other facets of the relationship between the Audit and Risk Management Committee and both the internal and external auditors are elaborated in the Audit and Risk Management Committee Report as set out on pages 40 to 44 of the Annual Report.

11. Shareholders And Other Stakeholders

- 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

- The Annual General Meeting and Communication with Stakeholders

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.

The Annual Report also plays an important part in disseminating information related to the Group's financial performance, and operations and activities throughout the financial year.

Statement On Risk Management And Internal Control

The Board of Scicom has overall responsibility for the Group's risk management and internal control systems and is pleased to provide the following risk management and internal control statement which has been prepared in compliance and in accordance with the guidelines for Directors – Statement on Risk Management and Internal Control: Guidance for Directors of Public Listed Companies, as issued by Bursa Securities. The risk management and internal control statement outlines the nature and features of risk management and internal controls within the Group to safeguard the Group's shareholder investment and assets for the financial year ended 30 June 2013.

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Recommended Practice Guide ("RPG") 5 issued by the Malaysian Institute of Accountants. RPG 5 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Board Responsibility

The Board is ultimately responsible for the Group's risk management and internal control systems, 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 system of risk management and internal controls, which includes the establishment of an appropriate control environment and framework, covering risk management, financial, organisational, operational and compliance controls.

The Board acknowledges its responsibility with regards to the following:

- Identification of principal risks and over-sight over the implementation of appropriate control measures in order to manage risks; and
- 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 Group's system of risk management and internal control applies principally to Scicom and its subsidiaries. Jointly controlled entity has been excluded because the Group does not have full management control and/or majority Board representation.

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

The Board recognises that the 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 in accordance with the Group's Risk monitoring and reporting of significant risks that may impact the achievement of the Group's business operations and evaluating the adequacy and effectiveness of controls in place to mitigate these risks.

The Audit and Risk Management Committee through 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. The 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 and Risk Management Committee, as appropriate.

Control Environment And Structure

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

Organisation Structure

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

The Group has in place an organisation structure with defined scope of responsibility and clear lines of accountability. A process of hierarchical reporting is in place which provides for a documented and auditable trail of accountability. The daily implementation of the Group's strategies is delegated to the SMT, which has established well-structured management reporting procedures for effective supervision of the Group's operations by the Board. The respective Heads of Departments, for both operations and shared services, report on any deviations in corporate strategy and monitor the Group's progress towards the attainment of its business objectives.

Audit And Risk Management Committee

The Audit and Risk Management Committee members comprise of three (3) Non-Executive Directors all of whom are Independent Directors. The Board has empowered the Audit and Risk Management Committee, which meets at least on four (4) occasions each financial year, to review the adequacy and integrity of the Group's system of risk management and internal controls. The Audit and Risk Management 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 and Risk Management 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 and Risk Management Committee obtains assurance on the Group's system of risk management and internal controls via quarterly updates from the CEO, the CFO, the Risk Officer and both the internal and external auditors.

The details of activities carried out by the Audit and Risk Management Committee are set out in the Audit and Risk Management Committee Report on pages 40 to 44.

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 RM68,000.

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 and Risk Management 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 and Risk Management Committee and will subsequently follow up to determine the extent of their recommendations that have been implemented.

Statement On Risk Management And Internal Control (Continued)

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 and Ethic (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 and Risk Management 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 and Risk Management 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 and Risk Management 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 Audit and Risk Management Committee. BCP is an on-going project which will require continuous updating and testing.

External Certifications

The Group's operations are periodically monitored, reviewed and evaluated so as to maintain its annual International Organization for Standardisation ('ISO') 9001 and Service Capability & Performance ('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 and Risk Management Committee in the form of an Internal Control Report.

Human Capital Management

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

Conclusion

The Board has received assurance from the CEO and the CFO that the Group's risk management and internal control system is operating adequately and effectively in all material aspects based on the risk management and internal control system of the Group. There were no material losses incurred during the financial year under review up to the date of the Annual Report as a result of weaknesses in internal control. Management would continue to take measures to strengthen the Group's control environment.

The Board is satisfied that the Group's system of risk management and internal controls are adequate and effective for the financial year under review and up to the date of issuance of the Annual Report and financial statements is sound to safeguard shareholders' interest in the Group. The Board believes that the development of the system of risk management and internal controls is an on-going process, and has taken steps throughout the financial year to improve on the existing risk management and internal control processes and procedures, and will continue to do so, on an on-going basis. This highlights the 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 29 August 2013.

Audit And Risk Management Committee Report

The Board of Scicom is pleased to present the Audit and Risk Management Committee (the "Committee") Report for the financial year ended 30 June 2013.

A. Composition And Meetings

During the financial year, the Committee met four (4) times in discharging its duties and responsibilities in accordance with the Committee's terms of reference. The Committee comprises of the following Directors:

Director	Designation	Number of meetings attended during the Financial Year	Percentage %
Dato' Mohd Salleh bin Hj. Harun	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 Committee members is included in the Board of Directors – Profiles as set out on pages 10 to 12.

B. Terms Of Reference

The Committee was established by the Board on 30 August 2005 in compliance with the Listing Requirements of Bursa Securities and governed by the following terms of reference:

1. Composition

The Committee members shall be appointed by the Board from amongst their members and shall consist of at least three members with majority being Independent Directors.

At least one member of the 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 Committee.

The members of the 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 Committee.

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

Audit And Risk Management Committee Report (Continued)

2. Meetings

a) Frequency

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

b) Proceedings

At least four meetings are held in a financial 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 Committee meeting shall be two members and majority of the members present must be Independent Non-Executive Directors.

The agenda of the Committee meetings shall be circulated to the members of the Committee before each meeting. The 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 Committee is not present within 15 minutes of the time appointed for holding the same, the members of the 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 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 Committee shall have a second or casting vote.

c) Attendance

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

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

d) Keeping and inspection of minutes

The Company shall keep the minutes of all proceedings of the 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 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 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 Committee respectively, without any charge.

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

Audit And Risk Management Committee Report (Continued)

3. Authority

The 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 the Committee requires to perform the duties;

d. have full access to any information which the 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 Committee shall include the following and other duties as may be determined by the Board from time to time:

1) Review, appraise, report and make recommendations to the Board on the following:

(a) The adequacy of the system of risk management framework and the appropriateness of processes in place for the identification and management of significant risks;

(b) The quality and effectiveness of the accounting and internal control system of the Group;

(c) The nomination and appointment of internal and external auditors, including audit fee payable;

(d) The adequacy of the nature, scope and quality of the external audit plan/ arrangements;

(e) The adequacy of scope, functions and resources of the internal audit functions and that it has the necessary authority and capability to carry out its work. The internal audit function is outsourced to an external professional firm which reports directly to the Committee;

(f) The adequacy of co-operation and assistance provided by the employees of the Group to the internal and external auditors;

(g) Issues and/or reservations arising from the interim and final audits on any significant audit findings, reservations and difficulties encountered or material weakness reported;

(h) The appropriateness of accounting policies adopted by the Group and the effects of any change in accounting principles or of any development emanating from the accounting profession or any statutory authority;

(i) Compliance with accounting standards and regulatory requirements, any change in accounting policies and practices, significant issues arising from the audit and major judgment issues;

(j) Review of the Quarterly and annual audited financial statements of the Group 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;

(k) Review the management representation letter provided to the external auditors in relation to the audited financial statements of the Company and the Group; and

(l) The adequacy of disclosure of information essential for a fair presentation of the financial affairs of the Group.

2) Retirement and resignation of the Committee Member:

- A member of the 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 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 Committee included the following:

a. Risk Management and Internal Control

- Reviewed and endorsed the Group's risk management framework, risk management policy and the Group's risk profile.
- Reviewed and monitored the progress of on-going risk management activities for identifying, evaluating, monitoring and managing risks.
- Reviewed quarterly reports on changes in the Group's risk profile to ensure significant risks are managed effectively.

b. Internal Audit

- Reviewed the internal auditor's terms of engagement, proposed remuneration and internal audit plan to ensure adequacy of scope and coverage on auditable entities or areas, taking into consideration the changes in the Group's risk profile, before recommending the same to the Board for approval.
- Reviewed the adequacy of resources and competencies of internal audit functions.
- Reviewed internal audit reports and recommendations by the internal auditors, the representations made and the corrective actions taken by Management in addressing and resolving issues and ensured that all issues were adequately addressed on a timely basis.
- Reviewed the results of ad-hoc investigations performed by the internal auditors and the actions taken relating to those investigations.
- Held private meetings with the internal auditors without the presence of Management during the quarterly Committee meetings.

Audit And Risk Management Committee Report (Continued)

c. External Audit

- Reviewed the external auditor's terms of engagement, proposed remuneration and the audit plan for the financial year to ensure that their scope of work adequately covers the activities of the Group, before recommending the same to the Board for approval.
- Reviewed audit reports and recommendations by the external auditors, the representations made and the corrective actions taken by Management in addressing and resolving issues and ensured that all issues were adequately addressed on a timely basis.
- Reviewed management representation letter provided to the external auditors.
- Held private meetings with the external auditors during the Committee meeting without the presence of Management twice a year.

d. Financial Reporting

- Reviewed the Quarterly financial results and annual audited financial statements of the Group, including the announcements pertaining thereto, before recommending their approval and the release of the Group's financial results to Bursa Malaysia to the Board.

a. Others

- Reviewed the Report of the Audit and Risk Management Committee, the Statement on Risk Management and Internal Control and the Statement of Corporate Governance prior to their inclusion in the annual report.

