



“ the Science of communication ”

scicom
TOTAL CUSTOMER DELIGHT

ANNUAL REPORT 2014

scicom

TOTAL CUSTOMER DELIGHT

(sy-com)

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



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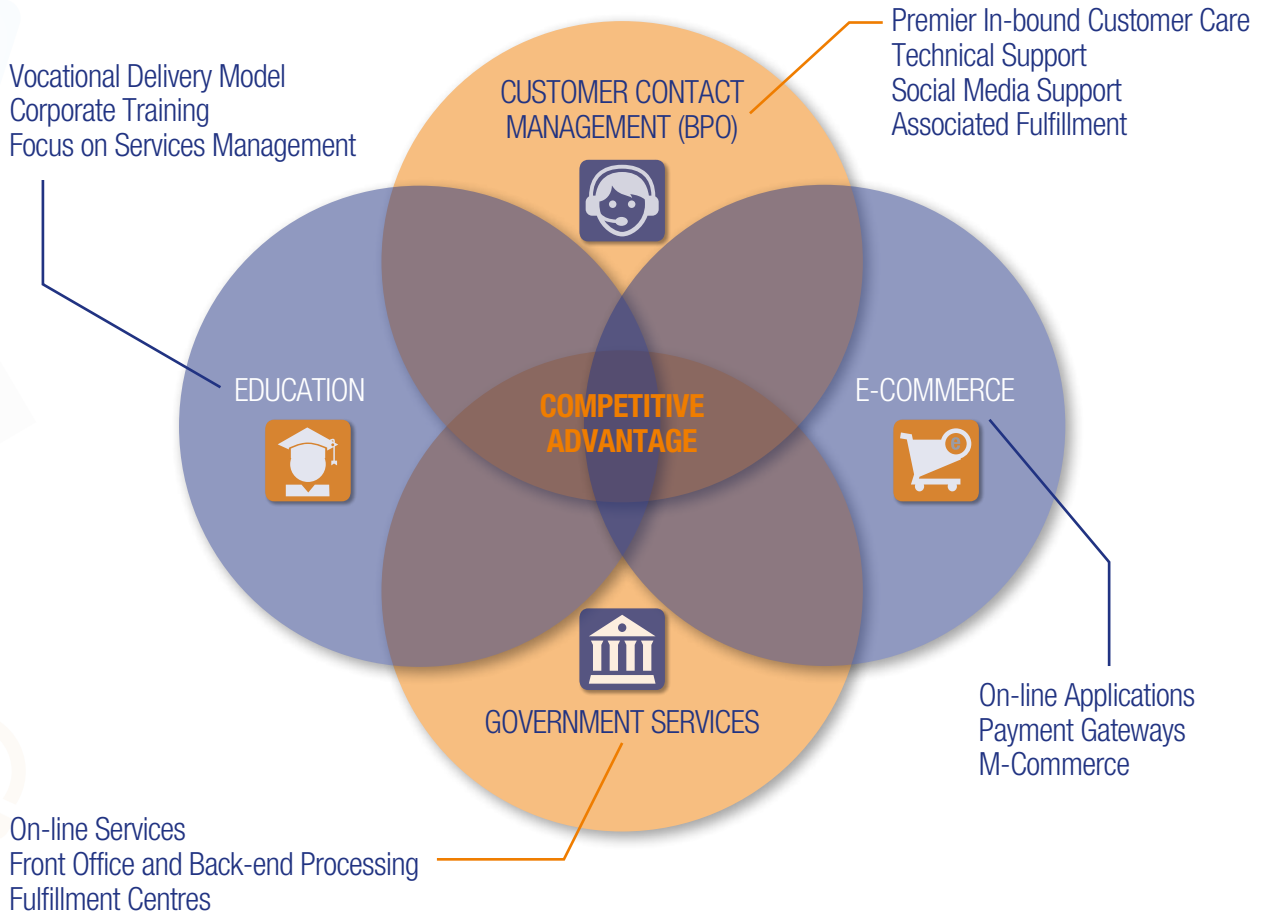
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Company Profile About Scicom

Scicom 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. Our centres in Kuala Lumpur, Colombo and Jakarta service both large local conglomerates, multi-national clients and governments.

Our suite of services include integrated solutions in Customer Contact Management (BPO), Education and Training, Government Outsourcing Services and E-Commerce.



Scicom talks, emails, tweets, chats, processes and interacts with millions of customers annually. Over 100 million distinct transactions resolve, enhance, provide value and serves our clients customers in over 39 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.

Business Services

- **Design**
- **Build**
- **Operate**

Customer

- **Retention**
- **Acquisition**
- **Value**



Delivering On Our Promises: World-Class Service: Strategic Locations: Global Delivery Capability: Talented Workforce.

Sectors

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

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
- Border Security

Solutions

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



Company Profile

Awards, Certifications And Recognitions

DELIGHT

ME EACH TIME **WE**
INTERACT



Best Rising Stars in Overall Revenue



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



Best Rising Stars in Number of Employees



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

MAKE **ME** FEEL
VALUED



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



• Employer of Choice
Gold Award



• Malaysia Human Resource
Breakthrough Category
Gold Award

CONVINCE **ME** TO
TRUST YOU



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

Company Profile

Awards, Certifications And Recognitions (Continued)

RESPECT MY PRIVACY



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

GLOBAL SERVICES
100
2012
 Listed in GS 100 Global Outsourcing Companies (Rank #79)
 Only Malaysian Company Listed in the GS 100



CAM
 CONTACT CENTRE MANAGEMENT & SUPPORT CENTRE AWARDS
 M. A. S. A. S. I. A.
 Best Contact Centre Support Professional 2012 - Training / Human Resources (Under 100 Seats) Silver Award

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



CAM
 CONTACT CENTRE MANAGEMENT & SUPPORT CENTRE AWARDS
 M. A. S. A. S. I. A.
 Best Contact Centre Support Professional 2012 - Training / Human Resources (Over 100 Seats) Gold, Silver & Bronze Award



CAM
 CONTACT CENTRE MANAGEMENT & SUPPORT CENTRE AWARDS
 M. A. S. A. S. I. A.
 Best Contact Centre Support Professional 2012 - Workforce Management / Quality Assurance (Under 100 Seats) Silver Award



CAM
 CONTACT CENTRE MANAGEMENT & SUPPORT CENTRE AWARDS
 M. A. S. A. S. I. A.
 Best Contact Centre Support Professional 2012 - Workforce Management / Quality Assurance (Over 100 Seats) Gold & Bronze Award



CAM
 CONTACT CENTRE MANAGEMENT & SUPPORT CENTRE AWARDS
 M. A. S. A. S. I. A.
 Best Outsourced Inbound Contact Centre 2012 (Over 100 Seats) Bronze Award



CAM
 CONTACT CENTRE MANAGEMENT & SUPPORT CENTRE AWARDS
 M. A. S. A. S. I. A.
 Excellence Award 2011 Best Outsourced Inbound Contact Centre (Over 100 Seats) Silver Award



Malaysia HR Award 2011 HR Breakthrough Category Gold Award

PERSONALISE IT TO ME TASTES & NEEDS



CAM
 CONTACT CENTRE MANAGEMENT & SUPPORT CENTRE AWARDS
 M. A. S. A. S. I. A.
 Excellence Award 2011 Best Outsourced Inbound Contact Centre (Over 100 Seats) Gold Award



Malaysia HR Award 2011 Employer of Choice Gold Award



CAM
 CONTACT CENTRE MANAGEMENT & SUPPORT CENTRE AWARDS
 M. A. S. A. S. I. A.
 Excellence Award 2010 Best Outsourced Contact Centre (Below 100Seats) Silver Award



Company Profile

Awards, Certifications And Recognitions (Continued)



CAM
 CUSTOMER RELATIONSHIP MANAGEMENT
 & CONTACT CENTRE MANAGEMENT
 MALAYSIA 2010

Excellence Award 2010
 Best Outsourced Contact Centre
 (Above 100Seats)
 Gold Award



CAM
 CUSTOMER RELATIONSHIP MANAGEMENT
 & CONTACT CENTRE MANAGEMENT
 MALAYSIA 2010

Excellence Award 2010
 Best Outsourced Contact Centre
 (Below 100Seats)
 Silver Award



Kementerian Perdagangan
 Antrabangsa & Industri
 Anugerah Kecemerlangan Industri
 2009 Export Perkhidmatan
 Kategori V



DON'T **PRETEND**
 TO KNOW **WHAT**
I WANT



CAM
 CUSTOMER RELATIONSHIP MANAGEMENT
 & CONTACT CENTRE MANAGEMENT
 MALAYSIA 2010

(Plus 6 Individual Awards - Text Only)

1. Excellence Award 2010 Best Contact Centre Support Professional (Over 100 Seats) Gold Award
2. Excellence Award 2010 Best Contact Centre Support Professional(Under 100 Seats) Gold Award
3. Excellence Award 2010 Best Contact Centre Support Professional (Under 100 Seats) Bronze Award
4. Excellence Award 2010 Best Contact Centre Professional (Over 100 Seats) Gold Award
5. Excellence Award 2010 Best Contact Centre Professional (Under 100 Seats) Silver Award
6. Excellence Award 2010 Best Contact Centre Manager (Over 100 Seats) Silver Award



CAM
 CUSTOMER RELATIONSHIP MANAGEMENT
 & CONTACT CENTRE MANAGEMENT
 MALAYSIA 2011

(Plus 5 Individual Awards - Text Only)

1. Excellence Award 2011 Best Contact Team Leader (Open) Gold Award
2. Excellence Award 2011 Best Contact Centre Support Professional (Under 100 Seats) Gold Award
3. Excellence Award 2011 Best Contact Centre Professional (Over 100 Seats) Silver Award
4. Excellence Award 2011 Best Contact Centre Manager (Under 100 Seats) Bronze Award
5. Excellence Award 2011 Best Contact Centre Manager (Over 100 Seats) Bronze Award



CAM
 CUSTOMER RELATIONSHIP MANAGEMENT
 & CONTACT CENTRE MANAGEMENT
 MALAYSIA 2009

Excellence Award 2009
 Best Outsourced Contact Centre
 (Below 100 Seats)
 Gold Award



APEA - Asia Pacific
 Entrepreneurship Awards 2007
 Outstanding Entrepreneur



Malaysian ICT
 Conference 2007
 Appreciation Award



1. SCP - Service Capability Performance Certified Support Services 2011
2. SCP - Service Capability Performance Certified Support Services 2010
3. SCP - Service Capability Performance Certified Support Services 2009

ANTICIPATE **MY**
FUTURE
NEEDS



Company Profile

Awards, Certifications And Recognitions (Continued)

ONCE
IN A WHILE,
PLEASANTLY
SURPRISE
ME



Frost & Sullivan
Malaysia Excellence Award 2011
BPO Service Provider of the Year



1. Frost & Sullivan Malaysia Excellence Award 2011 BPO Service Provider of the Year
2. Frost & Sullivan Malaysia Telecoms Award 2010 BPO Service Provider of the Year



Telkom Indonesia
Appreciation Award 2011



Official Visit by
Yang Berhormat Tuan Haji Bolhassan Bin Haji Di Menteri Muda
Di Jabatan Ketua Menteri (Teknologi Maklumat)
Merangkap Menteri Pembangunan Infrastruktur Dan Perhubungan



Asia Pacific
Contact Center
Association Leaders
Expo 2010
Excellent Performance



KDI - K.Workers
Development Initiatives
MSC Malaysia Job Camp
Best Training Provider 2009
"Most Engaged"



Malaysia Canada
Business Council
Business Excellence
Award 2008
Gold Award

DELIVER
ON **YOUR**
PROMISE
EVERY TIME



Anugerah Kecemerlangan Industri 2009
Anugerah Kecemerlangan Ekspor
(Perkhidmatan) Kategori V



Malaysia Productivity
Corporation Membership
Certificate Malaysia
Productivity &
Innovation Class



PIKOM Key Industry
Leader Recognition
Award 2006 / 2007



Our Goal

Total Customer Delight

Our Values

Quality

Teamwork

Innovation

Integrity

People



Company Profile Key Facts

Key Facts

We offer
24 x 7 x 365
operations

We provide services
for over
39 blue-chip
clients

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

Over 41%
of our revenues are
derived from outside
Malaysia

We have over
53 nationalities
working for us

We support
customers in over
39 languages

We have over
17 years
of experience and
track record

We handle over
100 million
customer interactions
annually

We are listed in the
Global Services Top
100 Companies,
consecutively for 6 years

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

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

Nicholas John Lough

@ Sharif Lough Bin Abdullah
Independent Non-Executive Director

Karen Goonting

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

Wong Wai Foong

(MAICSA No.7009745)

Lim Poh Yen

(MAICSA No.7009745)

Registered Office

Scicom (MSC) Berhad

(Company No. 597426-H)

Level 18,
The Gardens North Tower
Mid Valley City
Lingkar 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
Lingkar 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

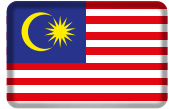
(Listed since 26 September 2005)
Stock Name : SCICOM
Stock Code : 0099

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, 64, 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, Econpile Holdings Berhad and KLCC Holdings Sdn Bhd. He is a non-executive director of Petroliam Nasional Berhad and MISC Berhad.

Dato' Mohd Salleh Bin HJ Harun

Independent Non-Executive Director



Dato' Mohd Salleh bin HJ Harun, 70, 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 is 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 the Deputy Governor of Bank Negara Malaysia between 2000 and 2004. His previous directorships include RHB Bank Berhad, RHB Insurance Berhad (of which he was the Chairman) and RHB Islamic Bank Berhad. His current principal directorships include Malayan Banking Berhad, being the Chairman of Maybank Ageas Holdings Berhad, Etiqa Insurance Bhd, Etiqa Takaful Bhd and Maybank Philippines. He is also a Director of Asia Capital Reinsurance Malaysia Sdn Bhd.

Board Of Directors (Continued)

Leo Ariyanayakam

Non-Independent Executive Director

Leo Ariyanayakam, 51, 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 consecutive years from 2010 to 2013, 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.



Dr. Nikolai Dobberstein

Independent Non-Executive Director



Dr. Nikolai Dobberstein, 48, 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, multi-media 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.



Board Of Directors (Continued)

Loh Lee Soon
Non-Executive Director



Loh Lee Soon, 59, 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 multi-national and Malaysian companies. He is an Independent Director of Etiqa Insurance Berhad, Etiqa Takaful Berhad, Maybank Asset Management Group Berhad, and Maybank International (L) Ltd.

Nicholas John Lough @ Sharif Lough bin Abdullah
Independent Non-Executive Director



Nicholas John Lough, 62, a British Citizen holding Malaysian permanent resident. He was appointed to the Board of Scicom on 14 May 2014. He holds a diploma from the National Association of Goldsmith, London, Great Britain and is a member of the Gemological Association of Great Britain

He has extensive experience in the fields of Corporate Finance and Strategic Planning.

Mr. Lough is currently a Director of GLM REIT Management Sdn Bhd, the manager of Tower Real Estate Investment Trust, and Hong Leong Bank Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad. In addition he is Chairman of Langkawi Yacht Club Berhad and a Director of Royce Pharma Berhad where he also chairs the Audit Committee and Nomination Committee.

Board Of Directors (Continued)

Karen Goonting

Independent Non-Executive Director



Karen Goonting, 52, a Malaysian, was appointed to the Board of Scicom on 14 May 2014. She holds a Bachelor of Law degree from Victoria University of Wellington, New Zealand and a Bachelor of Science (Psychology), University of Upper Iowa, USA. She is a Barrister & Solicitor of the High Court of New Zealand and an Advocate & Solicitor of the High Court of Malaya.

She has over 20 years' of experience in the private sector as a practicing lawyer and thereafter as a consultant to clients in the energy, healthcare, telecommunications and government sectors and 8 years' of experience as a psychologist and senior researcher in the public sector at the Malaysian Institute of Road Safety Research.

As disclosed above the Directors do not have :

- Any family relationship with any Director and/or substantial shareholder of the Company
- Any conflict of interest with the Company, and
- Any conviction for offences within the past 10 (ten) years (other than traffic offences, if any)



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. In 2011, Benny was the recipient of the Malaysia HR leader of the year award.