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

The internal auditors present their reports to the Committee on a quarterly basis.

At the Board meeting, the Chairman of the Committee highlights key audit issues and overall decisions and resolutions made during the Committee meeting to the Board members.

During the financial year, the internal auditors carried out audits in accordance with the internal audit plan approved by the Committee.

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 2013.

In preparing the financial statements for the financial year ended 30 June 2013, 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 109 of the Audited Statutory Financial Statements.

Content

Reports And Financial Statements For The Financial Year Ended 30 June 2013

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 2013.

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	14,817,624	17,782,231
- Non-controlling interest	(288,528)	-
Total comprehensive income for the financial year	14,529,096	17,782,231

DIVIDENDS

The dividends on ordinary shares paid or declared by the Company since 30 June 2012 were as follows:

	RM
(a) In respect of the financial year ended 30 June 2012, a second interim dividend of 1 sen, tax exempt, per ordinary share, paid on 28 September 2012	2,962,113
(b) In respect of the financial year ended 30 June 2012, a final dividend of 1 sen, tax exempt, per ordinary share, paid on 10 December 2012	2,962,113
(c) In respect of the financial year ended 30 June 2013, a first interim dividend of 1 sen, tax exempt, per ordinary share, paid on 22 March 2013	2,962,113
	8,886,339

Subsequent to the financial reporting period, on 29 August 2013, the Board of Directors declared a second interim dividend of 2 sen, tax exempt, per ordinary share, amounting to RM5,924,226 which is to be paid on 27 September 2013. The financial statements for the financial year ended 30 June 2013 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 2014.

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	
Suranto Paruhum Natigor Sitorus	(Appointed with effect from 6 November 2012)
Ande Safari	(Resigned with effect from 23 May 2013)

In accordance with Article 84 of the Company's Articles of Association, Krishnan a/l C. K. Menon and Dato' Mohd Salleh bin Hj. Harun are required to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Article 91 of the Company's Articles of Association, Suranto Paruhum Natigor Sitorus who was appointed during the financial year, shall retire at the forthcoming Annual General Meeting and, being eligible, offers himself for election.

DIRECTORS' BENEFITS

During and at the end of the financial reporting year, 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 year, 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 2012	Bought	(Disposed)	At 30 June 2013
	'000	'000	'000	'000
Direct interest in shareholdings				
Krishnan a/l C K Menon	2,487	-	-	2,487
Dato' Mohd Salleh bin Hj. Harun	1,530	-	-	1,530
Leo Suresh Ariyanayakam	33,138	1,334	-	34,472
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 2012	Bought/ (Disposed)	At 30 June 2013
	'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.

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 29 August 2013.

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

Kuala Lumpur

Statements Of Comprehensive Income

For The Financial Year Ended 30 June 2013

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
REVENUE	6	**133,843,844**	131,225,762	**125,417,775**	125,351,546
OTHER OPERATING INCOME	7	**9,033**	11,178	**9,033**	8,454
		133,852,877	131,236,940	**125,426,808**	125,360,000
OPERATING EXPENSES					
- Depreciation of plant and equipment	15	**(4,944,843)**	(4,680,356)	**(3,592,205)**	(4,118,822)
- Employee benefit costs	8	**(92,970,007)**	(95,010,555)	**(88,200,445)**	(89,443,097)
- Impairment loss		**-**	-	**(2,825)**	(692,910)
- Maintenance expenses		**(1,466,615)**	(1,476,210)	**(1,229,861)**	(1,170,293)
- Rental expenses	9	**(9,934,313)**	(9,035,212)	**(7,690,025)**	(7,778,359)
- Telecommunication and utilities expenses		**(4,292,521)**	(3,461,688)	**(3,707,961)**	(3,009,728)
- Travelling expenses		**(1,277,718)**	(1,604,791)	**(626,994)**	(976,682)
- Other operating expenses		**(4,738,577)**	(3,226,754)	**(2,609,935)**	(3,634,351)
		(119,624,594)	(118,495,566)	**(107,660,251)**	(110,824,242)
PROFIT FROM OPERATIONS		**14,228,283**	12,741,374	**17,766,557**	14,535,758
NET FINANCE INCOME/(COSTS)	10				
Finance income		**176,704**	294,098	**176,704**	281,559
Finance costs		**(303)**	(1,155)	**-**	-
		176,401	292,943	**176,704**	281,559
SHARE OF PROFIT OF THE JOINTLY CONTROLLED ENTITY	17	**247,910**	452,866	**-**	-
PROFIT BEFORE TAXATION	11	**14,652,594**	13,487,183	**17,943,261**	14,817,317
TAXATION	12	**(96,103)**	124,502	**(161,030)**	161,120
NET PROFIT FOR THE FINANCIAL YEAR		**14,556,491**	13,611,685	**17,782,231**	14,978,437
OTHER COMPREHENSIVE LOSS					
Currency translation differences		**(27,395)**	(383,514)	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**14,529,096**	13,228,171	**17,782,231**	14,978,437

Statements Of Comprehensive Income

For The Financial Year Ended 30 June 2013 *(Continued)*

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
NET PROFIT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO:					
- Owners of the Company		**14,852,100**	13,735,096	**17,782,231**	14,978,437
- Non-controlling interest		**(295,609)**	(123,411)	**-**	-
		14,556,491	13,611,685	**17,782,231**	14,978,437
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ATTRIBUTABLE TO:					
- Owners of the Company		**14,817,624**	13,417,380	**17,782,231**	14,978,437
- Non-controlling interest		**(288,528)**	(189,209)	-	-
		14,529,096	13,228,171	**17,782,231**	14,978,437
Earnings per share:					
- Basic (sen)	13	**5.01**	4.64		

The above statements of comprehensive income are to be read in conjunction with the notes to the financial statements on pages 63 to 108.

Statements Of Financial Position

As At 30 June 2013

	Note	Group 30.6.2013 RM	Group 30.6.2012 RM	Group 1.7.2011 RM	Company 30.6.2013 RM	Company 30.6.2012 RM	Company 1.7.2011 RM
NON-CURRENT ASSETS							
Plant and equipment	15	**13,795,867**	11,385,263	9,890,155	**10,299,286**	7,775,093	7,932,704
Investment in subsidiaries	16	**-**	-	-	**6,774,534**	2,118,055	1,069,986
Investment in jointly controlled entity	17	**1,830,444**	1,582,534	1,129,668	**1**	1	1
Deferred tax assets	23	**411,252**	531,752	308,088	**411,252**	531,752	308,088
		16,037,563	13,499,549	11,327,911	**17,485,073**	10,424,901	9,310,779
CURRENT ASSETS							
Trade receivables	18	**38,139,536**	33,574,798	33,526,480	**31,690,055**	32,365,747	31,087,661
Other receivables	19	**6,911,475**	4,851,596	4,592,033	**5,435,679**	4,149,281	4,134,186
Amounts due from subsidiaries	20	**-**	-	-	**10,002,566**	6,007,085	4,109,884
Tax recoverable		**937,543**	895,728	657,569	**17,121**	-	80,546
Cash and cash equivalents	21	**15,614,836**	19,053,553	18,423,497	**14,920,955**	17,909,142	17,459,900
		61,603,390	58,375,675	57,199,579	**62,066,376**	60,431,255	56,872,177
LESS: CURRENT LIABILITY							
Trade and other payables	22	**6,792,620**	6,580,794	8,005,553	**5,427,197**	5,627,796	7,046,694
		6,792,620	6,580,794	8,005,553	**5,427,197**	5,627,796	7,046,694
NET CURRENT ASSETS		**54,810,770**	51,794,881	49,194,026	**56,639,179**	54,803,459	49,825,483
LESS: NON-CURRENT LIABILITY							
Deferred tax liabilities	23	**303,080**	391,934	410,446	**-**	-	-
		303,080	391,934	410,446	**-**	-	-
NET ASSETS		**70,545,253**	64,902,496	60,111,491	**74,124,252**	65,228,360	59,136,262

		Group			Company		
	Note	30.6.2013	30.6.2012	1.7.2011	30.6.2013	30.6.2012	1.7.2011
		RM	RM	RM	RM	RM	RM
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY							
Share capital	24	**29,621,130**	29,621,130	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**	1,982,994	1,982,994
Currency translation reserve	25	**(471,872)**	(437,396)	(119,680)	**-**	-	-
Retained earnings	25	**39,386,445**	33,420,684	28,571,927	**42,520,128**	33,624,236	27,532,138
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**70,518,697**	64,587,412	60,056,371	**74,124,252**	65,228,360	59,136,262
NON-CONTROLLING INTEREST		**26,556**	315,084	55,120	**-**	-	-
TOTAL EQUITY		**70,545,253**	64,902,496	60,111,491	**74,124,252**	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 63 to 108.

Statements Of Changes In Equity

For The Financial Year Ended 30 June 2013

	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 as at 1 July 2012		296,211,300	29,621,130	1,982,994	(437,396)	33,420,684	315,084	64,902,496
Currency translation differences, representing total income and expense recognised directly in equity		-	-	-	(34,476)	-	7,081	(27,395)
Net profit for the financial year		-	-	-	-	14,852,100	(295,609)	14,556,491
Total comprehensive income for the financial year		-	-	-	*(34,476)*	*14,852,100*	*(288,528)*	*14,529,096*
Transactions with owners:								
Dividends for financial year ended:								
- 30 June 2012	14	-	-	-	-	(5,924,226)	-	(5,924,226)
- 30 June 2013	14	-	-	-	-	(2,962,113)	-	(2,962,113)
Total contribution by and distribution to owners		-	-	-	-	*(8,886,339)*	-	*(8,886,339)*
Balance as at 30 June 2013		296,211,300	29,621,130	1,982,994	(471,872)	39,386,445	26,556	70,545,253

Statements Of Changes In Equity

For The Financial Year Ended 30 June 2013 *(Continued)*

	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 as 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 as at 30 June 2012		296,211,300	29,621,130	1,982,994	(437,396)	33,420,684	315,084	64,902,496

Statements Of Changes In Equity

For The Financial Year Ended 30 June 2013 *(Continued)*

		Issued and fully paid ordinary shares of RM0.10 each		Non-distributable	Distributable	
	Note	Number of shares	Nominal value	Share premium reserve	Retained earnings	Total equity
		unit	RM	RM	RM	RM
Company						
Balance as at 1 July 2012		296,211,300	29,621,130	1,982,994	33,624,236	65,228,360
Net profit for the financial year		-	-	-	17,782,231	17,782,231
Total comprehensive income for the financial year		-	-	-	*17,782,231*	*17,782,231*
Transactions with owners:						
Dividends for financial year ended:						
- 30 June 2012	14	-	-	-	(5,924,226)	(5,924,226)
- 30 June 2013	14	-	-	-	(2,962,113)	(2,962,113)
Total contribution by and distribution to owners		-	-	-	*(8,886,339)*	*(8,886,339)*
Balance as at 30 June 2013		296,211,300	29,621,130	1,982,994	42,520,128	74,124,252

Statements Of Changes In Equity

For The Financial Year Ended 30 June 2013 *(Continued)*

	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**
<u>Company</u>						
Balance as 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:						
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)
Total contribution by and distribution to owners		-	-	-	*(8,886,339)*	*(8,886,339)*
Balance as at 30 June 2012		296,211,300	29,621,130	1,982,994	33,624,236	65,228,360

The above statements of changes in equity are to be read in conjunction with the notes to the financial statements on pages 63 to 108.

Statements Of Cash Flows

For The Financial Year Ended 30 June 2013

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit for the financial year	14,556,490	13,611,685	17,782,231	14,978,437
Adjustments for:				
Impairment loss:				
- amounts due from subsidiaries	-	-	2,825	692,910
Depreciation of plant and equipment	4,944,843	4,680,356	3,592,205	4,118,822
Loss on disposal of plant and equipment	88	-	88	-
Plant and equipment written off	1,087	18,088	541	-
Finance costs	303	1,155	-	-
Finance income	(176,704)	(294,098)	(176,704)	(281,559)
Share of profit of the jointly controlled entity	(247,910)	(452,866)	-	-
Unrealised exchange (gain)/loss	(286,946)	(148,892)	(245,907)	111,926
Taxation	96,103	(124,502)	161,030	(161,120)
Operating profit before changes in working capital	18,887,354	17,290,926	21,116,309	19,459,416
Changes in working capital:				
Trade and other receivables	(6,337,671)	(154,403)	(482,588)	(1,338,277)
Trade and other payables	211,826	(1,424,759)	(205,092)	(1,416,657)
Intercompany balances	-	-	(4,022,117)	(2,738,378)
Cash generated from operating activities	12,761,509	15,711,764	16,406,512	13,966,104
Interest received	176,704	294,098	176,704	281,559
Tax (paid)/refund	(201,381)	(354,239)	(57,651)	17,982
Net cash generated from operating activities	12,736,832	15,651,623	16,525,565	14,265,645

Statements Of Cash Flows

For The Financial Year Ended 30 June 2013 *(Continued)*

	Note	Group 2013	Group 2012	Company 2013	Company 2012
		RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of plant and equipment		**6,600**	-	**6,600**	55,529
Acquisition of new subsidiaries		**-**	-	**-**	(1,048,069)
Purchase of plant and equipment	15	**(7,387,790)**	(6,246,423)	**(6,165,013)**	(4,016,740)
Advances to subsidiaries		**-**	-	**(4,656,479)**	-
Net cash used in investing activities		**(7,381,190)**	(6,246,423)	**(10,814,892)**	(5,009,280)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of share capital to non-controlling interest		**-**	449,173	**-**	-
Interest paid		**(303)**	(1,155)	**-**	-
Payment of dividends		**(8,886,339)**	(8,886,339)	**(8,886,339)**	(8,886,339)
Net cash used in financing activities		**(8,886,642)**	(8,438,321)	**(8,886,339)**	(8,886,339)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(3,531,000)**	966,879	**(3,175,666)**	370,026
EFFECT OF FOREIGN EXCHANGE ON CASH AND CASH EQUIVALENTS		**92,283**	(336,823)	**187,479**	79,216
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		**19,053,553**	18,423,497	**17,909,142**	17,459,900
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	21	**15,614,836**	19,053,553	**14,920,955**	17,909,142

The above statements of cash flows are to be read in conjunction with the notes to the financial statements on pages 63 to 108.

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 Malaysian Financial Reporting Standards ('MFRS'), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and the Company for the financial year ended 30 June 2013 are the first set of financial statements prepared in accordance with the MFRS, including MFRS 1, 'First-time Adoption of Malaysian Financial Reporting Standards'. Subject to certain transition elections disclosed in Note 31, the Group and the Company have consistently applied the same accounting policies in its opening MFRS statements of financial position at 1 July 2011 (transition date) and throughout all financial years presented, as if these policies had always been in effect. There is no significant financial impact on the adoption of MFRS that requires restatement to the comparatives in the financial statement.

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.

2 BASIS OF PREPARATION (CONTINUED)

The preparation of financial statements in conformity with MFRS 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 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 judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

(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 the Company's financial year beginning on or after 1 July 2012 are as follows:

- MFRS 1, 'First-time Adoption of Malaysian Financial Reporting Standards'
- MFRS 124, 'Related Party Disclosures'
- Amendment to MFRS 112, 'Income Taxes'
- Amendment to MFRS 7, 'Financial Instruments: Disclosures on Transfers of Financial Assets'
- Amendment to MFRS 101, 'Financial Instruments: Disclosure on Transfers of Financial Assets'
- IC Interpretation 19 'Extinguishing Financial Liabilities with Equity Instruments'

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 the Company.

(b) Standards early adopted by the Group and the 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 the Company but not yet effective

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

(i) 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.

2 BASIS OF PREPARATION (CONTINUED)

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

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

- 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 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.

- 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 statements of financial position and those that are subject to master netting or similar arrangements irrespective of whether they are offset.

- Amendment to MFRS 116, 'Property, Plant and Equipment' (effective from 1 January 2013) clarifies that items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

(ii) 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.

(iii) 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.

2 BASIS OF PREPARATION (CONTINUED)

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

(iii) Financial year beginning on/after 1 July 2015 (continued)

The accounting and presentation for financial liabilities and for derecognising 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 the 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 the Company

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

- Amendments to MFRS 10, MFRS 12 and MFRS 127 (effective 1 January 2014) introduce an exception to consolidation of investment entities.Investment entities are entities whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both and evaluate the performance of its investments on fair value basis. The amendments require investment entities to measure particular subsidiaries at fair value instead of consolidating them.

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) Investment in subsidiaries

Investment 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Subsidiaries (continued)

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 statements 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.

(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.

<u>Financial assets at fair value through profit or loss</u>

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.

<u>Loans and receivables</u>

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', 'amounts due from subsidiaries' and 'cash and cash equivalents' in the statements of financial position as set out in Notes 18 to 21.

<u>Available-for-sale financial assets</u>

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.

<u>Held-to-maturity financial assets</u>

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 oss. 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 3f(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; or
- A breach of contract, such as a default or delinquency in interest or principal payments; or
- 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; or
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation; or
- 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)

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.

<u>Assets classified as available-for-sale</u>

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 eclassified 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 trade and other 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 de-recognised 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) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(j) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(k) 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) 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.

(m) 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 he 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.

(n) 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Revenue recognition (continued)

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.

(o) 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

<u>Defined contribution plans</u>

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 financial periods.

The Group's contribution to defined contribution plans are charged to profit or loss in the financial 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 MFRS 2, thus rendering the standard not applicable to the Group.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) 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.

(q) 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.

(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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Foreign currencies (continued)

(iii) Group companies (continued)

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.

(r) 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.

(s) 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.

(t) 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 MFRS 137 and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with MFRS 118.

(u) Government grants

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 statements 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.

(a) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant judgement 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 financial 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, deferred tax assets, tax recoverable and plant and equipment of the Company's dormant entities in the Group.

Segment liabilities comprise operating liabilities and exclude 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 this Note.