He has over 23 years of experience with 14 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.

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.

Senior Management Team (Continued)

Jude Mohan

Chief Operating Officer - Education

Jude joined Scicom in 2007 and helms the Scicom Education Group, 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 Services Management space.

Jude has been in the business of product management, strategic marketing, and consumer behaviour with particular interests in consumer morphology and ethnomethodology, for more than 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.

He was recently awarded the silver for 'Services Executive of the Year 2014 – Asia Pacific', by Stevie Awards International, the world's premier business awards. The award was given for his achievements in Services Management education for Scicom (MSC) Berhad.

Jude holds a Masters in Business Administration from Newcastle and is a member of the Customer Experience Management Professionals of USA, and 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.

Senior Management Team (Continued)

Chandima Hemachandra Chief Technology Officer

Chandima joined Scicom in January 2011. He is an information technology professional with over twenty five (25) years of experience, broad based knowledge and skills in implementing large scale and highly technologically complex projects in major financial institutions in UK, Malaysia, 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 and one of the largest insurance service providers in Sri Lanka.

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

In his early years, he worked as a Systems Analyst with British Hartford-Fairmount Engineering, UK. There after he held the positions of Chief Manager ICT at Commercial Bank of Ceylon, the Head of ICT and Banking Operations (Deputy General Manager/CIO) at Hatton National Bank in Sri Lanka and the Head of ICT (CIO) at CfcStanbic Bank, the East African Headquarters of Standard Bank Africa in Nairobi, Kenya.

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



Senior Management Team (Continued)

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 17 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.

Brenda Lisabeth Marshall Senior Vice President – Centre for English Studies

Brenda first joined Scicom in 2006 as Vice President of Scicom (Academy) Sdn Bhd spearheading Academy's business opportunities and the development of customized training solutions and services for both internal and external clientele.

Brenda left the Academy in 2009 and joined AirAsia Academy as Head of Studies. Subsequently in 2012, she was moved to head up the Training and Development department of AirAsia Berhad where she was responsible for the learning and development initiatives across the company. In this role, she also worked on rolling out AirAsia's project to implement e-learning across the Group.

Prior to assuming her current position as Senior Vice President, Centre for English Studies in August 2014, Brenda completed a University of Cambridge CELTA Program in English Teaching at RMIT, Melbourne Australia.

Brenda holds a B.A in Mass Communications, an LLB (University of London) and LLM (University of New South Wales, Australia). She has also garnered extensive experience in marketing, advertising and management from her 25 years of service with the New Straits Times Press (Malaysia) Berhad prior to first joining Scicom in 2006.



Senior Management Team (Continued)

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 multi-national 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.



Jerry Rajendram

Vice-President & Global Head - Scicom Marketing

Jerry joined Scicom in 2003. In his capacity as the 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 to its base of clients. 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 (JWT), Dentsu, Young & Rubicam (DYP) and DraftWorldwide (DWW). Jerry has managed a list of global and regional brands such as Kraft General Foods, Nestle, Salem, Ford, Citroen, Citibank, ASTRO, Kellogs and HSBC. He has won numerous advertising awards regionally and locally. During the last 8 years of his time in advertising, he was involved in the setting up of various integrated marketing arms for JWT, as Associate General Manager and DYP, as General Manager, specialising in relationship marketing.

Prior to joining Scicom, he was the Regional Managing Director of DraftWorldwide. His core responsibility was to re-structure its 11 offices in South East Asia (SEA), transforming them from a direct marketing agency to a main stream advertising group. He was also a member of the Board of Directors for DWW SEA.

Jerry holds a Masters of Science and Bachelor of Science Honour's Degree respectively in Behavioural Science. He also holds an Associate of Arts Degree in Social Sciences and is a life member of UNICEF since 1979.



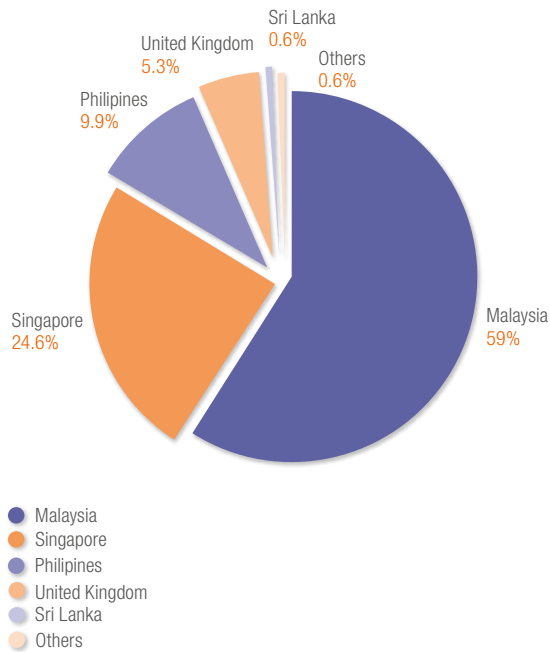
Group Financial Highlights

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
PROFITABILITY (RM'000)				
Operating revenue	160,143	133,844	157,653	125,418
Profit before taxation ("PBT")	22,313	14,653	25,003	17,943
Net profit for the financial year	22,403	14,556	24,874	17,782
Net profit attributable to the owners of the Company	23,202	14,852	24,874	17,782
KEY BALANCE SHEET DATA (RM'000)				
Total assets	84,951	77,641	90,556	79,551
Total liabilities	13,084	7,096	12,292	5,427
Capital and reserves attributable to owners of the Company	71,867	70,545	78,264	74,124
Net cash position	26,765	15,615	25,358	14,921
FINANCIAL RATIOS				
Profitability:				
- Revenue growth (%)	19.6%	2.0%	25.7%	0.1%
- PBT growth (%)	52.3%	8.6%	39.3%	21.1%
- Net profit growth (%)	53.9%	6.9%	39.9%	18.7%
- Basic earnings per share (sen)	7.83	5.01	N/A	N/A
- Diluted earnings per share (sen)	N/A	N/A	N/A	N/A
- Asset turnover (times)	1.89	1.72	1.74	1.58
- Net return on equity (times)	0.31	0.21	0.32	0.24
Liquidity				
- Current (times)	5.42	9.07	5.82	11.44
- Cash over total assets (%)	31.5%	20.1%	28.0%	18.8%
- Trade receivables turnover (months)	2.78	3.42	2.79	3.03
Financing:				
- Debt over equity (times)	-	-	-	-
- Gearing (times)	-	-	-	-
Market Based (as at 30 June) :				
Market capitalisation (RM'000)	319,908	142,181		
Price-earning ratio (times)	13.79	9.57		
Dividend Yield (%)	6.5%	6.2%		
Net Asset Per Share (sen)	24.26	23.82		

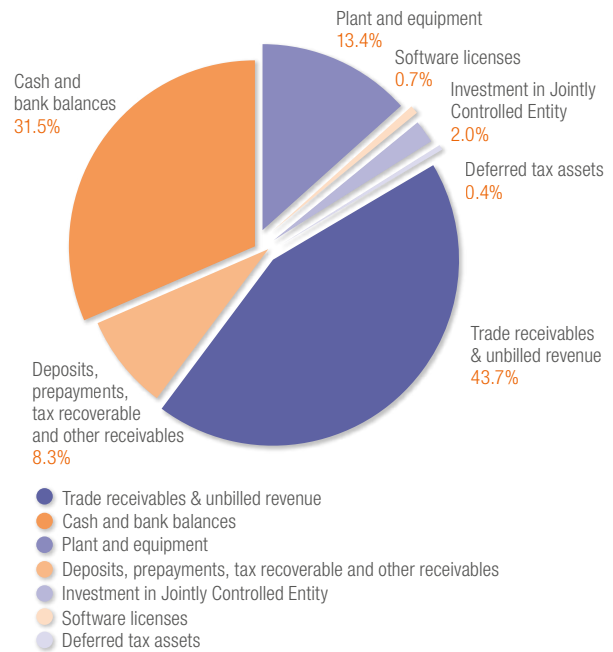


Group Financial Highlights (Continued)

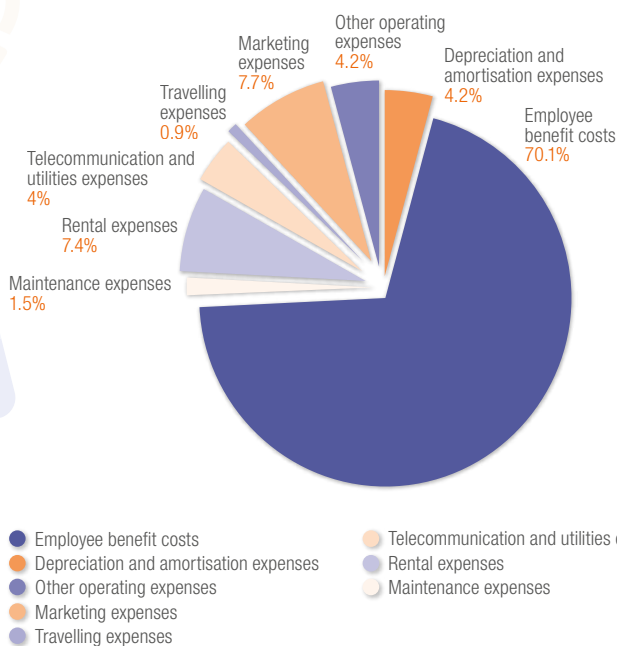
REVENUE BY LOCATION 2014



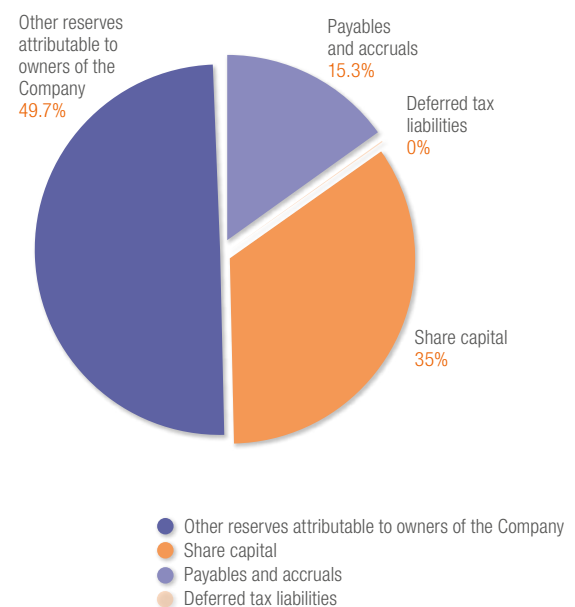
TOTAL ASSETS 2014



OPERATING EXPENSES 2014

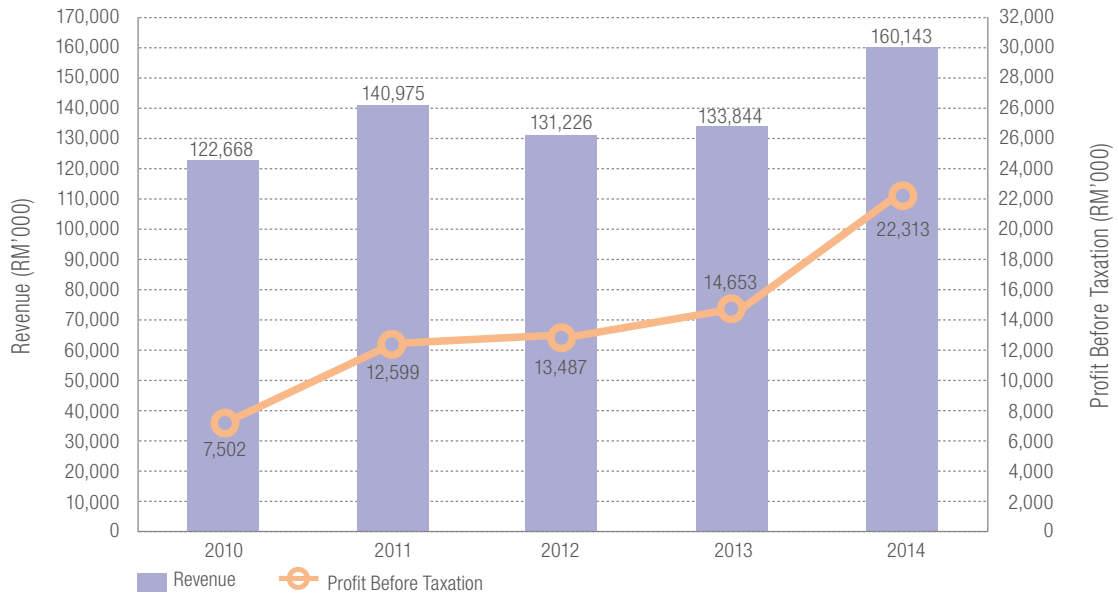


TOTAL LIABILITIES, CAPITAL AND RESERVES 2014

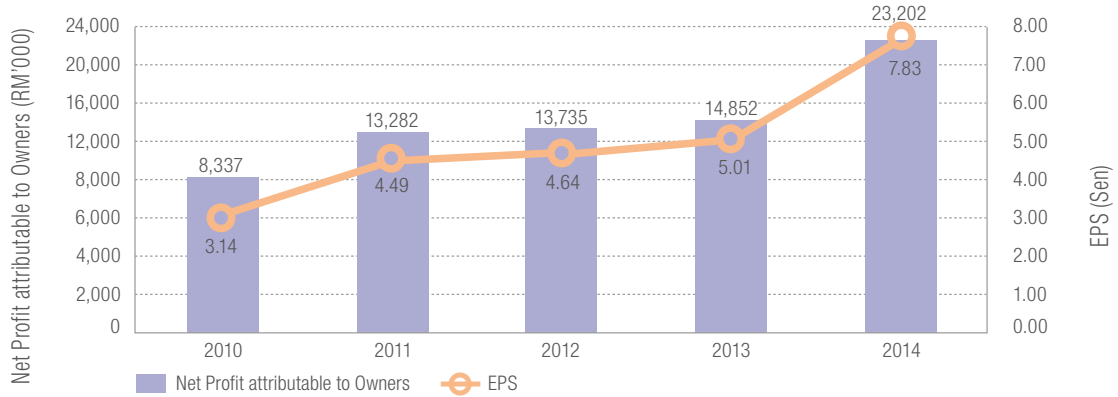


Group Financial Highlights (Continued)

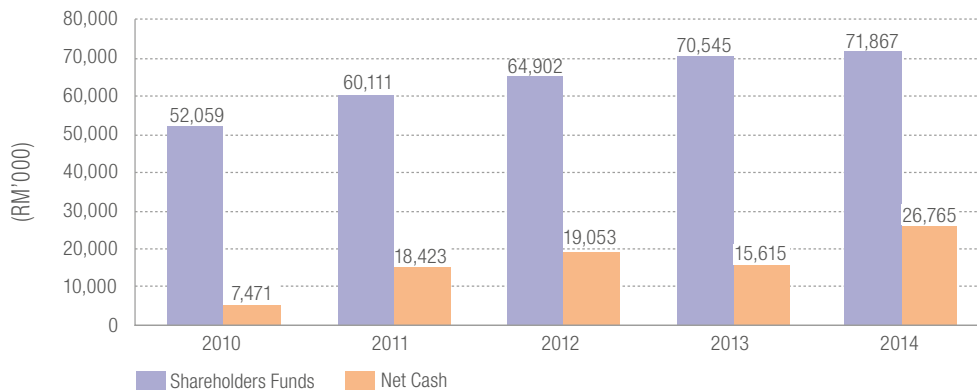
Revenue and Profit Before Taxation



Net Profit attributable to Owners of the Company and EPS



Shareholders' Funds and Net Cash



Chairman's Statement

Dear Shareholders,

In 2014, Scicom progressed in our vision of becoming a leading provider of integrated outsourcing and technology solutions for multi-nationals, local conglomerates and governments. We moved forward in our objective of making the customer experience more attractive and outcome-based for our clients and their customers. We enhanced our ability to deliver increased value to our clients, business partners, employees and shareholders.

For 2014 our revenue grew by 19.65%, profit before tax improved significantly by 52.28% and dividend payments increased by 133.33% as compared with the preceding year.

The market adoption of our integrated suite of service offerings has resulted in strong and robust earnings growth.