5 SEGMENT REPORTING (CONTINUED)

(a) Operating segments (continued)

For the financial year ended 30 June 2013

	Outsourcing services	Training and consulting	Adjustments and eliminations	Total
	RM	RM	RM	RM
External revenue	124,477,796	9,366,048	-	133,843,844
Inter segment revenue	1,211,028	1,812,585	(3,023,613)	-
Total revenue	125,688,824	11,178,633	(3,023,613)	133,843,844
Segment results	19,512,630	(348,537)	-	19,164,093
Unallocated income/other gains				9,033
Operating profit before finance income				19,173,126
Finance income				176,704
Finance costs				(303)
Depreciation of plant and equipment				(4,944,843)
Share of profit of the jointly controlled entity (net of tax)				247,910
Profit before taxation				14,652,594
Taxation				(96,103)
Net profit for the financial year				14,556,491

As at 30 June 2013

	Outsourcing services	Training and consulting	Adjustments and eliminations	Total
	RM	RM	RM	RM
Segment assets	68,118,035	1,090,876	(8,533,634)	60,675,277
Unallocated assets				16,965,676
Total assets				77,640,953
Segment liabilities	15,038,209	3,057,111	(11,305,531)	6,789,789
Unallocated liabilities				305,911
Total liabilities				7,095,700

5 SEGMENT REPORTING (CONTINUED)

(a) Operating segments (continued)

For the financial year ended 30 June 2013

	Outsourcing services	Training and consulting	Adjustments and eliminations	Total
	RM	RM	RM	RM
Capital expenditure	7,640,094	29,240	(281,544)	7,387,790
Depreciation of plant and equipment	4,139,577	512,890	292,376	4,944,843
Significant non-cash expenses	(162,556)	546	(123,850)	(285,860)

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
Net profit for the financial year				13,611,685

As at 30 June 2012

	Outsourcing services	Training and consulting	Adjustments and eliminations	Total
	RM	RM	RM	RM
Segment assets	54,927,624	2,209,962	(5,745,716)	51,391,870
Unallocated assets				20,483,354
Total assets				71,875,224
Segment liabilities	10,576,826	4,610,794	(8,609,663)	6,577,957
Unallocated liabilities				394,771
Total liabilities				6,972,728

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
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)

(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 **	
	2013	2012	2013	2012
	RM	RM	RM	RM
Malaysia*	**69,037,227**	61,748,704	**12,841,915**	11,127,928
Singapore	**52,004,749**	55,540,223	**-**	-
United Kingdom	**8,732,753**	9,632,570	**-**	-
United States of America	**3,231,791**	4,087,913	**-**	-
India	**-**	-	**1,202**	-
Sri Lanka	**113,628**	-	**1,459,145**	1,839,869
Indonesia	**157,421**	-	**1,324,049**	-
Others	**566,275**	216,352	**-**	-
	133,843,844	131,225,762	**15,626,311**	12,967,797

* 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	
	2013	2012	2013	2012
	RM	RM	RM	RM
Outsourcing services	**124,477,796**	124,360,998	**125,417,775**	125,351,546
Training and consulting	**9,366,048**	6,864,764	**-**	-
	133,843,844	131,225,762	**125,417,775**	125,351,546

7 OTHER OPERATING INCOME

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Others	**9,033**	11,178	**9,033**	8,454

8 EMPLOYEE BENEFIT COSTS

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Salaries and bonuses	**77,411,625**	81,256,904	**73,498,626**	76,453,384
Defined contribution plans	**7,180,731**	7,237,169	**6,635,116**	6,726,150
Other employee benefits	**6,829,235**	5,066,606	**6,519,974**	4,818,324
Staff welfare	**488,590**	427,884	**486,903**	423,247
	91,910,181	93,988,563	**87,140,619**	88,421,105
Directors' remuneration:				
- Salaries and bonuses	**812,326**	811,992	**812,326**	811,992
- Fees	**247,500**	210,000	**247,500**	210,000
	92,970,007	95,010,555	**88,200,445**	89,443,097

The estimated monetary value of benefits-in-kind receivable by a Director of the Group and the Company during the financial year amounted to RM24,600 (2012: RM31,150).

In 2012, salaries and bonuses for the Group and the Company are presented net of incentives received of RM464,000.

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
Suranto Paruhum Natigor Sitorus (Appointed with effect from 6 November 2012)
Ande Safari (Resigned with effect from 23 May 2013)

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

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Executive Director:				
- Salaries and bonuses	**812,326**	811,992	**812,326**	811,992
- Estimated monetary value of benefits-in-kind	**24,600**	31,150	**24,600**	31,150
	836,926	843,142	**836,926**	843,142
Non-executive Directors:				
- Fees	**247,500**	210,000	**247,500**	210,000
	1,084,426	1,053,142	**1,084,426**	1,053,142

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	
	2013	2012	2013	2012
	RM	RM	RM	RM
Rental:				
- Apartments	**705,315**	941,886	**669,448**	958,513
- Offices	**9,083,329**	8,020,449	**6,885,439**	6,777,390
- Office equipment	**23,173**	18,991	**19,642**	15,340
- Others	**122,496**	53,886	**115,496**	27,116
	9,934,313	9,035,212	**7,690,025**	7,778,359

10 NET FINANCE INCOME/(COSTS)

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Finance income:				
- Fixed deposit	176,704	294,098	176,704	281,559
Finance costs:				
- Others	(303)	(1,155)	-	-
	176,401	292,943	176,704	281,559

11 PROFIT BEFORE TAXATION

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

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Auditors' remuneration:				
- PricewaterhouseCoopers, Malaysia	147,550	150,300	123,400	123,650
- Other auditors	1,569	15,807	-	-
Depreciation of plant and equipment	4,944,843	4,680,356	3,592,205	4,118,822
Directors' fees	247,500	210,000	247,500	210,000
Foreign exchange (gain)/loss:				
- Realised	(169,881)	(456,276)	(170,695)	(728,782)
- Unrealised	(286,946)	(148,892)	(245,907)	111,926
Loss on disposal of plant and equipment	88	-	88	-
Immigration expenses	688,668	313,883	679,606	311,885
Impairment loss on:				
- amounts due from subsidiaries	-	-	2,825	692,910
Finance costs	303	1,155	-	-
Finance income	(176,704)	(294,098)	(176,704)	(281,559)
Marketing expenses	89,470	394,451	37,249	188,767
Office supplies expenses	882,551	691,169	615,599	553,282
Other professional fees	377,504	477,969	85,673	32,595
Plant and equipment written off	1,087	18,088	541	-
Recruitment expenses	282,731	198,836	161,955	181,031
Security service	327,823	119,397	327,317	109,976
Software support	311,734	329,282	214,774	152,661

12 TAXATION

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Income tax:				
Current financial year:				
- Malaysian tax	**40,530**	62,544	**40,530**	62,544
- Foreign tax	**23,927**	2,394	**-**	-
Under provision in prior financial year:				
- Malaysian tax	**-**	51,142	**-**	-
	64,457	116,080	**40,530**	62,544
Deferred taxation (Note 23):				
Relating to temporary differences	**31,646**	(240,582)	**120,500**	(223,664)
	96,103	(124,502)	**161,030**	(161,120)

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 third five-year term and will expire on 6 November 2017.

The Malaysian current income tax is calculated at the statutory tax rate of 25% (2012: 25%) of the estimated assessable profit for the financial year.

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

At 30 June 2013, the amount of unused tax losses for the Group was RM407,578 (2012: RM933,373). Deferred tax asset was not recognised in the statements of financial position due to the uncertainty of its recoverability.

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

	Group		Company	
	2013	2012	2013	2012
	%	%	%	%
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	**11**	9	**2**	6
- Income not subject to tax	**(32)**	(35)	**(26)**	(32)
- Utilisation of previously unrecognised tax losses	**(3)**	-	**-**	-
Average effective tax rate	**1**	(1)	**1**	(1)

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	
	2013	**2012**
Net profit for the financial year attributable to owners of the Company (RM'000)	**14,852**	13,735
Weighted average number of issued ordinary shares ('000)	**296,211**	296,211
Basic earnings per share (sen)	**5.01**	4.64

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

14 DIVIDENDS

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

	2013		2012	
	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 2012	**1.0**	**2,962,113**	-	-
- 30 June 2011	**-**	**-**	1.0	2,962,113
Interim dividends paid in respect of the financial years ended:				
- 30 June 2013	**1.0**	**2,962,113**	-	-
- 30 June 2012	**1.0**	**2,962,113**	1.0	2,962,113
- 30 June 2011	**-**	**-**	1.0	2,962,113
	3.0	**8,886,339**	3.0	8,886,339

Subsequent to the financial reporting period, on 29 August 2013, the Board of Directors declared a second interim dividend of 2 sen, tax exempt, per ordinary share, amounting to RM5,924,226 which is to be paid on 27 September 2013. The financial statements for the financial year ended 30 June 2013 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 2014.