Whilst our market presence is strong in Malaysia, over the financial year Scicom has made inroads and expanded our service offerings in Indonesia and Sri Lanka.

Our strategy for 2014 was to deliver profitable growth with a robust, diversified, and integrated customer engagement platform. Our distinct focus on delivering economic value through an integrated customer experience differentiates us in the marketplace. Every aspect of our service offering in customer contact management, education, government services and e-commerce is oriented towards building a strong engagement model and partnership with our clients and their customers across the entire customer lifecycle. Our portfolio of solutions addresses every customer-facing touch point and focuses on acquisition, retention, and value. These three tenets permeate across the business and helps drive and enhance our client's performance in terms of their market penetration and share, ensuring the loyalty and advocacy of their customers and ultimately increasing sales and revenues.

Given the complexities of delivering an extraordinary customer experience across multiple channels in an ever evolving and sophisticated business environment, it is increasingly difficult to create true customer engagement without deploying a holistic approach. Disconnected processes, legacy technology, and ineffective database management are alienating customers and destroying value whilst increasing costs. Our integrated offering helps clients break this vicious cycle and create meaningful and lasting customer relationships.

Our progress in 2014 has validated our confidence in this integrated strategy. To that end we began to invest in technology; client integrated platforms and the front end of our business services delivery. In addition Scicom has begun developing in-house software applications in order to remain innovative and to stay strategically relevant and be ahead of the needs of our client base.

Over the last few years we have enhanced our suite of services and today provide integrated solutions in Customer Contact Management and Associated Fulfilment, Education and Training, Government Outsourcing Services and E-Commerce.

Financial Performance

In FY 2014, 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 encompasses front end, back office and value added processes and services and we have grown revenue from our diversified business segments.

Our ability to deliver these results for our clients, whilst improving our returns to shareholders, continued to be a priority in 2014. The Group's revenue increased to RM160.143 million in FY 2014 as compared to RM133.844 million in FY 2013. New business wins that came to fruition over the financial year contributed to sustaining the increase in Group's revenues.

Importantly, however new business wins with much better margins contributed to our profit before taxation margin improving to 13.93% for this financial year. The Group achieved net earnings before tax of RM22.313 million for this financial year as compared to RM14.653 million for the previous financial year, representing a healthy increase of 52.28%.

Our balance sheet and solid cash flows continue to provide us with the operating flexibility to fund organic growth, explore new business initiatives and provided a healthy dividend of 7 sen for 2014. We completed FY 2014 with RM26.765 million in cash and a zero debt position.

Dividends

Over the FY 2014 the Board recommended four interim dividends in each quarter. The total interim dividends amounted to a dividend pay-out for the FY2014 of 7.0 sen per ordinary share, tax exempt.

These recommendations translated to a dividend pay-out ratio of approximately 89.4% of total profits attributable to the owner of the Company and reflect the Board's continuing commitment towards maintaining a stable dividend pay-out for its shareholders.



Chairman's Statement (Continued)

Focus Areas For Sustainable Growth

To accelerate our progress for FY 2015, we continue to be keenly focused on enhancing our integrated suite of services:

Customer Contact Management Solutions: Our focus will be consolidating our dominant position in Malaysia and growing our business in domestic markets in both Indonesia and Sri Lanka. We will continue to leverage on our deep domain experience across multiple industry verticals, track record and comprehensive suite of services to increase traction in these markets. We will continue to promote our multi-lingual and multi-channel services for multi-national clients that have a customer base in Asia Pacific and beyond.

Education Solutions: Our education solutions are centred on vocational and corporate training primarily in Services Management. The ability to conduct large scale customised training engagements for large corporates and governments set us apart from other providers. We plan to enhance our suite of offerings in the markets we operate in and step up business development for opportunities in selected emerging markets around the world.

Government Services: Governments are increasingly becoming cognizant of the value of outsourcing in order to provide efficiencies and an innovative product suite to their citizens. Our integrated approach to this challenge has resulted in governments in emerging markets in the region talking to us about a myriad series of opportunities as they seek to leverage on our proven ability to scale and innovate in a highly process driven environment.

E-Commerce: As global trends in services move forward in a highly mobile and transactional online environment, our suite of services invariably must include an e-commerce component. To that end we have invested in an in-house capability to provide a comprehensive suite of e-commerce platforms to a discerning client base. Global clients expect us to provide on-line services and support and we are now in a position to do this from both a transactional and social media perspective. E-commerce forms an important part of our government service proposition and we plan to enhance our capability to support these services in tandem to a global client base.

Moving Forward

The Group is as ever, a constantly evolving and innovation-focused organization. With a combination of the right talent, a proven track record, financial strength and a reputation for delivering effectively, the Group undoubtedly has the capability to scale and innovate in the new outsourcing paradigm now emerging for smart and collaborative partnerships with clients.

Our proposition is that every time a customer interacts with us, it is an opportunity to build long-term value and enhance our clients' brand. We bring the people, processes and technology together to make sure that our clients are in a position to achieve just that.

I expect to see Group's revenues and earnings continue to grow for FY 2015 as a healthy pipeline of business prospects start to mature into clients from Malaysia and around the region.

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.

I wish to warmly welcome Nicholas John Lough and Karen Goonting who were appointed as Independent Non-Executive Directors on 14th May 2014 to Scicom.

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



Dear Scicom Shareholders,

Delivering in Financial Year 2014

In fiscal year 2014 Scicom, again; delivered profitable growth; increased revenues; achieved double-digit EPS growth; generated solid cash flow and significantly increased our dividend payments to shareholders.

Here are some highlights:

- We delivered record annual revenues of RM160.143 million. Revenue increased by RM26.299 million or 19.65% in comparison to the preceding financial year.
- We delivered RM22.403 million in net profit - also an all-time high representing an increase of RM7.847 million or 53.91% year on year.
- The net profit margin for the Group is at 13.99% for this financial year as compared to 10.87% in FY 2013.
- Basic Earnings Per Share (EPS) was at a record 7.83 sen, compared with 5.01 sen in the preceding financial year, representing an increase of 56.29%. Compound Annual Growth Rate for the Group's EPS over the last 5 years is 21.32%. Price-Earnings Ratio was at a healthy level of 13.8 times as of 30 June 2014.
- We generated free cash flows of RM31.772 million and maintained a very strong balance sheet, ending the year with RM26.765 million in cash and a zero debt position.
- We continued to return cash to shareholders through our consistent dividend policy. Total dividend payout during the financial year 2014 is 7 sen per ordinary share, tax exempt, resulting in a dividend payout ratio of 89.4% of FY 2014's net profit attributable to owners of the Company.
- Shareholders also saw an increase in their return on investment value as Scicom's share price increased from RM0.48 per share on 1 July 2013 to RM1.08 on 30 June 2014. As a result, market capitalisation for Scicom increased by 125% to RM319.908 million by the end of the FY 2014.
- Since our IPO in 2005, Scicom shares have delivered a compound annual total return to shareholders (including dividends) of 17.5%, 1.4 times the average return for the FBM KLCI over the same period. For the last three fiscal years, our compound annual total return has been 51.83%, 5.40 times above the FBM KLCI of 9.60%. With our continued solid earnings growth, combined with our focus on returning cash to shareholders, we extended our track record of creating exceptional shareholder value through a high dividend payout and by the capital appreciation in the value of their shares.

Client Focused

In FY 2014, we again benefited from our focus on developing and maintaining strong client relationships. Our ability to address our clients' most complex strategic issues and deliver tangible business results has helped us build lasting relationships with many of the world's leading companies. We create unique, cost effective services that meet the individual needs of our clients. We design these services from inception and we also deliver them.

FY 2014 saw continued strong demand for large-scale, transformational projects as client requirements became complex and demanding. Our ability to scale and innovate in terms of people, process and technology make us a viable partner for governments, multi-nationals and local conglomerates in emerging markets around the world.

We expanded our integrated suite of services and extended our capabilities across customer contact management (BPO), education, government services and e-commerce along with associated fulfilment and technology services. Our deep domain understanding of the industries that we operate in, plus our track record allows us to provide highly differentiated, end-to-end solutions to a discerning client base.



Ceo Update (Continued)

Driving growth while mitigating risk

In FY 2014, 41% of our revenue was derived from outside Malaysia and this is expected to rise as we enter into projects in the markets that we operate in. To that end we continue to invest strategically across Scicom to further enhance our ability to differentiate and scale in order to increase our competitiveness.

Our core service offering in BPO has allowed us to scale and drive our other business lines. In FY 2014, we initiated the marketing of our government service delivery model along with large scale vocational training projects in targeted emerging markets. These markets and industries are large and have the potential to grow at rates substantially greater than the growth of Scicom overall. Our business services diversification is in line with our strategy of mitigating risk from a differentiated industry, service and location perspective.

We recently launched Scicom E- Commerce, a new growth platform that integrates our digital assets, software and services across our government services delivery model and includes mobility and analytics to help governments unleash the power of e-commerce through integrated online platforms. Our targeted emerging market strategy is designed to enable governments to enhance their service offerings to citizens while being both cost and process efficient.

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.

Investing in our people

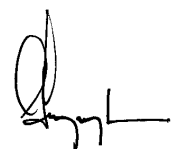
Our people are our most important asset, and we are deeply committed to their ongoing development. In FY2014, we invested approximately RM2.356 million in training and professional development to help ensure that our employees have the skills they need to serve our clients at the highest level.

With over 2,900 employees as of 30th June 2014, 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.

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.

In closing, I want to thank our people around the world for their continued commitment and dedication to serving our clients. I am confident that we are executing the right strategy and making the right investments to win in the marketplace. And I know that by working together and making a difference, the Scicom way, we will continue to deliver value for our clients and our shareholders in the coming financial year.

Thank you for your continued support.



Leo Ariyanayakam
Group Chief Executive Officer

Corporate Milestones

Financial Year 2014 Corporate Milestones & Recognition Events

2013

September

Scicom pays second interim dividend for financial year 2013

November

Scicom held its 11th AGM at Eastin Hotel, Petaling Jaya.

December

Scicom pays first interim dividend for financial year 2014

2014

March

Scicom pays second Interim Dividend for financial year 2014

May

Nicholas John Lough and Karen Goonting are appointed as Independent Non-Executive Directors of Scicom

June

Scicom pays third Interim Dividend for financial year 2014

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 RM300,000 to causes around the world.



One Planet

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



Corporate Social Responsibility Statement

Scicom is committed towards contributing to the development of communities where we operate and in integrating social and environmental concerns in all our business operations on a voluntary basis and in the process to contribute positive impacts to all our stakeholders.

Scicom's business is based on human capital. We need capable and engaged employees who are motivated and proud of working at Scicom to ensure a positive customer experience. We believe, that having sound CSR policies embedded in the way we conduct our business is the best way to motivate our key resource, our employees, and thereby to take care of our customers. If our employees feel safe, satisfied and engaged, our customers will experience the service we deliver in a more positive way.

Furthermore, CSR is becoming increasingly important for our customers as they strive to improve their own business performance and make a positive impact on society. Leading global companies require a consistent CSR performance from their partners, which is increasingly becoming a key factor in winning and retaining contracts with most customers. It is therefore important for us to be able to demonstrate that we understand their CSR goals and are capable of addressing them.

Scicom has continuously been supporting the less fortunate hit by natural disasters by contributing to fund raising campaigns. Scicom employees raised RM50,000 for the Typhoon Haiyan Relief Fund. The contribution collected was forwarded to the Philippines Embassy in Malaysia.

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 every day: 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 and reduce utilisation of paper, electricity, water and office supplies in our daily operations. Employees are encouraged through periodic 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 subsidiaries, Scicom (Academy) Sdn Bhd and Scicom International College 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 2,700 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.

Corporate Social Responsibility Statement

(Continued)

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.



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 Chief Executive Officer (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 (the “ARMC”) and in ensuring the implementation of appropriate measures to manage these risks;
- Reviewing the adequacy and integrity of the Group’s systems of internal control and management information, including ensuring that a sound risk management framework, reporting framework and systems for compliance with applicable laws, regulations, directives and guide lines 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 so as 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 seven (7) members, comprising one (1) Non-Independent Non-Executive Directors, one (1) Non-Independent Executive Director and five (5) 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 12 to 15 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 (the “Group CEO”), and the appointment of separate Board members to hold respective positions in Board committee.

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;

Corporate Governance Statement

(Continued)

- 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 Senior Management Team (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:

- Ensuring that the Company's goals are clearly established and strategies are in place for achieving them;
- Reviewing and approving major corporate strategies, plans and annual budget;
- Monitoring the performance of the corporate strategies;
- Approving capital expenditure, capital management and acquisitions/divestments;
- 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.

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	Chief Executive Officer / Group Executive Director / Non-Independent Executive Director	4 of 4 meetings	100
Dr. Nikolai Dobberstein	Independent Non-Executive Director	3 of 4 meetings	75
Loh Lee Soon	Independent Non-Executive Director	4 of 4 meetings	100
Nicholas John Lough @ Sharif Lough bin Abdullah	Independent Non-Executive Director	1 of 1 meeting	100
Karen Judith Goonting	Independent Non-Executive Director	1 of 1 meeting	100

Corporate Governance Statement

(Continued)

Three meetings were held at the Everest Meeting Room, 25th Floor, Menara TA One, 22 Jalan P. Ramlee, 50250 Kuala Lumpur and one meeting was held at Conference Room, Level 3, Eastin Hotel, 13, Jalan 16/11, Pusat Dagang Seksyen 16, 46350 Petaling Jaya, Selangor Darul Ehsan.

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 (the "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:

Name	Training / Course / Conference Title	Date of attending	Organised By
Krishnan Menon	Breakfast session with Board Chairman Corporate Governance practice	11 September 2013	Bursa Malaysia
	Corporate Integrity Advocacy Programme	28 October 2013	Petronas Nasional Bhd
	KLCCP & KLCCH Director's Training Tax & Corporate Seminar	12 November 2013	Tricor Tax Services Sdn Bhd
	KLCCP & KLCCH Director's Training GST Conference 2014	22 January 2014	Tricor Tax Services Sdn Bhd
	MISC Berhad Directors' Training On Lease Accounting	7 January 2014	MISC Berhad
	Audit Committee Conference 2014 Stepping Up for Better Governance	20 March 2014	The Institute of Internal Auditors Malaysia & Malaysian Institute of Accountants
	Briefing Session on Corporate Governance Guide: Towards Boardroom Excellence	26 March 2014	Bursa Malaysia

Corporate Governance Statement

(Continued)

Name	Training / Course / Conference Title	Date of attending	Organised By
Dato' Mohd Salleh Bin Haji Harun	Annual Risk Workshop 2013: Risk Appetite Setting Workshop	24 July 2013	Malayan Banking Bhd (Corporate Secretarial)
	Board Agenda Series	27 August 2013	PricewaterhouseCoopers
	FIDE Forum : Dialogue on FSA & IFSA	2 Sept 2013	FIDE Forum
	FIDE Forum :Recovery & Resolution Plan (RRP) in F1: Board Leading the Way	9 May 2014	FIDE Forum
	MITI and BNM Engagement Session with Banking Institution	10 June 2014	Bank Negara Malaysia
	Harvard Workshop 2014 Series : Prof Richard Vietor and Assc Prof Diego Comin	17 June 2014	Malayan Banking Bhd (HR)

Name	Training / Course / Conference Title	Date of attending	Organised By
Dr. Nikolai Dobberstein	India Strategy Forum 2013	24-25 September 2013	Speaker at Innovation Strategy Panel, Delhi
	A.T. Kearney Worldwide Partners Meeting	11-14 February 2014	A.T. Kearney
	CII Broadband Summit 2014	19 February 2014	Keynote speaker



Corporate Governance Statement

(Continued)

Name	Training / Course / Conference Title	Date of attending	Organised By
Loh Lee Soon	Managing Talent at Board and Management	1 October 2013 (half day)	Professor Dave Ulrich. ICLIF Leadership & Governance Centre, Bank Negara Malaysia
	Death of Asset Managers	17 October 2013 (half day)	Malaysian Investment Banking Association. Talk by Mr Satyajit Das
	Risk Management and Internal Control: Workshop for Audit Committee	3 June 2014 (1 day)	Bursa Malaysia. Conducted by Wee Hock Kee, Alan Simmonds
	A Comprehensive Talent-based Approach to Board Recruitment	16 June 2014 (half day)	FIDE Forum, ICLIF. Presented by Mr Vibhas Ratanjee, Gallup
	Nominating Committee Programme	17 June 2014 (1 day)	ICLIF Leadership & Governance Centre, jointly with Bursa Malaysia. Presented by Prof Mak Yuen Tee and Mr Chris Bennet

Name	Training / Course / Conference Title	Date of attending	Organised By
Nicholas John Lough @ Sharif Lough bin Abdullah	Driving Key Performance Indicators (KPIs) To Enhance Organizational Performance Training Programme	20 – 21 August 2013	Charismatic Consultancy Sdn Bhd
	Goods & Services Tax	30 May 2014	PricewaterhouseCoopers Taxation Services Sdn Bhd

Name	Training / Course / Conference Title	Date of attending	Organised By
Karen Judith Goonting	Risk management and Internal Control Workshop for Audit Committee Members	5 June 2014	Bursa Malaysia Bhd

Corporate Governance Statement

(Continued)

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 company-level;
- 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;
- The Directors are regularly updated by the Company Secretary 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 Secretary and SMT of the Group; and
- All the Directors, whether collectively as a Board or in their individual capacity, have access to advice and services of the Group's Company Secretary. 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.