15 PLANT AND EQUIPMENT

	As at 1.7.2012	Additions	Write offs	Disposals	Reclassification	Currency translation differences	As at 30.6.2013
	unit	RM	RM	RM	RM	RM	RM
2013							
Group							
At cost							
Furniture and fittings	3,445,352	377,461	(2,389)	(11,400)	542,768	4,179	**4,355,971**
Office equipment and computers	21,685,487	2,408,731	(57,330)	(71,160)	230,490	5,267	**24,201,485**
Telecommunications equipment	8,942,854	213,322	-	-	-	433	**9,156,609**
Software	11,130,244	2,258,887	-	-	51,377	371	**13,440,879**
Office renovations	6,682,956	1,419,062	-	-	1,016,985	8,864	**9,127,867**
Motor vehicles	936,659	-	(2,013)	-	-	-	**934,646**
Educational manuals	1,392,013	-	-	-	-	-	**1,392,013**
Capital work in progress	1,839,869	710,327	-	-	(1,841,620)	1,751	**710,327**
	56,055,434	7,387,790	(61,732)	(82,560)	-	20,865	**63,319,797**

	As at 1.7.2012	Charge for the financial year	Write offs	Disposal	Currency translation differences	As at 30.6.2013
	RM	RM	RM	RM	RM	RM
2013						
Group						
Accumulated depreciation						
Furniture and fittings	2,444,104	362,314	(1,544)	(6,650)	499	**2,798,723**
Office equipment and computers	17,610,672	1,476,991	(57,088)	(27,836)	632	**19,003,371**
Telecommunications equipment	8,112,488	592,389	-	-	49	**8,704,926**
Software	9,219,843	893,354	-	-	218	**10,113,415**
Office renovations	5,272,815	1,507,704	-	-	2,649	**6,783,168**
Motor vehicles	634,235	96,092	(2,013)	-	-	**728,314**
Educational manuals	1,376,014	15,999	-	-	-	**1,392,013**
	44,670,171	4,944,843	(60,645)	(34,486)	4,047	**49,523,930**

15 PLANT AND EQUIPMENT (CONTINUED)

	As at 1.7.2011	Additions	Write offs	Currency translation differences	As at 30.6.2012
	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	Currency translation differences	As at 30.6.2012
	RM	RM	RM	RM	RM
2012					
Group					
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 1.7.2011
	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 1.7.2011
	RM	RM	RM	RM	RM	RM
2011						
Group						
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)

	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM
Group			
Net book value			
Furniture and fittings	**1,557,248**	1,001,248	974,022
Office equipment and computers	**5,198,114**	4,074,815	4,875,924
Telecommunications equipment	**451,683**	830,366	1,250,361
Software	**3,327,464**	1,910,401	1,840,812
Office renovations	**2,344,699**	1,410,141	510,521
Motor vehicles	**206,332**	302,424	398,516
Educational manuals	**-**	15,999	39,999
Capital work in progress	**710,327**	1,839,869	-
	13,795,867	11,385,263	9,890,155

	As at 1.7.2012	Additions	Write offs	Disposals	As at 30.6.2013
	RM	RM	RM	RM	RM
2013					
Company					
At cost					
Furniture and fittings	2,541,147	49,670	(1,260)	(11,400)	**2,578,157**
Office equipment and computers	14,942,282	1,970,756	(1,690)	(71,160)	**16,840,188**
Telecommunications equipment	5,454,645	179,571	-	-	**5,634,216**
Software	10,535,574	2,428,914	-	-	**12,964,488**
Office renovations	4,894,097	727,821	-	-	**5,621,918**
Motor vehicles	867,634	-	(2,013)	-	**865,621**
Capital work in progress	-	808,281	-	-	**808,281**
	39,235,379	6,165,013	(4,963)	(82,560)	**45,312,869**

15 PLANT AND EQUIPMENT (CONTINUED)

	As at 1.7.2012	Charge for the financial year	Write offs	Disposals	As at 30.6.2013
	RM	RM	RM	RM	RM
2013					
Company					
Accumulated depreciation					
Furniture and fittings	1,902,851	236,374	(961)	(6,650)	**2,131,614**
Office equipment and computers	11,270,091	1,414,318	(1,448)	(27,836)	**12,655,125**
Telecommunications equipment	5,092,046	203,477	-	-	**5,295,523**
Software	8,430,205	929,511	-	-	**9,359,716**
Office renovations	4,199,883	712,433	-	-	**4,912,316**
Motor vehicles	565,210	96,092	(2,013)	-	**659,289**
	31,460,286	3,592,205	(4,422)	(34,486)	**35,013,583**

	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 computer	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

15 PLANT AND EQUIPMENT (CONTINUED)

	As at 1.7.2011	Charge for the financial year	Disposals	As at 30.6.2012
	RM	RM	RM	RM
2012				
Company				
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

	As at 1.7.2010	Additions	Write offs	Disposals	As at 1.7.2011
	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

15 PLANT AND EQUIPMENT (CONTINUED)

	As at 1.7.2010	Charge for the financial year	Write offs	Disposals	As at 1.7.2011
	RM	RM	RM	RM	RM
2011					
Company					
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

	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM
Net book value			
Furniture and fittings	**446,543**	638,296	682,970
Office equipment and computers	**4,185,063**	3,672,191	3,969,550
Telecommunications equipment	**338,693**	362,599	645,215
Software	**3,604,772**	2,105,369	1,959,936
Office renovations	**709,602**	694,214	276,517
Motor vehicles	**206,332**	302,424	398,516
Capital work in progress	**808,281**	-	-
	10,299,286	7,775,093	7,932,704

16 INVESTMENT IN SUBSIDIARIES

	Company		
	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM
Unquoted shares at cost	**2,118,055**	2,118,055	1,069,986
Advances to subsidiaries	**4,656,479**	-	-
	6,774,534	2,118,055	1,069,986

The advances are unsecured and are non-interest bearing with no fixed terms of repayment. The Company does not anticipate any repayment of the advances and are treated as an extension of its investments in subsidiaries.

Details of the subsidiaries are as follows:

Name	Group's effective interest			Principal activities
	30.6.2013	30.6.2012	1.7.2011	
	%	%	%	
Subsidiaries of the Company				
Incorporated in Malaysia				
Scicom (Academy) Sdn. Bhd.*	**100**	100	100	Provides customer service training products as well as contact centre consulting and marketing services.
Scicom International College Sdn. Bhd.*	**70**	70	70	Dormant.
Incorporated in India				
Scicom Contact Centre Services Private Limited**	**100**	100	100	Dormant.
Incorporated in the United Kingdom				
Scicom International (UK) Ltd.^	**100**	100	100	Investment holding.
Incorporated in the United States of America				
Subsidiary of Scicom International (UK) Ltd.				
Scicom Inc.^	**100**	100	100	Dormant.
Incorporated in Indonesia				
PT Scicom Indonesia^	**100**	100	100	Provides customer contact centre outsourcing services.
Incorporated in Sri Lanka				
Scicom Lanka (Private) Limited^#	**70**	70	0	Provides customer contact centre outsourcing services.

16 INVESTMENT IN SUBSIDIARIES (CONTINUED)

* Audited by PricewaterhouseCoopers, Malaysia.
** Audited by a firm other than PricewaterhouseCoopers, Malaysia.
^ Not required by their local laws to appoint statutory auditors.
# 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.

17 INVESTMENT IN JOINTLY CONTROLLED ENTITY

	Group			Company		
	30.6.2013	30.6.2012	1.7.2011	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM	RM	RM	RM
Unquoted shares at cost	**1**	1	1	**1**	1	1
Share of net assets of the jointly controlled entity	**1,830,443**	1,582,533	1,129,667	**-**	-	-
	1,830,444	1,582,534	1,129,668	**1**	1	1

Name	Group's effective interest			Principal activities
	30.6.2013	30.6.2012	1.7.2011	
	%	%	%	
Incorporated in Malaysia				
Asian Contact Centres Sdn. Bhd. ("ACCS") *	**50**	50	50	Managing customer contact centre outsourcing services.

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

17 INVESTMENT IN JOINTLY CONTROLLED ENTITY (CONTINUED)

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

	Group		
	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM
Assets and liabilities			
Current assets	**4,180,360**	5,277,102	5,296,930
Current liabilities	**2,349,917**	3,661,228	4,167,262
Results			
Revenue	**407,569**	616,370	837,860
Profit before taxation	**357,203**	537,412	719,378
Less: Taxation	**(109,293)**	(84,546)	(181,474)
Net profit for the financial year	**247,910**	452,866	537,904

During the financial year ended 30 June 2013, the Group and the Company rendered services to the Jointly Controlled Entity ("JCE") totalling RM10,994,616 (30.6.2012: RM18,024,742, 1.7.2011: RM23,315,271). The amount due from JCE to the Group and the Company as at 30 June 2013 amounted to RM1,996,570 (30.6.2012: RM3,855,076, 1.7.2011: RM4,161,861).

18 TRADE RECEIVABLES

	Group			Company		
	30.6.2013	30.6.2012	1.7.2011	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM	RM	RM	RM
Financial assets						
Trade receivables						
Third parties	**24,111,455**	18,455,082	18,806,998	**17,722,089**	18,373,462	18,098,245
Unbilled receivables	**12,031,511**	11,264,640	10,570,871	**11,971,396**	10,137,209	8,827,555
Jointly controlled entity	**1,996,570**	3,855,076	4,161,861	**1,996,570**	3,855,076	4,161,861
	38,139,536	33,574,798	33,539,730	**31,690,055**	32,365,747	31,087,661
Less: Impairment loss: Third parties	**-**	-	(13,250)	**-**	-	-
	38,139,536	33,574,798	33,526,480	**31,690,055**	32,365,747	31,087,661

Credit terms of trade receivables range from 30 to 120 days (30.6.2012: 30 to 120 days, 1.7.2011: 30 to 120 days).