Corporate Governance Statement

(Continued)

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 (the "ARMC") composition, terms of reference and summary of activities is included in the Audit and Risk Management Committee Report as set out on pages 45 to 48 of this Annual Report.

- **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee (the "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 Committees.

In compliance with the gender diversity policy on appointment of Directors to the Board, the Company has appointed a lady member to the Board.

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 Dobberstein – 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 Directors 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 2014, 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:

Corporate Governance Statement

(Continued)

Range	Executive	Non-Executive
Below RM50,000	-	2
RM50,000 to 100,000	-	4
RM1,250,000 to 1,300,000	1	-
Total	1	6

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

	Executive	Non-Executive
	RM	RM
Salary and Bonuses	1,253,232	-
Benefits in kind	16,000	-
Fees	-	264,000
Total	1,269,232	264,000

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 the 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 ARMC 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 111 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 ARMC. The scope and results of the ARMC's review are detailed in the Internal Control Statement as set out on pages 41 to 44 of the Annual Report.



Corporate Governance Statement

(Continued)

(iii) Relationship with Auditors

The Group, through the ARMC, has a professional and transparent relationship with both the Group's internal and external auditors. The internal auditors attend all ARMC meetings held on a quarterly basis and the external auditors attend the ARMC meeting twice during the financial year. Disclosure of non-audit fees is included under Additional Compliance Information as set out on page 114 of the Annual Report. Other facets of the relationship between the ARMC and both the internal and external auditors are elaborated in the Audit and Risk Management Committee Report as set out on pages 45 to 48 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 Annual General Meeting (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, operations and activities throughout the financial year.

Statement On Risk Management And Internal Control

The Board of Directors (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 2014.

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 Senior Management Team (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.

In view 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 (the “ARMC”) 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 ARMC as appropriate.



Statement On Risk Management And Internal Control (Continued)

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 ARMC and the 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 (the "ARMC") comprises of three (3) Non-Executive Directors all of whom are Independent Directors.

The Board has empowered the ARMC, 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 ARMC 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. In addition, the ARMC 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 ARMC obtains assurance on the Group's system of risk management and internal controls via quarterly updates from the Group CEO, the CFO, the Risk Officer and both the internal and external auditors.

The details of activities carried out by the ARMC are set out in the Audit and Risk Management Committee Report on pages 45 to 48.

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 RM90,000.

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

Policies And Procedures

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

Code of Business Conduct

The Board has in place a written Code of Business Conduct 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.

Statement On Risk Management And Internal Control (Continued)

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 Group 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 and the ARMC respectively, communicate their views on the controls procedures to the SMT in the following manner:

- On an ad-hoc basis during the Board and the ARMC meetings respectively; and/or
- As and when updates to both the Code or current internal control policies and procedures are tabled to both the Board and the ARMC, 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 the 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

The Group’s Business Continuity Planning (“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 ARMC. 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 ARMC in the form of an Internal Control Memorandum.



Statement On Risk Management And Internal Control (Continued)

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 Group 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 Board's 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 26 August 2014.

Audit And Risk Management Committee Report

The Board of Directors (the “Board”) of Scicom is pleased to present the Audit and Risk Management Committee (the “Committee”) Report for the financial year ended 30 June 2014.

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 Audit and Risk Management Committee Meetings Attended during the Financial Year	Percentage %
Dato' Mohd Salleh Bin Haji 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 12 to 15.

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 Group Chief Executive Officer (the “Group 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.

2. Meetings

(a) Frequency

The Committee shall meet no less than four (4) times a year and as many times as the Committee deems necessary with due notice of issues to be discussed.

Audit And Risk Management

Committee Report (Continued)

(b) Proceedings

At least four (4) 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 meeting 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 fourteen (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.

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

Audit And Risk Management

Committee Report (Continued)

- (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 (3) 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.

Audit And Risk Management

Committee Report (Continued)

- 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 function.
 - 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.
- 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 presentations made and the corrective actions taken by Management in addressing and resolving issues and ensure 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 there to, before recommending their approval and the release of the Group's financial results to Bursa Malaysia to the Board.
- e. 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 2014.

In preparing the financial statements for the financial year ended 30 June 2014, the Directors have:

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

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

The Directors have also taken the necessary steps to ensure that appropriate systems are in place for safeguarding the assets of the Group and for the prevention and detection of fraud and other irregularities. The systems, by their nature, can only provide reasonable and not absolute assurance against material misstatements, loss or fraud.

A Statement by Directors pursuant to Section 169 of the Companies Act, 1965 is set out on page 111 of the Audited Statutory Financial Statements.





Reports And Financial Statements For The Financial Year Ended 30 June 2014

SCICOM (MSC) BERHAD
(Incorporated in Malaysia)

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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 2014.

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. Details of the principal activities of the subsidiaries and joint venture are shown in Note 16 and Note 17 respectively to the financial statements.

FINANCIAL RESULTS

	<u>Group</u> RM	<u>Company</u> RM
Total comprehensive income for the financial year attributable to:		
- Owners of the Company	22,621,990	24,874,261
- Non-controlling interest	(805,752)	-
Total comprehensive income for the financial year	<u>21,816,238</u>	<u>24,874,261</u>

DIVIDENDS

The dividends on ordinary shares paid or declared by the Company since 30 June 2013 were as follows:

	RM
(a) In respect of the financial year ended 30 June 2013, a second interim dividend of 2 sen, tax exempt, per ordinary share, paid on 27 September 2013	5,924,226
(b) In respect of the financial year ended 30 June 2014, a first interim dividend of 1 sen, tax exempt, per ordinary share, paid on 16 December 2013	2,962,113
(c) In respect of the financial year ended 30 June 2014, a second interim dividend of 2 sen, tax exempt, per ordinary share, paid on 21 March 2014	5,924,226
(d) In respect of the financial year ended 30 June 2014, a third interim dividend of 2 sen, tax exempt, per ordinary share, paid on 23 June 2014	5,924,226
	<u>20,734,791</u>

Subsequent to the financial reporting period, on 26 August 2014, the Board of Directors declared a fourth interim dividend of 2 sen, tax exempt, per ordinary share, amounting to RM5,924,226 which is to be paid on 25 September 2014. The financial statements for the financial year ended 30 June 2014 do not reflect the fourth 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 2015.

Directors' Report (Continued)

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

(Resigned on 27 September 2013)

Karen Judith Goonting

(Appointed on 14 May 2014)

Nicholas John Lough @ Sharif Lough bin Abdullah

(Appointed on 14 May 2014)

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 7 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' Report (Continued)

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			At
	1 July 2013	Bought	Disposed	30 June 2014
	'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	34,472	31,517	-	65,989
Dr. Nikolai Dobberstein	1,100	-	-	1,100
Loh Lee Soon	348	-	(50)	298

	Number of ordinary shares of RM0.10 each in the Company			
	At			At
	1 July 2013	Bought		30 June 2014
	'000	'000		'000
Deemed interest in shareholdings				
Krishnan a/l C. K. Menon ¹		47,099	20,000	67,099

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.

Directors' Report (Continued)

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.



Directors' Report (Continued)

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 26 August 2014.

LEO SURESH ARIYANAYAKAM
DIRECTOR

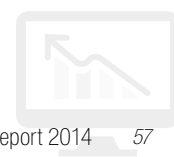
Kuala Lumpur

KRISHNAN A/L C. K. MENON
DIRECTOR

Statements Of Comprehensive Income

For The Financial Year Ended 30 June 2014

		Group		Company	
	Note	2014	2013	2014	2013
		RM	RM	RM	RM
REVENUE	6	160,142,765	133,843,844	157,653,248	125,417,775
OTHER OPERATING INCOME		8,253	9,033	8,253	9,033
		160,151,018	133,852,877	157,661,501	125,426,808
OPERATING EXPENSES					
- Depreciation and amortisation expenses		(5,737,442)	(4,944,843)	(3,863,245)	(3,592,205)
- Employee benefit costs	7	(96,752,980)	(92,970,007)	(92,527,999)	(88,200,445)
- Impairment loss		(149,401)	-	(3,263,405)	(2,825)
- Maintenance expenses		(2,111,585)	(1,466,615)	(1,954,161)	(1,229,861)
- Rental expenses	8	(10,188,318)	(9,934,313)	(7,922,367)	(7,690,025)
- Telecommunication and utilities expenses		(5,536,630)	(4,292,521)	(5,013,597)	(3,707,961)
- Travelling expenses		(1,192,073)	(1,277,718)	(776,561)	(626,994)
- Marketing expenses		(10,679,341)	(89,470)	(10,660,696)	(37,249)
- Other operating expenses		(5,754,586)	(4,649,107)	(7,044,038)	(2,572,686)
		(138,102,356)	(119,624,594)	(133,026,069)	(107,660,251)
PROFIT FROM OPERATIONS		22,048,662	14,228,283	24,635,432	17,766,557
NET FINANCE INCOME/(COSTS)					
Finance income		422,055	176,704	392,488	176,704
Finance costs		(24,720)	(303)	(24,708)	-
	9	397,335	176,401	367,780	176,704
SHARE OF (LOSS)/ PROFIT OF THE JOINT VENTURE	17	(133,081)	247,910	-	-
PROFIT BEFORE TAXATION	10	22,312,916	14,652,594	25,003,212	17,943,261
TAXATION	11	90,246	(96,103)	(128,951)	(161,030)
NET PROFIT FOR THE FINANCIAL YEAR		22,403,162	14,556,491	24,874,261	17,782,231
OTHER COMPREHENSIVE LOSS					
Items that may be subsequently reclassified to profit or loss:					
- Currency translation differences		(586,924)	(27,395)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		21,816,238	14,529,096	24,874,261	17,782,231



Statements Of Comprehensive Income

For The Financial Year Ended 30 June 2014 (Continued)

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
		RM	RM	RM	RM
NET PROFIT FOR THE FINANCIAL YEAR					
ATTRIBUTABLE TO:					
- Owners of the Company		23,201,606	14,852,100	24,874,261	17,782,231
- Non-controlling interest		(798,444)	(295,609)	-	-
		22,403,162	14,556,491	24,874,261	17,782,231
TOTAL COMPREHENSIVE INCOME FOR THE					
FINANCIAL YEAR ATTRIBUTABLE TO:					
- Owners of the Company		22,621,990	14,817,624	24,874,261	17,782,231
- Non-controlling interest		(805,752)	(288,528)	-	-
		21,816,238	14,529,096	24,874,261	17,782,231
Earnings per share:					
- Basic (sen)	12	7.83	5.01		

The above statements of comprehensive income are to be read in conjunction with the notes to the financial statements on pages 67 to 110.

Statements Of Financial Position

As At 30 June 2014

		Group		Company	
	Note	2014	2013	2014	2013
		RM	RM	RM	RM
NON-CURRENT ASSETS					
Plant and equipment	14	11,345,417	13,795,867	8,735,445	10,299,286
Software licences	15	612,299	-	612,299	-
Investment in subsidiaries	16	-	-	9,307,693	6,774,534
Investment in joint venture	17	1,697,363	1,830,444	1	1
Deferred tax assets	23	376,744	411,252	376,744	411,252
Tax recoverable		492,466	-	-	-
		14,524,289	16,037,563	19,032,182	17,485,073
CURRENT ASSETS					
Trade receivables	18	37,120,894	38,139,536	36,668,547	31,690,055
Other receivables	19	6,338,164	6,911,475	4,871,018	5,435,679
Amounts due from subsidiaries	20	-	-	4,626,158	10,002,566
Tax recoverable		202,236	937,543	-	17,121
Cash and cash equivalents	21	26,765,014	15,614,836	25,358,161	14,920,955
		70,426,308	61,603,390	71,523,884	62,066,376
LESS: CURRENT LIABILITY					
Trade and other payables	22	12,997,697	6,792,620	12,292,344	5,427,197
NET CURRENT ASSETS		57,428,611	54,810,770	59,231,540	56,639,179
LESS: NON-CURRENT LIABILITY					
Deferred tax liabilities	23	86,200	303,080	-	-
		86,200	303,080	-	-
NET ASSETS		71,866,700	70,545,253	78,263,722	74,124,252

Statements Of Financial Position

As At 30 June 2014 (Continued)

	<u>Note</u>	<u>2014</u>	<u>Group</u>	<u>2014</u>	<u>Company</u>
		<u>RM</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
			<u>RM</u>	<u>RM</u>	<u>RM</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	24	29,621,130	29,621,130	29,621,130	29,621,130
Share premium reserve	25	1,982,994	1,982,994	1,982,994	1,982,994
Currency translation reserve	25	(1,051,488)	(471,872)	-	-
Retained earnings	25	41,853,260	39,386,445	46,659,598	42,520,128
<hr/>					
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		72,405,896	70,518,697	78,263,722	74,124,252
NON-CONTROLLING INTEREST		(539,196)	26,556	-	-
TOTAL EQUITY		71,866,700	70,545,253	78,263,722	74,124,252

The above statements of financial position are to be read in conjunction with the notes to the financial statements on pages 67 to 110.

Statements Of Changes In Equity

For The Financial Year Ended 30 June 2014

	Attributable to owners of the Company						
	Issued and fully paid ordinary shares of RM0.10 each						
<u>Note</u>	<u>Number of shares</u> unit	<u>Nominal value</u> RM	<u>Share premium reserve</u> RM	<u>Currency translation reserve</u> RM	<u>Retained earnings</u> RM	<u>Non-controlling interest</u> RM	<u>Total equity</u> RM
<u>Group</u>							
Balance as at 1 July 2013	296,211,300	29,621,130	1,982,994	(471,872)	39,386,445	26,556	70,545,253
Currency translation differences, representing total income and expense recognised directly in equity	-	-	-	(579,616)	-	(7,308)	(586,924)
Net profit for the financial year	-	-	-	-	23,201,606	(798,444)	22,403,162
<i>Total comprehensive income for the financial year</i>	-	-	-	(579,616)	23,201,606	(805,752)	21,816,238
Transactions with owners:							
Increase in non-controlling interest arising from additional shares issued	-	-	-	-	-	240,000	240,000
Dividends for financial year ended:							
- 30 June 2013	13	-	-	-	(5,924,226)	-	(5,924,226)
- 30 June 2014	13	-	-	-	(14,810,565)	-	(14,810,565)
<i>Total transactions with owners recognised directly in equity</i>	-	-	-	-	(20,734,791)	240,000	(20,494,791)
Balance as at 30 June 2014	<u>296,211,300</u>	<u>29,621,130</u>	<u>1,982,994</u>	<u>(1,051,488)</u>	<u>41,853,260</u>	<u>(539,196)</u>	<u>71,866,700</u>

Statements Of Changes In Equity

For The Financial Year Ended 30 June 2014 (Continued)

	Attributable to owners of the Company						
	Issued and fully paid ordinary shares of RM0.10 each						
<u>Note</u>	<u>Number of shares</u> unit	<u>Nominal value</u> RM	<u>Share premium reserve</u> RM	<u>Currency translation reserve</u> RM	<u>Retained earnings</u> RM	<u>Non-controlling interest</u> RM	<u>Total equity</u> RM
<u>Group</u>							
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
<i>Total comprehensive income for the financial year</i>	-	-	-	(34,476)	14,852,100	(288,528)	14,529,096
Transactions with owners:							
Dividends for financial year ended:							
- 30 June 2012	13	-	-	-	(5,924,226)	-	(5,924,226)
- 30 June 2013	13	-	-	-	(2,962,113)	-	(2,962,113)
<i>Total transactions with owners, recognised directly in equity</i>	-	-	-	-	(8,886,339)	-	(8,886,339)
Balance as at 30 June 2013	<u>296,211,300</u>	<u>29,621,130</u>	<u>1,982,994</u>	<u>(471,872)</u>	<u>39,386,445</u>	<u>26,556</u>	<u>70,545,253</u>

Statements Of Changes In Equity

For The Financial Year Ended 30 June 2014 (Continued)

	<u>Note</u>	<u>Attributable to owners of the Company</u>				<u>Total equity</u> RM
		<u>Issued and fully paid ordinary shares of RM0.10 each</u>		<u>Non-distributable</u>	<u>Distributable</u>	
		<u>Number of shares</u> unit	<u>Nominal value</u> RM	<u>Share premium reserve</u> RM	<u>Retained earnings</u> RM	
<u>Company</u>						
Balance as at 1 July 2013		296,211,300	29,621,130	1,982,994	42,520,128	74,124,252
Net profit for the financial year		-	-	-	24,874,261	24,874,261
<i>Total comprehensive income for the financial year</i>		-	-	-	24,874,261	24,874,261
Transactions with owners:						
Dividends for financial year ended:						
- 30 June 2013	13	-	-	-	(5,924,226)	(5,924,226)
- 30 June 2014	13	-	-	-	(14,810,565)	(14,810,565)
<i>Total transactions with owners, recognised directly in equity</i>		-	-	-	(20,734,791)	(20,734,791)
Balance as at 30 June 2014		<u>296,211,300</u>	<u>29,621,130</u>	<u>1,982,994</u>	<u>46,659,598</u>	<u>78,263,722</u>

Statements Of Changes In Equity

For The Financial Year Ended 30 June 2014 (Continued)

	Attributable to owners of the Company					
	Issued and fully paid ordinary shares of RM0.10 each		Non- distributable	Distributable		
	Note	Number of shares unit	Nominal value RM	Share premium reserve RM	Retained earnings RM	Total equity 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
<i>Total comprehensive income for the financial year</i>		-	-	-	17,782,231	17,782,231
Transactions with owners:						
Dividends for financial year ended:						
- 30 June 2012	13	-	-	-	(5,924,226)	(5,924,226)
- 30 June 2013	13	-	-	-	(2,962,113)	(2,962,113)
<i>Total transactions with owners, recognised directly in equity</i>		-	-	-	(8,886,339)	(8,886,339)
Balance as at 30 June 2013		<u>296,211,300</u>	<u>29,621,130</u>	<u>1,982,994</u>	<u>42,520,128</u>	<u>74,124,252</u>

The above statements of changes in equity are to be read in conjunction with the notes to the financial statements on pages 67 to 110.

Statements Of Cash Flows

For The Financial Year Ended 30 June 2014

	<u>Group</u>		<u>Company</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit for the financial year	22,403,162	14,556,491	24,874,261	17,782,231
Adjustments for:				
Impairment loss:				
- Investment in subsidiary	-	-	2,128,329	-
- Amounts due from subsidiaries	-	-	985,826	2,825
- Deposits	149,250	-	149,250	-
- Trade receivables	151	-	-	-
Amortisation of software licences	56,456	-	56,456	-
Depreciation of plant and equipment	5,680,986	4,944,843	3,806,789	3,592,205
Loss on disposal of plant and equipment	-	88	-	88
Plant and equipment written off	12,035	1,087	555	541
Finance costs	24,720	303	24,708	-
Finance income	(422,055)	(176,704)	(392,488)	(176,704)
Share of loss/(profit) of the joint venture	133,081	(247,910)	-	-
Unrealised foreign exchange (gain)/loss	(273,989)	(286,946)	196,463	(245,907)
Taxation	(90,246)	96,103	128,951	161,030
Operating profit before changes in working capital	27,673,551	18,887,355	31,959,100	21,116,309
Changes in working capital:				
Trade and other receivables	1,240,321	(6,337,672)	(4,735,145)	(482,588)
Trade and other payables	6,208,966	211,826	6,869,035	(205,092)
Intercompany balances	-	-	1,468,616	(4,022,117)
Cash generated from operating activities	35,122,838	12,761,509	35,561,606	16,406,512
Interest received	422,055	176,704	392,488	176,704
Tax paid/(refund)	151,413	(201,381)	(76,584)	(57,651)
Net cash generated from operating activities	35,696,306	12,736,832	35,877,510	16,525,565

Statements Of Cash Flows

For The Financial Year Ended 30 June 2014 (Continued)

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
		RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Increase in investment in subsidiary		-	-	(560,000)	-
Proceeds from disposal of plant and equipment		54,091	6,600	892	6,600
Purchase of software licences	15	(668,755)	-	(668,755)	-
Purchase of plant and equipment	14	(3,524,924)	(7,387,790)	(2,244,395)	(6,165,013)
Advances to subsidiaries		-	-	(8,492,280)	(4,656,479)
Repayment of advances to subsidiaries		-	-	6,718,704	-
Net cash used in investing activities		(4,139,588)	(7,381,190)	(5,245,834)	(10,814,892)
CASH FLOWS FROM FINANCING ACTIVITIES					
Issuance of shares to non-controlling interest		240,000	-	-	-
Interest paid		(24,720)	(303)	(24,708)	-
Payment of dividends		(20,734,791)	(8,886,339)	(20,734,791)	(8,886,339)
Net cash used in financing activities		(20,519,511)	(8,886,642)	(20,759,499)	(8,886,339)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		11,037,207	(3,531,000)	9,872,177	(3,175,666)
EFFECT OF FOREIGN EXCHANGE MOVEMENT ON CASH AND CASH EQUIVALENTS		112,971	92,283	565,029	187,479
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		15,614,836	19,053,553	14,920,955	17,909,142
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	21	26,765,014	15,614,836	25,358,161	14,920,955

The above statements of cash flows are to be read in conjunction with the notes to the financial statements on pages 67 to 110.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014

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. Details of the principal activities of the subsidiaries and joint venture are shown in Note 16 and Note 17 respectively 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 have been prepared under the historical cost convention except as disclosed in the summary of significant accounting policies in Note 3 to the financial statements.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting 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.



Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

2 BASIS OF PREPARATION (CONTINUED)

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

The new accounting standards, amendments and improvements to published standards and interpretations that are effective for the Group and Company's financial year beginning on or after 1 July 2013 are as follows:

- MFRS 10 'Consolidated Financial Statements'
- MFRS 11 'Joint Arrangements'
- MFRS 12 'Disclosures of Interests in Other Entities'
- MFRS 13 'Fair Value Measurement'
- The revised MFRS 127 'Separate Financial Statements'
- The revised MFRS 128 'Investments in Associates and Joint Ventures'
- Amendment to MFRS 119 'Employee Benefits'
- Amendment to MFRS 7 'Financial Instruments: Disclosures'
- Amendments to MFRS 10, 11 & 12 'Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance'
- Annual improvements 2009 – 2011 Cycle

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 amendments to MFRS 136 'Impairment of Assets' removed certain disclosures of the recoverable amount of CGUs which had been included in MFRS 136 by the issuance of MFRS 13. The amendment is not mandatory for the Group and the Company until 1 July 2014, however the Group and the Company have decided to early adopt the amendment as of 1 July 2013.

(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 full list of standards, amendments and interpretations which are effective for annual periods beginning after 1 July 2013 are set out below:

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

- Amendments to MFRS 132 'Offsetting Financial Assets and Financial Liabilities'
- Amendments to MFRS 10, MFRS 12 & MFRS 127 'Investment Entities'
- Amendments to MFRS 139 'Novation of Derivatives and Continuation of Hedge Accounting'
- IC Interpretation 21 'Levies'

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

- Annual Improvements to MFRSs 2010-2012 Cycle (Amendments to MFRS 2 'Share-based Payment', MFRS 3 'Business Combinations', MFRS 8 'Operating Segments', MFRS 13 'Fair Value Measurement', MFRS 116 'Property, Plant and Equipment', MFRS 124 'Related Party Disclosures' & MFRS 138 'Intangible Assets')
- Annual Improvements to MFRSs 2011-2013 Cycle (Amendments to MFRS 1 'First-time Adoption of Financial Reporting Standards', MFRS 3 'Business Combinations', MFRS 13 'Fair Value Measurement' & MFRS 140 'Investment Property')
- Amendments to MFRS 119 'Defined Benefits Plans: Employee Contribution'

(iii) Effective date yet to be determined by Malaysian Accounting Standards Board

- MFRS 9 Financial Instruments 'Classification and Measurement of Financial Assets and Financial Liabilities'

The impact of the new accounting standards, amendments and improvements to published standards and interpretations on the financial statements of the Group and the Company is not expected to be material.

The remaining standards, amendments to published standards and interpretations that are issued but not yet effective are not applicable to the Group and the Company's operations.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

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 and joint ventures

In the Company's separate financial statements, investment in subsidiaries and joint ventures are carried 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 (f) on impairment of non-financial assets.

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

The amounts due from subsidiaries of which the Company does not expect repayment in the foreseeable future are considered as part of the Company's investments in the subsidiaries.

(b) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases. 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. Acquisition-related costs are expensed as incurred. The cost of acquisition is measured as fair value of assets and liabilities incurred or assumed, 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.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.



Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Joint arrangements (continued)

The Group's interest in a joint venture is accounted for in the financial statements by the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

(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. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

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%
Office renovations	33 1/3% - 50%
Motor vehicles	20%
Educational manuals	33 1/3%

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.

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 (f) on impairment of non-financial assets.

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

(e) Software licences

Acquired software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight line basis over their estimated useful lives, which are between three to five years.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

(g) 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.

Loans and receivables

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

(ii) Recognition and initial measurement

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

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

(iii) Subsequent measurement – gains and losses

Loans and receivables and held-to-maturity financial assets are subsequently carried at amortised cost using the effective interest method.



Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial assets (continued)

(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.

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.

(v) De-recognition

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

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

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

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) 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.

(i) 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.

(j) 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.

(k) 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.

(l) Cash and cash equivalents

For the purposes of the statements of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. 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.



Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Share capital

(i) Classification

Ordinary shares with discretionary dividends are classified as equity.

(ii) Share issue costs

External costs directly attributable to the issue of new shares are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. Other share issue costs are charged to profit or loss.

(iii) Dividends to owners of the Company

Distributions to holders of an equity instrument are recognised directly in equity and the corresponding liability is recognised in the period in which the dividends are approved.

(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 and after eliminating sales within the Group.

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

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

(i) Sales of services

Revenue from the provision of customer contact centre services is recognised upon services is rendered.

(ii) Other operating income

Other operating income comprises income earned on other services.

(iii) Finance income

Interest income is recognised using the effective interest method.

(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.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Employee and post-employment benefits (continued)

(ii) Post-employment benefits

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior 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.

(p) Income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxation is recognised, 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 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.

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 or unused tax credits can be utilised.

Deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the parent and joint venturer and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the joint venturer is unable to control the reversal of the temporary difference for joint ventures. Only where there is an agreement in place that gives the joint venturer the ability to control the reversal of the temporary difference, a deferred tax liability is not recognised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.



Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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 Group Chief Executive Officer monitors in making financial and operational decisions. These components are identified on the bases of internal reports that the Group Chief Executive Officer reviews regularly in assessing their performance and allocating of resources.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements 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.

(b) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the reporting date is disclosed in Note 18.

(c) Impairment of investments in subsidiaries

The Company assesses impairment of the investments mentioned in Note 16 to the financial statements whenever the events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable i.e. the carrying amount of the investment is more than the recoverable amount.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(c) Impairment of investments in subsidiaries (continued)

Projected future cash flows are based on the Company's judgements in terms of assessing future uncertain parameters such as estimated revenue growth, operating costs, margins, future inflationary figures, appropriate discount rates and other available information. These judgements are based on the historical track record and expectations of future events that are believed to be reasonable under the current circumstances.

The assumptions used, results and conclusion of the impairment assessment are disclosed in Note 16 to the financial statements.

(d) Consolidation of Scicom Lanka (Private) Limited ("SLPL")

The Company holds 70% shareholding in SLPL, with the remaining 30% shareholding held by a third party. The Directors consider that the Company has control over SLPL even though unanimous resolution of the Board of Directors of SLPL is required for decisions in relation to SLPL's significant matters. This is because in the event of a deadlock situation if both parties are not able to agree on decision by nominating an Officer each, then the ultimate decision will be made by the Chairman who is appointed by the Company.

The Directors have assessed and concluded that there are no barriers that might prevent the Chairman from exercising its right in a deadlock situation and in directing SLPL's activities to affect the Company's returns from its investment in SLPL. Hence, the right held by the Company via the deadlock provision is substantive to the extent of giving it control over SLPL.

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.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

5 SEGMENT REPORTING (CONTINUED)

(a) Operating segments (continued)

For the financial year ended 30 June 2014

	Outsourcing services	Training and consulting	Adjustments and eliminations**	Total
	RM	RM	RM	RM
External revenue	159,062,020	1,080,745	-	160,142,765
Inter segment revenue	-	1,633,500	(1,633,500)	-
Total revenue	159,062,020	2,714,245	(1,633,500)	160,142,765
Segment results	29,901,902	(2,124,051)	-	27,777,851
Unallocated income/other gains				8,253
Operating profit				27,786,104
Finance income				422,055
Finance costs				(24,720)
Depreciation and amortisation expenses				(5,737,442)
Share of loss of the joint venture (net of tax)				(133,081)
Profit before taxation				22,312,916
Taxation				90,246
Net profit for the financial year				22,403,162

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

5 SEGMENT REPORTING (CONTINUED)

(a) Operating segments (continued)

As at 30 June 2014

	<u>Outsourcing services</u>	<u>Training and consulting</u>	<u>Adjustments and eliminations**</u>	<u>Total</u>
	RM	RM	RM	RM
Segment assets	69,315,159	859,696	(13,062,981)	57,111,874
Unallocated assets:				
- Deferred tax assets				376,744
- Tax recoverable				694,702
- Cash and cash equivalents				26,765,014
- Others				2,263
Total assets				<u>84,950,597</u>
Segment liabilities	25,364,920	4,502,796	(16,873,892)	12,993,824
Unallocated liabilities				90,073
Total liabilities				<u>13,083,897</u>

For the financial year ended 30 June 2014

	<u>Outsourcing services</u>	<u>Training and consulting</u>	<u>Adjustments and eliminations**</u>	<u>Total</u>
	RM	RM	RM	RM
Capital expenditure	4,166,722	26,957	-	4,193,679
Depreciation and amortisation expenses	5,159,975	216,914	360,553	5,737,442
Significant non-cash expenses:				
- Impairment loss	3,263,557	-	(3,114,156)	149,401
- Unrealised foreign exchange loss/(gain)	207,812	18,818	(500,619)	(273,989)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

** In relation to consolidation adjustments.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

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				19,173,126
Finance income				176,704
Finance costs				(303)
Depreciation and amortisation expenses				(4,944,843)
Share of profit of the joint venture (net of tax)				247,910
Profit before taxation				14,652,594
Taxation				(96,103)
Net profit for the financial year				14,556,491

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

5 SEGMENT REPORTING (CONTINUED)

(a) Operating segments (continued)

As at 30 June 2013

	<u>Outsourcing services</u>	<u>Training and consulting</u>	<u>Adjustments and eliminations**</u>	<u>Total</u>
	RM	RM	RM	RM
Segment assets	68,118,035	1,090,876	(8,533,634)	60,675,277
Unallocated assets				
- Deferred tax assets				411,252
- Tax recoverable				937,543
- Cash and cash equivalents				15,614,836
- Others				2,045
Total assets				<u><u>77,640,953</u></u>
Segment liabilities	15,038,209	3,057,111	(11,305,531)	6,789,789
Unallocated liabilities				305,911
Total liabilities				<u><u>7,095,700</u></u>

For the financial year ended 30 June 2013

	<u>Outsourcing services</u>	<u>Training and consulting</u>	<u>Adjustments and eliminations**</u>	<u>Total</u>
	RM	RM	RM	RM
Capital expenditure	7,640,094	29,240	(281,544)	7,387,790
Depreciation and amortisation expenses	4,139,577	512,890	292,376	4,944,843
Significant non-cash expenses:				
- Unrealised foreign exchange gain	(163,096)	-	(123,850)	(286,946)

** In relation to consolidation adjustments.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

5 SEGMENT REPORTING (CONTINUED)

(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 **	
	2014	2013	2014	2013
	RM	RM	RM	RM
Malaysia *	94,474,538	69,037,227	11,153,584	12,841,915
Singapore	39,325,558	52,004,749	-	-
Philippines	15,920,988	-	-	-
United Kingdom	8,531,897	8,732,753	-	-
United States of America	-	3,231,791	-	-
Sri Lanka	895,839	113,628	1,154,610	1,459,145
Indonesia	512,933	157,421	1,346,294	1,324,049
Others	481,012	566,275	591	1,202
	160,142,765	133,843,844	13,655,079	15,626,311

* Group's home country.