The Group's and the Company's historical experience in collection of trade receivables falls largely within the credit period. Due to these factors, the Directors believe that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's and the Company's trade receivables.

18 TRADE RECEIVABLES (CONTINUED)

Ageing analysis of trade receivables

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

	Group			Company		
	30.6.2013	30.6.2012	1.7.2011	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM	RM	RM	RM
Neither past due nor impaired	**22,807,745**	16,425,123	20,754,763	**16,454,894**	16,343,503	20,133,312
Past due but not impaired:						
- 1 to 30 days past due not impaired	**2,533,751**	4,065,084	1,369,520	**2,497,236**	4,065,084	1,369,520
- 31 to 60 days past due not impaired	**387,773**	1,802,781	720,562	**387,773**	1,802,781	720,562
- 61 to 90 days past due not impaired	**378,756**	-	36,712	**378,756**	-	36,712
- More than 90 days past due not impaired	**-**	17,170	74,052	**-**	17,170	-
Impaired:						
- More than 90 days	**-**	-	13,250	**-**	-	-
	26,108,025	22,310,158	22,968,859	**19,718,659**	22,228,538	22,260,106
Less: Impairment loss	**-**	-	(13,250)	**-**	-	-
	26,108,025	22,310,158	22,955,609	**19,718,659**	22,228,538	22,260,106
Unbilled receivables	**12,031,511**	11,264,640	10,570,871	**11,971,396**	10,137,209	8,827,555
	38,139,536	33,574,798	33,526,480	**31,690,055**	32,365,747	31,087,661

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		
	30.6.2013	30.6.2012	1.7.2011	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM	RM	RM	RM
Existing customers with no history of defaults	**22,242,922**	14,732,451	20,081,298	**15,997,356**	14,732,451	20,071,645
New customers within the last 6 months	**564,823**	1,692,672	673,465	**457,538**	1,611,052	61,667
	22,807,745	16,425,123	20,754,763	**16,454,894**	16,343,503	20,133,312

18 TRADE RECEIVABLES (CONTINUED)

Trade receivables that are neither past due nor impaired (continued)

A significant number of these receivables comprise of multinational organisations and Malaysian government agencies. These receivables account for RM20,399,486 and RM14,669,239 (30.6.2012: RM13,867,088, 1.7.2011: RM18,160,689 for the Group and 30.6.2012: RM13,867,088, 1.7.2011: RM18,151,036 for the Company) of the Group's and Company's trade receivables as at 30 June 2013. None of the Group's and the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Trade receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM3,300,280 (30.6.2012: RM5,885,035, 1.7.2011: RM2,200,846) and RM3,263,765 (30.6.2012: RM5,885,035, 1.7.2011: 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		
	30.6.2013	30.6.2012	1.7.2011	30.6.2013	30.6.2012	1.7.2011
	RM	RM	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		
	30.6.2013	30.6.2012	1.7.2011	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM	RM	RM	RM
Financial assets						
Other receivables	**2,080,715**	569,799	473,251	**1,503,921**	321,625	229,958
Deposits	**3,078,421**	3,079,272	3,423,044	**2,775,782**	2,776,933	3,276,420
Less: Impairment loss	**(9,950)**	(9,950)	(9,950)	**(9,950)**	(9,950)	(9,950)
	5,149,186	3,639,121	3,886,345	**4,269,753**	3,088,608	3,496,428
Non-financial assets						
Prepayments	**1,762,289**	1,212,475	705,688	**1,165,926**	1,060,673	637,758
	6,911,475	4,851,596	4,592,033	**5,435,679**	4,149,281	4,134,186

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

None of the Group's or the 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 the 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		
	30.6.2013	30.6.2012	1.7.2011	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM	RM	RM	RM
At 1 July	**9,950**	9,950	3,759,938	**9,950**	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**	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		
	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM
Amounts due from subsidiaries	**13,029,215**	9,030,909	6,440,798
Less: Impairment loss	**(3,026,649)**	(3,023,824)	(2,330,914)
	10,002,566	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		
	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM
Neither past due nor impaired	**10,002,566**	6,007,085	4,109,884
Impaired:			
- More than 90 days	**3,026,649**	3,023,824	2,330,914
	13,029,215	9,030,909	6,440,798
Less: Impairment loss	**(3,026,649)**	(3,023,824)	(2,330,914)
	10,002,566	6,007,085	4,109,884

<u>Impairment loss</u>

The movement in impairment loss is as follows:

At 1 July	**3,023,824**	2,330,914	2,718,866
Charge for the financial year	**2,825**	692,910	-
Reversal of impairment loss	**-**	-	(387,952)
At 30 June	**3,026,649**	3,023,824	2,330,914

All impaired amounts due from subsidiaries are individually determined. These receivables are not secured by collateral or credit enhancements.

21 CASH AND CASH EQUIVALENTS

	Group			Company		
	30.6.2013	30.6.2012	1.7.2011	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM	RM	RM	RM
Cash and bank balances	**6,930,743**	7,388,514	1,744,010	**6,383,627**	6,386,397	951,769
Deposits with licensed banks	**8,684,093**	11,665,039	16,679,487	**8,537,328**	11,522,745	16,508,131
	15,614,836	19,053,553	18,423,497	**14,920,955**	17,909,142	17,459,900

The weighted average interest rates of deposits with licensed banks as at the reporting period for the Group and the Company are 2% (30.6.2012: 2%, 1.7.2011: 3%) per annum respectively. The Group and the Company's deposits have weighted average maturity period of 22 days (30.6.2012: 24 and 24, 1.7.2011: 263 and 12) respectively.

No assets of the Group or the Company were pledged to a financial institution for banking facilities as at 30.6.2013. As at 30.6.2012, the assets of the Group pledged to a financial institution for banking facilities amounted to RM61,079 (1.7.2011: RM73,554).

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

	Group			Company		
	30.6.2013	30.6.2012	1.7.2011	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM	RM	RM	RM
Cash at bank and deposits with licensed banks						
AAA	**15,039,669**	18,508,307	17,877,654	**14,345,788**	17,367,620	16,930,716
AA	**537,328**	522,745	508,131	**537,328**	522,745	508,131
A	**-**	3,725	16,159	**-**	-	-
	15,576,997	19,034,777	18,401,944	**14,883,116**	17,890,365	17,438,847

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

22 TRADE AND OTHER PAYABLES

	Group			Company		
	30.6.2013	30.6.2012	1.7.2011	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM	RM	RM	RM
Financial liabilities						
Trade payables	**352,842**	556,648	690,585	**352,842**	556,648	685,373
Accruals	**948,074**	1,496,890	1,902,594	**683,190**	749,592	1,215,244
Performance-related bonus	**1,177,647**	508,520	1,615,574	**1,086,817**	452,882	1,439,892
Other payroll-related liabilities	**230,399**	312,355	546,257	**227,310**	312,355	414,733
Other payables	**2,518,321**	1,969,645	1,483,566	**1,519,763**	1,916,935	1,548,234
	5,227,283	4,844,058	6,238,576	**3,869,922**	3,988,412	5,303,476
Non-financial liabilities						
Other payroll-related liabilities	**1,346,861**	1,574,109	1,446,274	**1,346,861**	1,495,353	1,446,274
Other payables	**218,476**	162,627	320,703	**210,414**	144,031	296,944
	6,792,620	6,580,794	8,005,553	**5,427,197**	5,627,796	7,046,694

Credit terms of trade payables range from cash basis to 90 days (30.6.2012: cash basis to 90 days, 1.7.2011: 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 are shown in the statements of financial position:

	Group			Company		
	30.6.2013	30.6.2012	1.7.2011	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM	RM	RM	RM
Deferred tax assets	**(411,252)**	(531,752)	(308,088)	**(411,252)**	(531,752)	(308,088)
Deferred tax liabilities	**303,080**	391,934	410,446	**-**	-	-

23 DEFERRED TAXATION (CONTINUED)

	Group			Company		
	30.6.2013	30.6.2012	1.7.2011	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM	RM	RM	RM
At beginning of the financial year	**(139,818)**	102,358	883,739	**(531,752)**	(308,088)	-
Charged to profit or loss (Note 12):						
- Plant and equipment	**31,646**	(240,582)	(882,631)	**120,500**	(223,664)	(308,088)
- Others	**-**	-	96,326	**-**	-	-
	31,646	(240,582)	(786,305)	**120,500**	(223,664)	(308,088)
Currency translation	**-**	(1,594)	4,924	**-**	-	-
At end of the financial year	**(108,172)**	(139,818)	102,358	**(411,252)**	(531,752)	(308,088)

	Group			Company		
	30.6.2013	30.6.2012	1.7.2011	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM	RM	RM	RM
Deferred tax assets:						
- Plant and equipment	**(411,252)**	(531,752)	(308,088)	**(411,252)**	(531,752)	(308,088)
Deferred tax liabilities:						
- Plant and equipment	**303,080**	391,934	410,446	**-**	-	-