** Represents non-current assets other than financial instruments, tax recoverable and deferred tax assets.

6 REVENUE

Revenue represents the following types of services rendered:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Outsourcing services	159,062,020	124,477,796	157,653,248	125,417,775
Training and consultancy	1,080,745	9,366,048	-	-
	160,142,765	133,843,844	157,653,248	125,417,775

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

7 EMPLOYEE BENEFIT COSTS

	<u>Group</u>		<u>Company</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Salaries and bonuses	81,263,142	77,411,625	77,680,720	73,498,626
Defined contribution plans	6,676,005	7,180,731	6,278,443	6,635,116
Other employee benefits	6,748,382	6,829,235	6,503,642	6,519,974
Staff welfare	548,219	488,590	547,962	486,903
	95,235,748	91,910,181	91,010,767	87,140,619
Directors' remuneration:				
- Salaries and bonuses	1,253,232	812,326	1,253,232	812,326
- Fees	264,000	247,500	264,000	247,500
	96,752,980	92,970,007	92,527,999	88,200,445

The estimated monetary value of benefits-in-kind receivable by a Director of the Group and the Company during the financial year amounted to RM16,000 (2013: RM24,600).

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

Executive Director

Leo Suresh Ariyanayakam

Non-executive Directors

Krishnan a/I C. K. Menon

Dato' Mohd Salleh bin Hj. Harun

Dr. Nikolai Dobberstein

Loh Lee Soon

Suranto Paruhum Natigor Sitorus

Karen Judith Goonting

Nicholas John Lough @ Sharif Lough bin Abdullah

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

7 EMPLOYEE BENEFIT COSTS (CONTINUED)

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Executive Director:				
- Salaries and bonuses	1,253,232	812,326	1,253,232	812,326
- Estimated monetary value of benefits-in-kind	16,000	24,600	16,000	24,600
	1,269,232	836,926	1,269,232	836,926
Non-executive Directors:				
- Fees	264,000	247,500	264,000	247,500
	1,533,232	1,084,426	1,533,232	1,084,426

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.

8 RENTAL EXPENSES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Rental:				
- Apartments	649,962	705,315	602,250	669,448
- Offices	9,372,615	9,083,329	7,226,462	6,885,439
- Office equipment	31,275	23,173	27,020	19,642
- Others	134,466	122,496	66,635	115,496
	10,188,318	9,934,313	7,922,367	7,690,025

9 NET FINANCE INCOME/(COSTS)

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Finance income:				
- Fixed deposit	422,055	176,704	392,488	176,704
Finance costs:				
- Others	(24,720)	(303)	(24,708)	-
	397,335	176,401	367,780	176,704

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

10 PROFIT BEFORE TAXATION

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Auditors' remuneration:				
- Fees for statutory audit				
- PricewaterhouseCoopers, Malaysia	166,640	147,550	125,000	123,400
- Other auditors	9,068	1,569	-	-
- Fees for other services				
- PricewaterhouseCoopers, Malaysia	50,000	40,217	41,000	23,200
Depreciation of plant and equipment	5,680,986	4,944,843	3,806,789	3,592,205
Amortisation of software licences	56,456	-	56,456	-
Directors' fees	264,000	247,500	264,000	247,500
Foreign exchange (gain)/loss:				
- Realised	(993,832)	(169,881)	(985,223)	(170,695)
- Unrealised	(273,989)	(286,946)	196,463	(245,907)
Loss on disposal of plant and equipment	-	88	-	88
Immigration expenses	1,021,444	688,668	1,005,832	679,606
Impairment loss on:				
- Investment in subsidiary	-	-	2,128,329	-
- Amounts due from subsidiaries	-	-	985,826	2,825
- Deposits	149,250	-	149,250	-
- Trade receivables	151	-	-	-
Marketing expenses	10,679,341	89,470	10,660,696	37,249
Office supplies expenses	974,842	882,551	875,402	615,599
Other professional fees	372,971	377,504	147,870	85,673
Plant and equipment written off	12,035	1,087	555	541
Recruitment expenses	144,515	282,731	141,646	161,955
Security service	422,891	327,823	365,814	327,317
Software integration and support services	3,079,069	311,734	3,079,069	214,774
Staff training expenses	-	-	1,633,500	-

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

11 TAXATION

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Income tax:				
Current financial year:				
- Malaysian tax	90,780	40,530	94,443	40,530
- Foreign tax	1,346	23,927	-	-
	92,126	64,457	94,443	40,530
Deferred taxation (Note 23):				
Relating to temporary differences	(182,372)	31,646	34,508	120,500
	(90,246)	96,103	128,951	161,030

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

The Malaysian current income tax is calculated at the statutory tax rate of 25% (2013: 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 2014, the amount of unused tax losses for the Group was RM2,506,301 (2013: RM569,912). 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	
	2014	2013	2014	2013
	%	%	%	%
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	13	11	11	2
- Income not subject to tax	(40)	(32)	(36)	(26)
- Deferred tax on current year losses not recognised	2	-	-	-
- Utilisation of previously unrecognised tax losses	-	(3)	-	-
Average effective tax rate	-	1	-	1

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

12 EARNINGS PER SHARE

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	
	2014	2013
Net profit for the financial year attributable to owners of the Company (RM'000)	23,202	14,852
Weighted average number of issued ordinary shares ('000)	296,211	296,211
Basic earnings per share (sen)	7.83	5.01

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

13 DIVIDENDS

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

	2014		2013	
	Gross dividend per share	Amount of dividend, tax exempt	Gross dividend per share	Amount of dividend, tax exempt
	sen	RM	sen	RM
First interim dividends paid in respect of the financial years ended:				
- 30 June 2014	1.0	2,962,113	-	-
- 30 June 2013	-	-	1.0	2,962,113
Second interim dividends paid in respect of the financial years ended:				
- 30 June 2014	2.0	5,924,226	-	-
- 30 June 2013	2.0	5,924,226	-	-
- 30 June 2012	-	-	1.0	2,962,113
Third interim dividend paid in respect of the financial year ended:				
- 30 June 2014	2.0	5,924,226	-	-
Final dividend paid in respect of the financial year ended:				
- 30 June 2012	-	-	1.0	2,962,113
	7.0	20,734,791	3.0	8,886,339

Subsequent to the financial reporting period, on 26 August 2014, the Board of Directors declared a fourth interim dividend of 2 sen, tax exempt, per ordinary share, amounting to RM5,924,226 which is to be paid on 25 September 2014. The financial statements for the financial year ended 30 June 2014 do not reflect the fourth 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 2015.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

14 PLANT AND EQUIPMENT

	As at 1 July 2013	Additions	Write offs	Disposals	Reclassification	Currency translation differences	As at 30 June 2014
	RM	RM	RM	RM	RM	RM	RM
<u>2014</u>							
<u>Group</u>							
<u>At cost</u>							
Furniture and fittings	4,355,971	656,299	(1,057)	(89,156)	66,371	(65,566)	4,922,862
Office equipment and computers	37,642,364	2,407,152	(251,582)	(992,302)	643,956	(88,986)	39,360,602
Telecommunications equipment	9,156,609	9,808	-	(300,963)	-	(6,120)	8,859,334
Office renovations	9,127,867	451,665	(275)	(63,397)	-	(137,720)	9,378,140
Motor vehicles	934,646	-	-	-	-	-	934,646
Educational manuals	1,392,013	-	-	-	-	-	1,392,013
Capital work in progress	710,327	-	-	-	(710,327)	-	-
	<u>63,319,797</u>	<u>3,524,924</u>	<u>(252,914)</u>	<u>(1,445,818)</u>	<u>-</u>	<u>(298,392)</u>	<u>64,847,597</u>

	As at 1 July 2013	Charge for the financial year	Write offs	Disposals	Reclassification	Currency translation differences	As at 30 June 2014
	RM	RM	RM	RM	RM	RM	RM
<u>2014</u>							
<u>Group</u>							
<u>Accumulated depreciation</u>							
Furniture and fittings	2,798,723	546,486	(1,057)	(79,149)	(56,728)	(9,573)	3,198,702
Office equipment and computers	29,116,786	3,356,504	(239,708)	(950,960)	56,728	(13,444)	31,325,906
Telecommunications equipment	8,704,926	129,086	-	(300,963)	-	(784)	8,532,265
Office renovations	6,783,168	1,552,818	(114)	(60,655)	-	(46,329)	8,228,888
Motor vehicles	728,314	96,092	-	-	-	-	824,406
Educational manuals	1,392,013	-	-	-	-	-	1,392,013
	<u>49,523,930</u>	<u>5,680,986</u>	<u>(240,879)</u>	<u>(1,391,727)</u>	<u>-</u>	<u>(70,130)</u>	<u>53,502,180</u>

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

14 PLANT AND EQUIPMENT (CONTINUED)

	As at 1 July 2012	Additions	Write offs	Disposals	Reclassification	Currency translation differences	As at 30 June 2013
	RM	RM	RM	RM	RM	RM	RM
<u>2013</u>							
<u>Group</u>							
<u>At cost</u>							
Furniture and fittings	3,445,352	377,461	(2,389)	(11,400)	542,768	4,179	4,355,971
Office equipment and computers	32,815,731	4,667,618	(57,330)	(71,160)	281,867	5,638	37,642,364
Telecommunications equipment	8,942,854	213,322	-	-	-	433	9,156,609
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
	<u>56,055,434</u>	<u>7,387,790</u>	<u>(61,732)</u>	<u>(82,560)</u>	<u>-</u>	<u>20,865</u>	<u>63,319,797</u>

	As at 1 July 2012	Charge for the financial year	Write offs	Disposal	Currency translation differences	As at 30 June 2013
	RM	RM	RM	RM	RM	RM
<u>2013</u>						
<u>Group</u>						
<u>Accumulated depreciation</u>						
Furniture and fittings	2,444,104	362,314	(1,544)	(6,650)	499	2,798,723
Office equipment and computers	26,830,515	2,370,345	(57,088)	(27,836)	850	29,116,786
Telecommunications equipment	8,112,488	592,389	-	-	49	8,704,926
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
	<u>44,670,171</u>	<u>4,944,843</u>	<u>(60,645)</u>	<u>(34,486)</u>	<u>4,047</u>	<u>49,523,930</u>

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

14 PLANT AND EQUIPMENT (CONTINUED)

	As at 1 July 2013	Additions	Write offs	Disposals	Reclassification	As at 30 June 2014
	RM	RM	RM	RM	RM	RM
<u>2014</u>						
<u>Company</u>						
<u>At cost</u>						
Furniture and fittings	2,578,157	348,756	(1,057)	(67,343)	-	2,858,513
Office equipment and computers	29,804,676	1,571,028	(238,835)	(897,698)	808,281	31,047,452
Telecommunications equipment	5,634,216	9,808	-	(300,963)	-	5,343,061
Office renovations	5,621,918	314,803	-	-	-	5,936,721
Motor vehicles	865,621	-	-	-	-	865,621
Capital work in progress	808,281	-	-	-	(808,281)	-
	<u>45,312,869</u>	<u>2,244,395</u>	<u>(239,892)</u>	<u>(1,266,004)</u>	<u>-</u>	<u>46,051,368</u>

	As at 1 July 2013	Charge for the financial year	Write offs	Disposals	As at 30 June 2014
	RM	RM	RM	RM	RM
<u>2014</u>					
<u>Company</u>					
<u>Accumulated depreciation</u>					
Furniture and fittings	2,131,614	229,542	(1,057)	(67,343)	2,292,756
Office equipment and computers	22,014,841	2,792,006	(238,280)	(896,806)	23,671,761
Telecommunications equipment	5,295,523	131,884	-	(300,963)	5,126,444
Office renovations	4,912,316	557,265	-	-	5,469,581
Motor vehicles	659,289	96,092	-	-	755,381
	<u>35,013,583</u>	<u>3,806,789</u>	<u>(239,337)</u>	<u>(1,265,112)</u>	<u>37,315,923</u>

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

14 PLANT AND EQUIPMENT (CONTINUED)

	As at 1 July 2012	Additions	Write offs	Disposals	As at 30 June 2013
	RM	RM	RM	RM	RM
<u>2013</u>					
<u>Company</u>					
<u>At cost</u>					
Furniture and fittings	2,541,147	49,670	(1,260)	(11,400)	2,578,157
Office equipment and computers	25,477,856	4,399,670	(1,690)	(71,160)	29,804,676
Telecommunications equipment	5,454,645	179,571	-	-	5,634,216
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
	<u>39,235,379</u>	<u>6,165,013</u>	<u>(4,963)</u>	<u>(82,560)</u>	<u>45,312,869</u>

	As at 1 July 2012	Charge for the financial year	Write offs	Disposals	As at 30 June 2013
	RM	RM	RM	RM	RM
<u>2013</u>					
<u>Company</u>					
<u>Accumulated depreciation</u>					
Furniture and fittings	1,902,851	236,374	(961)	(6,650)	2,131,614
Office equipment and computers	19,700,296	2,343,829	(1,448)	(27,836)	22,014,841
Telecommunications equipment	5,092,046	203,477	-	-	5,295,523
Office renovations	4,199,883	712,433	-	-	4,912,316
Motor vehicles	565,210	96,092	(2,013)	-	659,289
	<u>31,460,286</u>	<u>3,592,205</u>	<u>(4,422)</u>	<u>(34,486)</u>	<u>35,013,583</u>

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

14 PLANT AND EQUIPMENT (CONTINUED)

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
<u>Net book value</u>				
Furniture and fittings	1,724,160	1,557,248	565,757	446,543
Office equipment and computers	8,034,696	8,525,578	7,375,691	7,789,835
Telecommunications equipment	327,069	451,683	216,617	338,693
Office renovations	1,149,252	2,344,699	467,140	709,602
Motor vehicles	110,240	206,332	110,240	206,332
Educational manuals	-	-	-	-
Capital work in progress	-	710,327	-	808,281
	<u>11,345,417</u>	<u>13,795,867</u>	<u>8,735,445</u>	<u>10,299,286</u>

15 SOFTWARE LICENCES

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
<u>Cost</u>				
As at 1 July	-	-	-	-
Addition	668,755	-	668,755	-
As at 30 June	<u>668,755</u>	<u>-</u>	<u>668,755</u>	<u>-</u>
<u>Accumulated amortisation</u>				
As at 1 July	-	-	-	-
Charge for the financial year	56,456	-	56,456	-
As at 30 June	<u>56,456</u>	<u>-</u>	<u>56,456</u>	<u>-</u>
Net book value	<u>612,299</u>	<u>-</u>	<u>612,299</u>	<u>-</u>

Software licences relates to licences purchased that are not integral to any plant and equipment.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

16 INVESTMENT IN SUBSIDIARIES

	Company	
	2014	2013
	RM	RM
Unquoted shares at cost	2,678,055	2,118,055
Advances to subsidiaries	8,757,967	4,656,479
	11,436,022	6,774,534
Less: Impairment loss	(2,128,329)	-
	9,307,693	6,774,534

On 1 October 2013, the issued and paid up share capital of Scicom International College Sdn. Bhd. was increased from RM200,000 to RM1,000,000 by way of allotment and issuance of 800,000 new ordinary shares of RM1.00 each at par value, of which 560,000 new ordinary shares were subscribed by the Company.

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

Details of the subsidiaries are as follows:

<u>Name</u>	<u>Group's effective interest</u>		<u>Principal activities</u>
	<u>2014</u>	<u>2013</u>	
	%	%	
<u>Subsidiaries of the Company</u>			
<u>Incorporated in Malaysia</u>			
Scicom (Academy) Sdn. Bhd.*	100	100	Provides customer service training products as well as contact centre consulting and marketing services.
Scicom International College Sdn. Bhd. *	70	70	Provides higher educational courses and academic training certification.
<u>Incorporated in India</u>			
Scicom Contact Centre Services Private Limited^	100	100	Dormant.
<u>Incorporated in the United Kingdom</u>			
Scicom International (UK) Ltd.^	100	100	Investment holding.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

16 INVESTMENT IN SUBSIDIARIES (CONTINUED)

<u>Name</u>	<u>Group's effective interest</u>		<u>Principal activities</u>
	<u>2014</u>	<u>2013</u>	
	<u>%</u>	<u>%</u>	
<u>Subsidiaries of the Company</u> (continued)			
<u>Incorporated in the United States of America</u>			
<u>Subsidiary of Scicom International (UK) Ltd.</u>			
Scicom Inc.^	100	100	Dormant.
<u>Incorporated in Indonesia</u>			
PT Scicom Indonesia^	100	100	Provides customer contact centre outsourcing services.
<u>Incorporated in Sri Lanka</u>			
Scicom Lanka (Private) Limited**	70	70	Provides customer contact centre outsourcing services.

* Audited by PricewaterhouseCoopers, Malaysia.

** Audited by a firm other than PricewaterhouseCoopers, Malaysia.

^ Not required by their local laws to appoint statutory auditors.

Non-controlling interests are not material to the Group.

Impairment assessment of investment in a subsidiary

During the financial year, the Company had undertaken the test of impairment of its investment in a subsidiary following an impairment indicator arising from accumulated losses incurred by the subsidiary. The recoverable amount is based on a number of key assumptions as follows:

- The value in use is calculated using the budgeted cash flows of the subsidiary for five years from 2015 to 2019; and
- The discount rate used to calculate the value in use is 26.85%.

Based on the impairment test performed, the investment in the subsidiary has been impaired by RM1,589,068. The impairment charge is included as part of impairment loss in the statement of comprehensive income.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

17 INVESTMENT IN JOINT VENTURE

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Unquoted shares at cost	1	1	1	1
Share of net assets of the joint venture	1,697,362	1,830,443	-	-
	1,697,363	1,830,444	1	1

	Group	
	2014	2013
	RM	RM
At 1 July 2013	1,830,444	1,582,534
Share of (loss)/profit	(133,081)	247,910
At 30 June 2014	1,697,363	1,830,444

The joint venture listed below has share capital consisting solely of ordinary shares, which is held directly by the Company.

Name	Group's effective interest		Principal activities
	2014	2013	
	%	%	
<u>Incorporated in Malaysia</u>			
Asian Contact Centres Sdn. Bhd. ("ACCS") *	50	50	Managing customer contact centre outsourcing services.

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

ACCS is a private company and there is no quoted market price available for its shares. There are no commitments and contingent liabilities relating to the Company's interest in the joint venture.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

17 INVESTMENT IN JOINT VENTURE (CONTINUED)

Summarised financial information for joint venture

Set out below are the summarised financial information for ACCS which is accounted for using the equity method:

	2014	Group
	RM	2013
		RM
<u>Current</u>		
Cash and cash equivalents	3,012,341	3,076,501
Other current assets (excluding cash)	1,077,655	5,319,974
Total current assets	4,089,996	8,396,475
Financial liabilities (excluding trade payables)	(406,185)	(2,736,750)
Other current liabilities (including trade payables)	(435,921)	(1,998,838)
Total current liabilities	(842,106)	(4,735,588)
<u>Non-current</u>		
Assets	146,835	-
Net assets	3,394,725	3,660,887
<u>Summarised statement of comprehensive income</u>		
Revenue	3,560,494	10,556,090
(Loss)/profit from continuing operations	(365,321)	714,406
Income tax credit/(expense)	99,159	(218,585)
Net (loss)/profit for the financial year/Total comprehensive (loss)/income	(266,162)	495,821

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

17 INVESTMENT IN JOINT VENTURE (CONTINUED)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in the joint venture.

	Group	
	2014	2013
	RM	RM
<u>Summarised financial information</u>		
Opening net assets 1 July	3,660,887	3,165,066
(Loss)/profit for the financial year	(266,162)	495,821
Closing net assets	3,394,725	3,660,887
Interest in joint venture @ 50%	1,697,363	1,830,444
Carrying value	1,697,363	1,830,444

During the financial year ended 30 June 2014, the Group and the Company rendered services to the Joint Venture ("JV") totalling RM3,356,476 (2013: RM10,994,616). The amount due from the JV to the Group and the Company as at 30 June 2014 amounted to RM435,921 (2013: RM1,996,570).

18 TRADE RECEIVABLES

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
<u>Financial assets</u>				
<u>Trade receivables</u>				
Third parties	26,881,253	24,111,455	26,685,247	17,722,089
Unbilled receivables	9,803,871	12,031,511	9,547,379	11,971,396
Joint venture	435,921	1,996,570	435,921	1,996,570
	37,121,045	38,139,536	36,668,547	31,690,055
Less: Impairment loss				
- Third parties	(151)	-	-	-
	37,120,894	38,139,536	36,668,547	31,690,055

Credit terms of trade receivables range from 30 to 120 days (2013: 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.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

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	
	2014	2013	2014	2013
	RM	RM	RM	RM
Neither past due nor impaired	17,705,113	22,807,745	17,527,720	16,454,894
Past due but not impaired:				
- 1 to 30 days past due not impaired	5,576,310	2,533,751	5,576,310	2,497,236
- 31 to 60 days past due not impaired	2,017,154	387,773	1,998,692	387,773
- 61 to 90 days past due not impaired	1,125,144	378,756	1,125,144	378,756
- More than 90 days past due not impaired	893,302	-	893,302	-
Impaired:				
- More than 90 days	151	-	-	-
	27,317,174	26,108,025	27,121,168	19,718,659
Less: Impairment loss	(151)	-	-	-
	27,317,023	26,108,025	27,121,168	19,718,659
Unbilled receivables	9,803,871	12,031,511	9,547,379	11,971,396
	37,120,894	38,139,536	36,668,547	31,690,055

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	
	2014	2013	2014	2013
	RM	RM	RM	RM
Existing customers with no history of defaults	17,408,891	22,242,922	17,300,284	15,997,356
New customers within the last 6 months	296,223	564,823	227,436	457,538
	17,705,114	22,807,745	17,527,720	16,454,894

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

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 RM15,029,476 and RM14,902,083 (2013: RM20,399,486 and RM14,669,239) of the Group's and the Company's trade receivables as at 30 June 2014. 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 RM9,611,909 (2013: RM3,300,280) and RM9,593,448 (2013: RM3,263,765) 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	
	2014	2013
	RM	RM
At 1 July	-	-
Charge for the financial year	151	-
At 30 June	151	-

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.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

19 OTHER RECEIVABLES

	<u>Group</u>		<u>Company</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	RM	RM	RM	RM
<u>Financial assets</u>				
Other receivables	1,594,433	2,080,715	1,215,826	1,503,921
Deposits	3,266,570	3,078,421	2,821,774	2,775,782
Less: Impairment loss	(159,200)	(9,950)	(159,200)	(9,950)
	3,107,370	3,068,471	2,662,574	2,765,832
	4,701,803	5,149,186	3,878,400	4,269,753
<u>Non-financial assets</u>				
Prepayments	1,636,361	1,762,289	992,618	1,165,926
	6,338,164	6,911,475	4,871,018	5,435,679

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 have been renegotiated during the financial year. The credit quality of the Group's and the Company's other receivables are due from counterparties with no history of defaults.

Impairment loss

The movement in impairment loss are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	RM	RM	RM	RM
At 1 July	9,950	9,950	9,950	9,950
Charge for the financial year	149,250	-	149,250	-
At 30 June	159,200	9,950	159,200	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.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

20 AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2014	2013
	RM	RM
Amounts due from subsidiaries	8,638,633	13,029,215
Less: Impairment loss	(4,012,475)	(3,026,649)
	4,626,158	10,002,566

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	
	2014	2013
	RM	RM
Neither past due nor impaired	4,626,158	10,002,566
Impaired:		
- More than 90 days	4,012,475	3,026,649
	8,638,633	13,029,215
Less: Impairment loss	(4,012,475)	(3,026,649)
	4,626,158	10,002,566

Impairment loss

The movement in impairment loss is as follows:

At 1 July	3,026,649	3,023,824
Charge for the financial year	985,826	2,825
At 30 June	4,012,475	3,026,649

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

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

21 CASH AND CASH EQUIVALENTS

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Cash and bank balances	11,068,393	6,930,743	9,806,115	6,383,627
Deposits with licensed banks	15,696,621	8,684,093	15,552,046	8,537,328
	26,765,014	15,614,836	25,358,161	14,920,955

The weighted average interest rates of deposits with licensed banks as at the reporting period for the Group and the Company are 2% (2013: 2%) per annum. The Group and the Company's deposits have weighted average maturity period of 38 days (2013: 22 days).

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

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Cash at bank and deposits with licensed banks				
AAA	26,085,299	15,039,669	24,678,446	14,345,788
AA	552,046	537,328	552,046	537,328
	26,637,345	15,576,997	25,230,492	14,883,116

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

22 TRADE AND OTHER PAYABLES

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
<u>Financial liabilities</u>				
Trade payables	332,521	352,842	298,500	352,842
Accruals	1,495,182	948,074	1,261,969	683,190
Performance-related bonus	5,362,689	1,177,647	5,327,595	1,086,817
Other payroll-related liabilities	612,386	230,399	550,283	227,310
Other payables	3,633,448	2,518,321	3,408,986	1,519,763
	11,436,226	5,227,283	10,847,333	3,869,922
<u>Non-financial liabilities</u>				
Other payroll-related liabilities	1,397,808	1,346,861	1,358,846	1,346,861
Other payables	163,663	218,476	86,165	210,414
	12,997,697	6,792,620	12,292,344	5,427,197

Credit terms of trade payables range from cash basis to 90 days (2013: cash basis to 90 days).

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

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:

	<u>Group</u>		<u>Company</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Deferred tax assets:				
- Recoverable after more than 12 months	(376,744)	(411,252)	(376,744)	(411,252)
Deferred tax liabilities:				
- To be settled after more than 12 months	-	133,090	-	-
- To be settled within 12 months	86,200	169,990	-	-
	86,200	303,080	-	-
Deferred tax assets	(376,744)	(411,252)	(376,744)	(411,252)
Deferred tax liabilities	86,200	303,080	-	-
At beginning of the financial year	(108,172)	(139,818)	(411,252)	(531,752)
Charged to profit or loss (Note 11):				
- Plant and equipment	(182,372)	31,646	34,508	120,500
At the end of the financial year	(290,544)	(108,172)	(376,744)	(411,252)
Deferred tax assets:				
- Plant and equipment	(376,744)	(411,252)	(376,744)	(411,252)
Deferred tax liabilities:				
- Plant and equipment	86,200	303,080	-	-

24 SHARE CAPITAL

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

	<u>Group and Company</u>	
	<u>2014</u>	<u>2013</u>
	<u>RM</u>	<u>RM</u>
Authorised ordinary shares of RM0.10 each:		
At the beginning/end of the financial year	100,000,000	100,000,000
Issued and fully paid ordinary shares of RM0.10 each:		
At the beginning/end of the financial year	29,621,130	29,621,130

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

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.

26 COMMITMENTS

(a) Capital expenditure

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

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Authorised and contracted:				
- Plant and equipment	1,264,080	380,000	1,264,080	380,000

(b) Non-cancellable operating lease commitments

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

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
- Not later than one year	6,441,441	8,840,716	4,843,681	7,708,833
- Later than one year and not later than five years	3,236,852	4,379,292	1,426,615	3,142,056
	9,678,293	13,220,008	6,270,296	10,850,889

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

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	
	2014	2013	2014	2013
	RM	RM	RM	RM
Sales of services:				
- Subsidiaries	-	-	40,384	1,211,028
Purchase of services:				
- Subsidiaries	-	-	(1,633,500)	(1,812,585)
Invoices billed and collected on behalf:				
- Subsidiaries	-	-	(6,718,704)	(3,267,186)
Expenses paid on behalf:				
- Subsidiaries	-	-	4,396,842	9,075,984
Advances:				
- Subsidiaries	-	-	4,095,438	4,934,234
Amounts due from:				
- Subsidiaries	-	-	5,077,204	10,002,566

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.

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.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

28 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(a) Market risk (continued)

(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 2014, if RM had strengthened by 1% (2013: 1%) 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 RM31,554 and RM6,204 (2013: RM16,888 and RM41,988) lower respectively, mainly as a result of foreign exchange losses on translation of US dollar-denominated trade and other receivables.

At 30 June 2014, if RM had strengthened by 1% (2013: 1%) against the Singapore dollar with all other variables held constant, pre-tax profit for the financial year would have been RM64,732 lower (2013: RM47,556 lower) for the Group and the Company, mainly as a result of foreign exchange losses (2013: losses) on translation of Singapore dollar-denominated trade and other receivables.

At 30 June 2014, if RM had strengthened by 1% (2013: 1%) 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 RM113,335 and RM108,511 (2013: RM10,817 and RM11,685 lower) lower respectively, mainly as a result of foreign exchange losses (2013: gains) 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 favourable interest rate available. As at 30 June 2014, 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 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.

(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 2014, where four customers contributed RM17.5 million (2013: RM14.8 million and RM10.5 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.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

28 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(b) Credit risk (continued)

(i) Trade and other receivables (continued)

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 2014, 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 2014, 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.

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:

	<u>Group</u>		<u>Company</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	RM	RM	RM	RM
<u>On demand or less than three months:</u>				
Trade and other payables	<u>11,436,226</u>	<u>5,227,283</u>	<u>10,847,333</u>	<u>3,869,922</u>

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

28 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(d) Capital management risk

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

As of 30 June 2014, the Group and the Company had no outstanding borrowings.

29 FINANCIAL INSTRUMENTS BY CATEGORY

	<u>Group</u>	<u>Company</u>
	<u>2014</u>	<u>2014</u>
	<u>RM</u>	<u>RM</u>
<u>Loans and receivables</u>		
Trade receivables	37,120,894	36,668,547
Other receivables excluding prepayments	4,701,803	3,878,400
Cash and cash equivalents	26,765,014	25,358,161
Amounts due from subsidiaries	-	4,626,158
Total	<u>68,587,711</u>	<u>70,531,266</u>
<u>Other financial liabilities at amortised cost</u>		
Trade and other payables excluding statutory liabilities	<u>11,436,226</u>	<u>10,847,333</u>
	<u>Group</u>	<u>Company</u>
	<u>2013</u>	<u>2013</u>
	<u>RM</u>	<u>RM</u>
<u>Loans and receivables</u>		
Trade receivables	38,139,536	31,690,055
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	<u>58,903,558</u>	<u>60,883,329</u>
<u>Other financial liabilities at amortised cost</u>		
Trade and other payables excluding statutory liabilities	<u>5,227,283</u>	<u>3,869,922</u>

Notes To The Financial Statements

For The Financial Year Ended 30 June 2014 (Continued)

30 CONTINGENT LIABILITY

A subsidiary of the Company has received tax assessment notices of RM1.3 million, INR23.8 million (2013: RM1.3 million, INR23.8 million). These assessments are in respect to transfer pricing adjustments and the disallowance of certain expenses for tax purposes. The subsidiary has, as at 30 June 2014 paid RM0.4 million, INR7.2 million (2013: RM0.4 million, INR7.2million) in respect of the assessments. This amount has been classified as tax recoverable in the Group's Statement of Financial Position. Currently, the subsidiary is challenging the assessments in the Income Tax Appellate Tribunal, in India. The Board of Directors have received expert advice on this matter from a tax agent. Based on the advice received, the Board of Directors are of the view that no significant liability will crystallise from these assessments. Furthermore, the amount paid up to 30 June 2014 will be recovered.