24 SHARE CAPITAL

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

	Group and Company		
	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM
Authorised ordinary shares of RM0.10 each:			
At the beginning/end of the financial year	**100,000,000**	100,000,000	100,000,000
Issued and fully paid ordinary shares of RM0.10 each:			
At the beginning of the financial year	**29,621,130**	29,621,130	26,802,300
ESOS issued during the financial year	**-**	-	126,000
Bonus issued during the financial year	**-**	-	2,692,830
At the end of the financial year	**29,621,130**	29,621,130	29,621,130

In 2011, 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 the 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 RM69,132,914 (30.6.2012: RM59,428,109, 1.7.2011: RM56,190,141) and RM85,798 (30.6.2012: RM85,798, 1.7.2011: 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	
	2013	2012	2013	2012
	RM	RM	RM	RM
Authorised and contracted:				
- Plant and equipment	**380,000**	1,120,059	**380,000**	-

(b) Non-cancellable operating lease commitments

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

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
- Not later than one year	**8,840,716**	9,492,153	**7,708,833**	8,079,875
- Later than one year and not later than five years	**4,379,292**	13,028,614	**3,142,056**	10,496,131
	13,220,008	22,520,767	**10,850,889**	18,576,006

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	
	2013	2012	2013	2012
	RM	RM	RM	RM
Sales of services:				
- Subsidiaries	-	-	1,211,028	990,548
Purchase of services:				
- Subsidiaries	-	-	(1,812,585)	(1,727,750)
Invoices billed on behalf:				
- Subsidiaries	-	-	(3,267,186)	(7,235,100)
Expenses paid on behalf:				
- Subsidiaries	-	-	9,075,984	8,074,847
Advances/(Repayments):				
- Subsidiaries	-	-	4,934,234	2,798,124
Sale/(Purchase) of equipment:				
- Subsidiaries	-	-	54,489	(516,291)
Amounts due from:				
- Subsidiaries	-	-	10,002,566	6,007,085

28 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group and the Company's activities expose it to a variety of financial risks from its operations including market risk, credit risk, liquidity risk and capital management risk. The Group's and the Company's overall financial risk management objectives are to ensure that the Group and the Company create value for its shareholders and to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses. The Group and the Company operate within clearly defined guidelines that are approved by the Board and seek to minimise potential adverse effects on its financial performance. Such guidelines are reviewed annually by the Board of Directors and periodic reviews are undertaken to ensure that the Group's and the Company's policy guidelines are complied with. Financial risk is managed by a risk management committee who in turn ensures adherence to the policies approved by the Board of Directors.

It is, and has been throughout the current and previous financial year, the Group's and the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

28 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(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 the Company's financial position and cash flows.

(i) Foreign currency exchange risk

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

At 30 June 2013, if RM had strengthened by 1% (2012: 6%) against the US dollar with all other variables held constant, pre-tax profit for the financial year for the Group and the Company would have been RM16,888 and RM41,988 (2012: RM182,821 and RM332,420) lower respectively, mainly as a result of foreign exchange losses on translation of US dollar-denominated trade and other receivables.

At 30 June 2013, if RM had strengthened by 1% (2012: 2%) against the Singapore dollar with all other variables held constant, pre-tax profit for the financial year would have been RM47,556 lower (2012: RM103,284 lower) for the Group and the Company, mainly as a result of foreign exchange losses (2012: losses) on translation of Singapore dollar-denominated trade and other receivables.

At 30 June 2013, if RM had strengthened by 1% (2012: 2%) against the Sterling Pound with all other variables held constant, pre-tax profit for the year for the Group and the Company would have been RM10,817 and RM11,685 (2012: RM88,543 and RM97,069 lower) higher respectively, mainly as a result of foreign exchange gains (2012: losses) on translation of Sterling Pound-denominated trade and other receivables.

(ii) Interest rate risk

The Group's and the 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 the Company's policy to source for the most favourable interest rate available. As at 30 June 2013, the Group and the Company has no outstanding borrowings.

The Group's and the 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 the Company establishes price levels that the Group and the Company considers acceptable and also enters into supply agreements where necessary, to achieve these levels.

The Group and the 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 the Company.

At the reporting date, the Group's and the 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 2013, where four customers contributed RM14.8 million and RM10.5 million respectively (30.6.2012: RM13.0 million, 1.7.2011: RM13.5 million for the Group and the Company). 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 2013, the maximum exposure to credit risk is represented by their carrying amounts in the Statements of Financial Position.

Management has taken reasonable steps to ensure that intercompany receivables are stated at the realisable values. As at 30 June 2013, 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 Statements of Financial Position.

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

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

(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 the Company's borrowings and standby credit lines are provided by financial institutions with sound credit ratings.

28 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

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

	Group		
	30.6.2013	**30.6.2012**	**1.7.2011**
	RM	**RM**	**RM**
On demand or less than three months:			
Trade and other payables	**6,792,620**	6,580,794	8,005,553

	Company		
	30.6.2013	**30.6.2012**	**1.7.2011**
	RM	**RM**	**RM**
On demand or less than three months:			
Trade and other payables	**5,427,197**	5,627,796	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 tosupport its business and maximises shareholders value.

As of 30 June 2013, the Group and the Company had no outstanding borrowings.

29 FINANCIAL INSTRUMENTS BY CATEGORY

	Group	Company
	2013	2013
	RM	RM
Loans and receivables		
Trade receivables excluding unbilled receivables	26,108,025	25,916,905
Other receivables excluding prepayments	5,149,186	4,269,753
Cash and cash equivalents	15,614,836	14,920,955
Amounts due from subsidiaries	-	10,002,566
Total	46,872,047	55,110,179
Other financial liabilities		
Trade and other payables excluding statutory liabilities	5,227,283	3,869,922

29 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

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

30 CONTINGENT LIABILITY

A subsidiary of the Company has received tax assessment notices of RM1.3 million, INR23.8 million (2012: RM1.2 million, INR18.3 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 2013 paid RM0.4 million, INR 7.2million (2012: RM0.5 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 crystallise from these assessments. Furthermore, the amount paid up to 30 June 2013 will be recovered.

31 TRANSITION FROM FRS TO MFRS

The effect of the Group's and the Company's transition to MFRSs, described in Note 2, is summarised in this note as follows:

(a) MFRS 1 mandatory exception

Non-controlling interests (NCI)

The requirements of MFRS 127 to be applied prospectively from the transition date for allocation of total comprehensive income to NCI even if this results in NCI having a deficit balance and accounting for changes in parent's ownership in subsidiary that do not result in loss of control.

(b) MFRS 1 exemption option

Exemption for business combinations

MFRS 1 provides the option to apply MFRS 3, 'Business Combinations' prospectively for business combination that occurred from the transition date or from a designated date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date or a designated date prior to the transition date. The Group elected to apply MFRS 3 prospectively to business combinations that occurred after 1 July 2011. Business combinations that occurred prior to 1 July 2011 have not been restated. The Group has also applied MFRS 127 'Consolidated and Separate Financial Statements' from the same date.

32 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 29 August 2013.

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	
	2013	2012	2013	2012
	RM	RM	RM	RM
Total retained earnings/(accumulated losses):				
Realised	**31,869,706**	26,259,042	**43,177,287**	34,044,062
Unrealised	**(395,118)**	(288,710)	**(657,159)**	(419,826)
	31,474,588	25,970,332	**42,520,128**	33,624,236
Total share of retained earnings from jointly controlled entity:				
Realised	**1,830,443**	1,582,533	**-**	-
	33,305,031	27,552,865	**42,520,128**	33,624,236
Less: Consolidation adjustments	**6,081,414**	5,867,819	**-**	-
Total Group's and Company's retained earnings	**39,386,445**	33,420,684	**42,520,128**	33,624,236

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

For The Financial Year Ended 30 June 2013

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 53 to 108 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 2013 and of the results and cash flows of the Group and the Company for the financial year ended on that date in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965.

The supplementary information set out in Note 33 on page 108 have been prepared in accordance with the 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.

Signed on behalf of the Board of Directors in accordance with their resolution dated 29 August 2013.

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 53 to 108 are, in my opinion, 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 29 August 2013, before me.

HAJJAH JAMILAH ISMAIL (NO.W626)
COMMISSIONER FOR OATHS

Independent Auditors' Report

To The Members Of Scicom (Msc) Berhad

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 53 to 108, which comprise the statements of financial position as at 30 June 2013 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and 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 so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is 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 judgement, 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 give a true and fair view of the financial position of the Group and of the Company as of 30 June 2013 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 33 on page 108 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
29 August 2013

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 2013. 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 2013

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 2013

6. NON-AUDIT FEES

   The amount of non-audit fees paid by the Group and the Company for the financial year ended 30 June 2013 were RM40,217 and RM23,200 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 2013. There were no variances of 10% or more 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 2013.

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

   For the financial year ended 30 June 2013, no contracts of a material in 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 2013.

11. CORPORATE SOCIAL RESPONSIBILITY

    The Group's corporate social responsibility activities and/or practices undertaken during the financial year ended 30 June 2013 are set out on pages 25 to 27 of the Annual Report.