31 SUBSEQUENT EVENT AFTER BALANCE SHEET DATE

On 26 August 2014, the Company proposed to undertake a bonus issue of 59,242,260 new ordinary shares of RM0.10 each to be credited as fully paid-up on the basis of one (1) bonus share for every five (5) existing ordinary shares held on an entitlement date. The entitlement date will be determined and announced at a later date after the relevant approvals for the proposed bonus issue have been obtained.

32 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 26 August 2014.

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	
	2014	2013	2014	2013
	RM	RM	RM	RM
Total retained earnings/(accumulated losses):				
Realised	34,648,664	31,869,706	46,839,880	43,177,287
Unrealised	(564,533)	(395,118)	(180,282)	(657,159)
	34,084,131	31,474,588	46,659,598	42,520,128
Total share of retained earnings from joint venture:				
Realised	1,697,362	1,830,443	-	-
	35,781,493	33,305,031	46,659,598	42,520,128
Add: Consolidation adjustments	6,071,767	6,081,414	-	-
Total Group's and Company's retained earnings	41,853,260	39,386,445	46,659,598	42,520,128

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 2014

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 57 to 110 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 2014 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 110 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 26 August 2014.

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 57 to 110 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 26 August 2014, before me.

LEONG CHIEW KEONG (NO. W409)
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 57 to 110, which comprise the statements of financial position as at 30 June 2014 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 2014 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.

Independent Auditors' Report

To The Members Of Scicom (MSC) Berhad (Continued)

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

IRVIN GEORGE LUIS MENEZES
(No. 2932/06/16 (J))
Chartered Accountant

Kuala Lumpur
26 August 2014



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 2014. 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 2014.

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 2014.

6. NON-AUDIT FEES

The amount of non-audit fees paid by the Group and the Company for the financial year ended 30 June 2014 were RM50,000 and RM41,000 respectively, representing fees for tax and advisory 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 2014. 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 2014.

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

For the financial year ended 30 June 2014, 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 2014.

11. CORPORATE SOCIAL RESPONSIBILITY

The Group's corporate social responsibility activities and/or practices undertaken during the financial year ended 30 June 2014 are set out on pages 29 to 31 of the Annual Report.

Analysis of Shareholdings

SHARE CAPITAL AS AT 2 OCTOBER 2014

	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 2 OCTOBER 2014

<u>No. of Shareholders</u>	<u>%</u>	<u>Size of Shareholdings</u>	<u>%</u>
26	1.40%	Less than 100 shares	0.00%
149	8.05%	100 to 1,000 shares	0.04%
854	46.14%	1,001 to 10,000 shares	1.51%
629	33.98%	10,001 to 100,000 shares	7.13%
188	10.16%	100,001 to less than 5% of issued shares	50.99%
5	0.27%	5% and above of issued shares	40.33%
1,851	100.00%		100.00%

LIST OF 30 LARGEST REGISTERED SHAREHOLDERS AS AT 2 OCTOBER 2014 (As shown in the record of Depositors)

<u>No.</u>	<u>Name of Shareholder</u>	<u>No. of Shares Held</u>	<u>%</u>
1	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR NETINSAT ASIA SDN BHD (PBCL-0G0024)	40,000,000	13.504
2	MIDF AMANAH INVESTMENT NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEO SURESH ARIYANAYAKAM (MGN-LSA0005M)	23,000,000	7.765
3	TA NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEO SURESH ARIYANAYAKAM	22,257,500	7.514
4	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JAGANATH DEREK STEVEN SABAPATHY	18,000,000	6.077
5	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR NETINSAT ASIA SDN BHD (PB)	16,200,000	5.469
6	ALI BIN ABDUL KADIR	11,000,000	3.714
7	MAYBANK NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEO SURESH ARIYANAYAKAM	10,046,300	3.392
8	LEO SURESH ARIYANAYAKAM	8,400,420	2.836
9	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	7,838,860	2.646
10	SIEH KOK SWEE	6,628,000	2.238
11	LALITHA D/O K KRISHNAN NAMBIAR	5,000,000	1.688
12	KHOO LOON SEE	4,754,240	1.605
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (MAYBAN INV)	4,525,000	1.528
14	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LEEF)	4,172,800	1.409

Analysis of Shareholdings (Continued)

No.	Name of Shareholder	No. of Shares Held	%
15	ALLIANCEGROUP NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEO SURESH ARIYANAYAKAM (8117550)	4,100,000	1.384
16	KRISHNAN A/L C K MENON	2,487,100	0.840
17	TAN SOH GOH	2,166,700	0.731
18	MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR MAYBANK ISLAMIC ASSET MANAGEMENT SDN BHD (RESIDENT) (475391)	2,090,000	0.706
19	MAVIS COLLEEN PUTHUCHEARY	2,080,000	0.702
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BHD FOR LIBRA AMANAH SAHAM WANITA (N14011980040)	2,002,100	0.676
21	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	2,000,000	0.675
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR MAYBANK ASSET MANAGEMENT SDN BHD (RESIDENT)	1,959,200	0.661
23	JAGANATH DEREK STEVEN SABAPATHY	1,912,060	0.646
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR LIBRA EQUITYEXTRA FUND (990405)	1,815,700	0.613
25	CHIN KIM SU	1,520,000	0.513
26	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PARAMJIT SINGH GILL (MARGIN)	1,375,000	0.464
27	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OMAR SHARIFF BIN MYDEEN	1,310,000	0.442
28	MOHD SALLEH BIN HJ HARUN	1,309,000	0.441
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR MAYBANK ASSET MANAGEMENT SDN BHD (ISLAMIC)	1,290,000	0.435
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD LIBRA INVEST BERHAD FOR LAM SOO HENG @ LAM SEO HAN (AIS012-240263)	1,286,000	0.434
	Total	212,525,980	71.748

SUBSTANTIAL SHAREHOLDERS AS AT 2 OCTOBER 2014

No.	Name of Shareholder	Direct Interest	%	Deemed Interest	%
1	Leo Suresh Ariyanayakam	68,011,632	22.96%	0	0.00%
2	Netinsat Asia Sdn Bhd	57,098,920	19.28%	0	0.00%
3	Krishnan A/L C K Menon	2,487,100	0.84%	57,098,920	19.28%
4	Sreekumar A/L Narayana Pillai	0	0.00%	57,098,920	19.28%
5	Jaganath Derek Steven Sabapathy	20,022,060	6.76%	0	0.00%

DIRECTORS' SHAREHOLDING AS AT 2 OCTOBER 2014

No.	Name of Shareholder	Direct Interest	%	Deemed Interest	%
1	Leo Suresh Ariyanayakam	68,011,632	22.96%	0	0.00%
2	Krishnan A/L C K Menon ¹	2,487,100	0.84%	57,098,920	19.28%
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	297,600	0.10%	0	0.00%
6	Nicholas John Lough @ Sharif Lough bin Abdullah ²	170,000	0.06%	50,000	0.02%
7	Karen Judith Goonting	-	-	0	0.00%

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

² Deemed interest by virtue of his shareholdings in Melewar Leisure Sdn Bhd

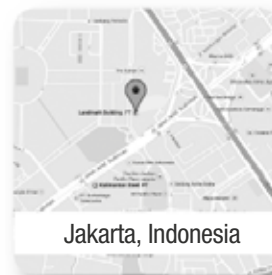
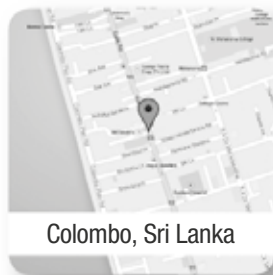
Glossary of Abbreviations

Act	Companies Act, 1965
AGM	Annual General Meeting
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
CFO	Chief Financial Officer
COO	Chief Operating Officer
Code	Code of Business Conduct
CRM	Customer Relationship Management
CSR	Corporate Social Responsibility
EPS	Earnings Per Share
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

Glossary of Abbreviations (Continued)

KL	Kuala Lumpur
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



Scicom (MSC) Berhad

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22, Jalan P. Ramlee
50250 Kuala Lumpur Malaysia
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Fax : 603 2164 9820
Email : corpinfo@scicom-intl.com

Scicom International College Sdn Bhd

25th Floor, Menara TA One
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50250 Kuala Lumpur Malaysia
Tel : 603 2162 1088
Fax : 603 2164 9820

Asian Contact Centres Sdn Bhd

25th Floor, Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur Malaysia
Tel : 603 2162 1088
Fax : 603 2164 9820

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

Scicom Contact Centre Services Private Limited

Door No 2, No.1A
Venkateshwar Nilya
Anjenya Temple Road
RMV 2nd Stage Bangalore
560094 India
Tel : 99 86 374436

Scicom Lanka (Private) Limited

466, Galle Road,
Colombo 3,
Sri Lanka
Tel : 94 11 5882885

Scicom (Academy) Sdn Bhd

25th Floor, Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur Malaysia
Tel : 603 2162 1088
Fax : 603 2164 9820
E-mail : academy@scicom-intl.com

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Tower B, Jl. Jenderal Sudirman No.1
Jakarta 12910, Indonesia



Notice Of Twelfth

Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting of the Company will be held at Ballroom 1, LG Level, Eastin Hotel, 13, Jalan 16/11, Pusat Dagang Seksyen 16, 46350 Petaling Jaya, Selangor Darul Ehsan, **Malaysia on Monday, 17 November 2014** 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 2014 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) Mr Leo Suresh Ariyanayakam

(ii) Dr. Nikolai Dobberstein |

(Ordinary Resolution 1)

(Ordinary Resolution 2) |
| 3. | To elect the following Directors who retire pursuant to Article 91 of the Company's Articles of Association:-

(i) Mr Nicholas John Lough @ Sharif Lough Bin Abdullah

(ii) Ms Karen Judith Goonting |

(Ordinary Resolution 3)

(Ordinary Resolution 4) |
| 4. | To consider and if thought fit, to pass the following Ordinary Resolution in accordance with Section 129 of the Companies Act, 1965:-

"THAT Dato' Mohd Salleh Bin Hj Harun, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting." |

(Ordinary Resolution 5) |
| 5. | To approve the payment of Directors' Fees for the financial year ended 30 June 2014. | (Ordinary Resolution 6) |
| 6. | To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. | (Ordinary Resolution 7) |

Notice Of Twelfth

Annual General Meeting (Continued)

B. Special Business

To consider and if thought fit, to pass, with or without modifications, the following Ordinary Resolutions:-

7. PROPOSED CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS

- (i) "THAT subject to the passing of Ordinary Resolution 2, approval be and is hereby given to Dr. Nikolai Dobberstein, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company."
- (ii) "THAT subject to the passing of Ordinary Resolution 5, approval be and is hereby given to Dato' Mohd Salleh Bin Hj Harun, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company."

(Ordinary Resolution 8)

(Ordinary Resolution 9)

C. Other Business

- 8. 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

WONG WAI FOONG (MAICSA 7001358)

LIM POH YEN (MAICSA 7009745)

Company Secretaries

Kuala Lumpur
24 October 2014

Notice Of Twelfth

Annual General Meeting (Continued)

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 11 November 2014 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 2014

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

3. EXPLANATORY NOTES ON SPECIAL BUSINESS

(i) Ordinary Resolution 8 - Proposal for Dr Nikolai Dobberstein ("Dr Nikolai") to continue in office as Independent Non-Executive Director

The Board of Directors ("Board") had via the Nominating and Remuneration Committee conducted an annual performance evaluation and assessment of Dr Nikolai and recommended him to continue to serve as Independent Non-Executive Director of the Company based on the following justifications:-

- (a) He was appointed on 22 August 2005 and has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years. As such, he understands the Company's business operations and is able to participate and contribute actively during deliberations or discussions at meetings of the Audit and Risk Management Committee, the Nominating and Remuneration Committee and the Board;
- (b) His vast experiences in Technology, Innovation Management, Communication and High-Technology Practices would enable him to contribute effectively to the Board;

Notice Of Twelfth

Annual General Meeting (Continued)

- (c) He fulfills the criteria under the definition of independent director as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and therefore, is able to bring independent and objective judgment to the Board;
- (d) He has exercised due care during his tenure as Independent Non-Executive Director of the Company and carried out his duties professionally in the interest of the Company and shareholders; and
- (e) He has devoted sufficient time and attention to his professional obligations for informed and balanced decision making.

(ii) Ordinary Resolution 9 - Proposal for Dato' Mohd Salleh bin Hj Harun ("Dato' Salleh") to continue in office as Independent Non-Executive Director

The Board had via the Nominating and Remuneration Committee conducted an annual performance evaluation and assessment of Dato' Salleh and recommended him to continue to serve as Independent Non-Executive Director of the Company based on the following justifications:-

- (a) He was appointed on 22 August 2005 and has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years. As such, he understands the Company's business operations and is able to participate and contribute actively during deliberations or discussions at meetings of the Audit and Risk Management Committee, the Nominating and Remuneration Committee and the Board;
- (b) His vast experiences as a fellow of the Institute of Bankers and member of the Malaysian Institute of Certified Public Accountant would enable him to contribute effectively to the Board;
- (c) He fulfills the criteria under the definition of independent director as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and therefore, is able to bring independent and objective judgment to the Board;
- (d) He has exercised due care during his tenure as Independent Non-Executive Director of the Company and carried out his duties professionally in the interest of the Company and shareholders; and
- (e) He has contributed sufficient time and efforts and attended all the meetings of the Audit and Risk Management Committee, the Nominating and Remuneration Committee and the Board held during the financial year ended 30 June 2014 as well as meeting the Management, as and when required, for informed and balanced decision making.

STATEMENT ACCOMPANYING NOTICE OF THE TWELFTH ANNUAL GENERAL MEETING

Details of Directors who are standing for election in Agenda 3 of the Notice of the Twelfth Annual General Meeting are set out in the Directors' Profile appearing on page 12-15 of this Annual Report.





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
(FULL ADDRESS)

or failing him
(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 Twelfth Annual General Meeting of the Company to be held at Ballroom 1, LG Level, Eastin Hotel, 13, Jalan 16/11, Pusat Dagang Seksyen 16, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia on **Monday, 17 November 2014 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 Mr Leo Suresh Ariyanayakam as Director pursuant to Article 84 of the Company's Articles of Association.		
2	Re-election of Dr. Nikolai Dobberstein as Director pursuant to Article 84 of the Company's Articles of Association.		
3	Election of Mr Nicholas John Lough @ Sharif Lough Bin Abdullah as Director pursuant to Article 91 of the Company's Articles of Association.		
4	Election of Ms Karen Judith Goonting as Director pursuant to Article 91 of the Company's Articles of Association.		
5	Re-appointment of Dato' Mohd Salleh Bin Hj Harun as Director in accordance with Section 129 of the Companies Act, 1965.		
6	Approval of Directors' Fees for the financial year ended 30 June 2014.		
7	Re-appointment of Messrs Pricewaterhouse Coopers as Auditors.		
Special Business			
8	Approval for Dr. Nikolai Dobberstein to continue in office as an Independent Non-Executive Director		
9	Approval for Dato' Mohd Salleh Bin Hj Harun to continue in office as an Independent Non-Executive Director		

(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 _____ 2014

Signature of Member / Common Seal

NOTES:-

- (i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy (or in the case of a corporation, a duly authorised representative) to attend and vote in his stead. A proxy may, but need not be a member of the Company and the provision of Section 149(1) (b) of the Companies Act, 1965, shall not apply to the Company.
- (ii) Where a member or authorised nominee appoints two (2) or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (iii) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.
- (iv) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (v) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
- (vi) The instrument appointing a proxy must be completed and deposited at the Registered Office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- (vii) For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 60 of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 11 November 2014 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting.

SCICOM (MSC) BERHAD (597426-H)

Incorporated in Malaysia under the Companies Act, 1965

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