Analysis Of Shareholdings

SHARE CAPITAL AS AT 27 SEPTEMBER 2013

	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 AT 27 SEPTEMBER 2013

No. of Shareholders	%	Size of Shareholdings	%
16	1.99%	Less than 100 shares	0.00%
43	5.34%	100 to 1,000 shares	0.01%
289	35.90%	1,001 to 10,000 shares	0.44%
330	40.99%	10,001 to 100,000 shares	3.47%
123	15.28%	100,001 to less than 5% of issued shares	59.73%
4	0.50%	5% and above of issued shares	36.35%
805	**100.00%**		**100.00%**

LIST OF 30 LARGEST REGISTERED SHAREHOLDERS AS AT 27 SEPTEMBER 2013
(As shown in the record of Depositors)

No.	Name of Shareholder	No. of Shares Held	%
1	TA NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEO SURESH ARIYANAYAKAM	37,962,500	12.816
2	NETINSAT ASIA SDN BHD	31,700,000	10.701
3	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR NETINSAT ASIA SDN BHD (PB)	20,000,000	6.751
4	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JAGANATH DEREK STEVEN SABAPATHY	18,000,000	6.076
5	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR NETINSAT ASIA SDN BHD (PBCL-0G0024)	14,500,000	4.895
6	LEMBAGA TABUNG HAJI	12,605,940	4.255
7	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR SEOW LUN HOO @ SEOW WAH CHONG (PB)	11,862,400	4.004
8	ALI BIN ABDUL KADIR	11,000,000	3.713
9	AMBANK (M) BERHAD PLEDGED SECURITIES ACCOUNT FOR ALI BIN ABDUL KADIR (SMART)	10,100,000	3.409
10	ABDUL FARISH BIN ABD RASHID	10,000,000	3.375
11	HLIB NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEO SURESH ARIYANAYAKAM	9,100,000	3.072
12	SIEH KOK SWEE	6,770,000	2.285
13	LALITHA D/O K KRISHNAN NAMBIAR	6,439,950	2.174

Analysis Of Shareholdings *(Continued)*

No.	Name of Shareholder	No. of Shares Held	%
14	KHOO LOON SEE	6,217,940	2.099
15	JAGANATH DEREK STEVEN SABAPATHY	5,912,060	1.995
16	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (JPMINTL BK LTD)	5,000,000	1.687
17	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	4,281,860	1.445
18	TAN SOH GOH	3,717,300	1.254
19	LEO SURESH ARIYANAYAKAM	2,995,420	1.011
20	MULTI-PURPOSE INSURANS BHD	2,693,020	0.909
21	KRISHNAN A/L C K MENON	2,487,100	0.839
22	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	2,481,400	0.837
23	TASEC NOMINEES (ASING) SDN BHD TA CAPITAL SDN BHD FOR LEO SURESH ARIYANAYAKAM	2,200,000	0.742
24	MAVIS COLLEEN PUTHUCHEARY	2,150,000	0.725
25	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR SALBIAH BINTI SHUIB (MM0641)	2,044,500	0.690
26	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MEENAMBAL A/P VIJAYAKUMAR	2,000,000	0.675
27	CHEAH TEIK SENG	1,650,000	0.557
28	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RAHIMAH STEPHENS (CEB)	1,485,000	0.501
29	MEENAMBAL A/P VIJAYAKUMAR	1,421,030	0.479
30	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PARAMJIT SINGH GILL (MARGIN)	1,375,000	0.464
	Total	**250,152,420**	**84.435**

SUBSTANTIAL SHAREHOLDERS AS AT 27 SEPTEMBER 2013

No.	Name of Shareholder	Direct Interest	%	Deemed Interest	%
1	NETINSAT ASIA SDN BHD	67,098,920	22.65%	0	0.00%
2	LEO SURESH ARIYANAYAKAM	52,465,332	17.71%	0	0.00%
3	JAGANATH DEREK STEVEN SABAPATHY	23,912,060	8.07%	0	0.00%
4	DATUK ALI BIN ABDUL KADIR [1]	21,100,000	7.12%	180,000	0.06%

1 *Deemed interest by virtue of his shareholdings in Kay and Ef Sdn Bhd*

DIRECTORS' SHAREHOLDINGS AS AT 27 SEPTEMBER 2013

No.	Name of Shareholder	Direct Interest	%	Deemed Interest	%
1	Leo Suresh Ariyanayakam	52,465,332	17.71%	0	0.00%
2	Krishnan A/L C K Menon [2]	2,487,100	0.84%	67,098,920	22.65%
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%

2 *Deemed interest by virtue of his shareholdings in Netinsat Asia Sdn Bhd*

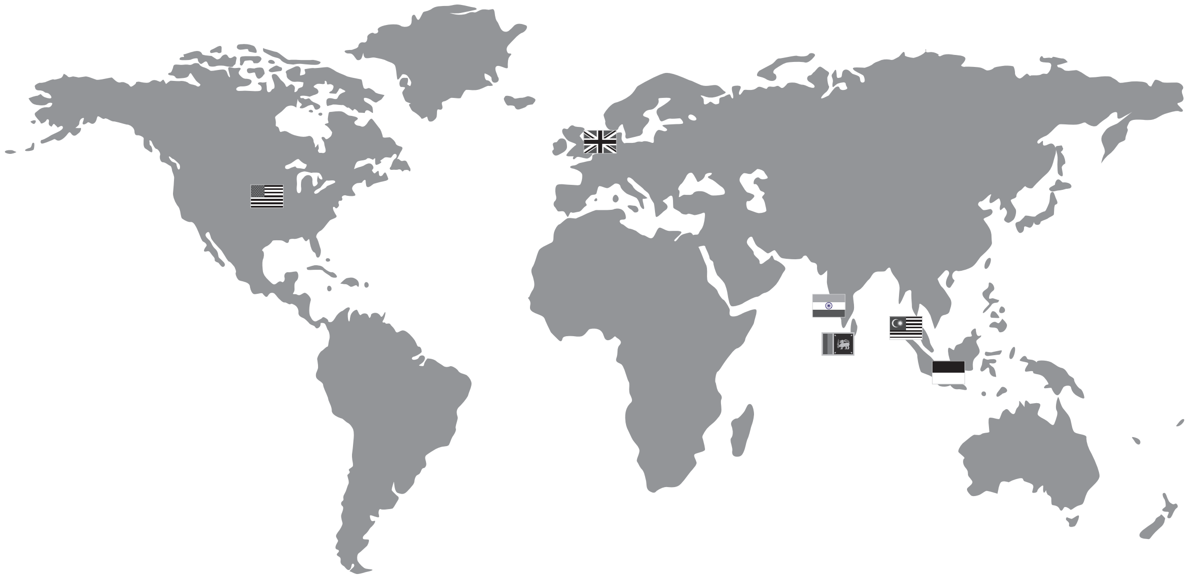
Glossary of Abbreviations

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
HQ	Head Quarters
ICM	Internal control memorandum
INR	Indian Rupee
IPO	Initial Public Offering
ISO	International Standards Organization
IT	Information Technology
KPO	Knowledge Process Outsourcing
KL	Kuala Lumpur

Glossary of Abbreviations *(Continued)*

LOA	Limits of Authority
FMCG	Fast-Moving Consumer Goods
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



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E-mail : academy@scicom-intl.com

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Notice Of Eleventh

Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of the Company will be held at Conference Room, Level 3, Eastin Hotel, 13, Jalan 16/11, Pusat Dagang Seksyen 16, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Monday, 18 November 2013 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 2013 together with the Reports of the Directors and Auditors thereon. (See Note 2)

2. To re-elect the following Directors who retire pursuant to Article 84 of the Company's Articles of Association:-

   (i) Krishnan A/L C K Menon (Ordinary Resolution 1)

   (ii) Dato' Mohd Salleh Bin Hj Harun (Ordinary Resolution 2)

3. To approve the payment of Directors' Fees for the financial year ended 30 June 2013. (Ordinary Resolution 3)

4. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. (Ordinary Resolution 4)

B. Other Business

5. 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.

By Order of the Board

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

Kuala Lumpur
25 October 2013

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 12 November 2013 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 2013

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.

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.

....

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 Eleventh Annual General Meeting of the Company to be held at Conference Room, Level 3, Eastin Hotel, 13, Jalan 16/11, Pusat Dagang Seksyen 16, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia on **Monday, 18 November 2013** at **10.00 a.m.** and at any adjournment thereof, to vote as indicated below:-

No. of ordinary shares held	CDS Account No.

Ordinary Resolutions		FOR	AGAINST
1	Re-election of Krishnan A/L C K Menon as Director pursuant to Article 84 of the Company's Articles of Association.		
2	Re-election of Dato' Mohd Salleh Bin Hj Harun as Director pursuant to Article 84 of the Company's Articles of Association.		
3	Approval of Directors' Fees for the financial year ended 30 June 2013.		
4	Re-appointment of Messrs Pricewaterhouse-Coopers as Auditors.		

(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.)

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

First named Proxy……………………………..%
Second named Proxy…………………………..%
100%

Dated this ____________day of _______________ 2013

____
Signature of Member / Common Seal

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SCICOM (MSC) BERHAD (597426-H)

Incorporated in Malaysia under the Companies Act, 1965

www.scicom-intl.com

MSC-Status Company