

THE SCIENCE OF  
COMMUNICATION

...  
SCiCOM  
ANNUAL  
REPORT  
2015

scicom  
TOTAL CUSTOMER DELIGHT



TOTAL CUSTOMER DELIGHT

(sy-com)

The **SC**ience of **COM**munication

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# 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 Solutions, e-Government 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 19 languages.

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

## GLOBAL SUPPORT NETWORK





**Delivering on Our Promise**

**World-Class Service**

**Strategic Locations**

**Talented Workforce**

**Global Delivery Capability**

**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

- Legal Process Outsourcing
- Information Technology
- Financial Services
- Property and Infrastructure
- Service Design
- Travel and Events Services

- Software Solutions
- Payment Gateways
- Education and Training
- Border Security
- Insurance Services
- Human Resources and Recruitment

**SOLUTIONS**

- Changing Customer Behaviour
- Data Analytics
- Improving Efficiency

- Improving Customer Loyalty
- Improving Your Services
- Increasing Revenue

- Reducing Risk
- Understanding Your Customers
- Enhancing Your Brand

# ABOUT SCICOM...

## Customer Contact Management (BPO)

Customer Contact Management is the cornerstone of Scicom's business, employing the major part of our human capital. Our unique advantage lies in the foundation of its core values. We strive to provide the highest quality service, belief in teamwork, the idea of innovation, and the delivery of integrity.

Scicom services and delivery methods create a truly personalized approach to solving our clients business challenges.



Customer  
Contact  
Management  
(BPO)

### Customer Care & Technical Support

Scicom builds and offers multi-channel customer care solutions via telephone, email, chat or web self-service to provide solutions that focus on improved customer satisfaction and revenue retention. From pre-sales support to post-sales account coverage, we deliver cost effective services customized to each client's needs.

Premier In-bound Customer Care ◀

Technical Support ◀

Social Media Support ◀

Associated Fulfillment ◀

### Social Media

Scicom strongly believes that Social Media is becoming ever more important to businesses today. Companies are increasingly getting active in and are embracing Social Media as part of their Customer Contact Strategy. Engaging customers at the appropriate phase of the customer lifecycle is vital in increasing sales conversion. We believe that the focus on the correct metrics is important in measuring the effectiveness of social media and we deliver this by correctly indentifying target actions, tracking relevant metrics and measuring them against target. This allows us to build on the right parameters, as this is vital in acquiring and retaining profitable customers for our clients.

## e-Commerce

Scicom offers unique, tailor-made e-commerce solutions to meet our customer's specific requirements with optimum use of modern IT infrastructure that will guarantee success. Our e-commerce solution is integrated to include application development, graphic design, internet marketing and customer support. Our customized solutions provide unmatched ROI, boosted revenue generation as well as increased site engagement and traffic.

Scicom's approach of providing innovative end-to-end solutions bolstered by an award-winning Customer Care (contact Center) foundation means that our clients can see significant improvements in efficiency and quality both in the short- and long-term.



e-Commerce

On-line Applications ◀

Payment Gateways ◀

M-commerce ◀

## Education Solutions

Scicom's mission is to provide excellent teaching, supported by high quality content, personalized attention to student learning and to create graduates who are professionally knowledgeable and armed with the necessary skills to be globally proficient within the contact centre industry.

The main features of our world class academic and corporate programmes are:

- **A dynamic, flexible online educational system**  
Students will be drawn towards the exciting edutainment portal, which is rich in classroom type lectures, games and quizzes, to help any individual at his or her own pace and ensure that learning has taken place.
- **Specific, up-to-date skills education**  
Students will also be encouraged to partake in business communication skills programmes as part of their education approach, thus ensuring that students are up to date with the specific and up to date skills required in a contact centre. Our programmes are updated regularly, abreast with the latest industry developments and trends.
- **Job Placement**  
Graduates who have chosen the career path of a contact centre industry, are encouraged to undertake the courses provided by our academic institution to ensure that they will be able to enjoy job placement assistance. By choosing our academic courses, one would definitely make a lifetime investment in their education and career path.



Education  
Solutions

Vocational Delivery Mode ◀

Corporate Training ◀

Focus on Services Management ◀

## e-Government Services

Scicom offers new and innovative service delivery models to meet the challenges of delivering improved outcomes within strict financial limits that has helped governments to manage costs more efficiently while improving the quality of service to the public. We deliver a variety of single functions to our clients – HR, IT, Application Development, Social Media, Digital Support back and front office support coupled with Business Intelligence – as well as tightly integrated end-to-end services, enabling key government departments to launch new policy initiatives and help their supporting agencies to transform and manage existing services.

Scicom always brings new and auditable ways of helping government deliver on its objective of achieving full transparency into service contract arrangements. Our range of services include :

### International Student Management System

#### Functionalities

- Workflow Customization and Compliance to Government Policies and Procedures.
- Online vetting of Application Supporting Documents.
- Document Management and Tracking built in to the Workflow.
- Integration with Passport Scanners for Passport Data Capture and Verification.
- Student Application Status Tracking (web based as well as mobile application available for Android and iOS).
- Alerts and Notifications to update users of status changes and action dates.
- Best in class security features with SSL and VPN.

#### Benefits

- Complete Tracking of the End to End process including each of the sub processes
- Calculation and Tracking of workflow SLA's
- Easy Document Viewing and Traceability of Passports.
- Integration with border control system for seamless immigration processing.
- Transparent process with real-time updates on application status.
- Complete student profile including:
  - Student Bio data
  - Medical Screening Results
  - Insurance Coverage and Expiry
- Work Visa Expiry Notifications
- Auditable and complete log of the individual application process.
- Configurable and drilldown dashboards for Reporting and Analysis.

### Visa Processing Systems

#### Functionalities

- Enable web based electronic submission for visa applications.
- Online payment.
- Online scheduling for visa interviews.
- Travel document integrity and verification.
- Biometrics profiling and authentication.

#### Benefits

- Seamless process, which includes information dissemination, automated application and appointment systems, collection and payment of fees and biometric enrolment.
- Prevention of identity theft
- Elimination of document fraud and impersonation
- Accurate tracking of the history of movement of people into and out of border crossings.

### Biometric Solutions

#### Functionalities

- Provides for a wide range of tasks for processing, editing, searching, retrieving, and storing relevant data and subject records.
- Includes a variety of automated identification solutions, automated search capabilities, electronic image storage and electronic exchange of information.
- Uses automated processes to recognize a person based on physiological characteristics.
- Uses digital imaging technology to obtain, store, and analyse data. Its features include fingerprints and face recognition.
- Provides for a secure and comprehensive access control solution.

#### Benefits

- Personalised solutions to meet clients' specific business and security requirements.
- Comprehensive, fast and robust and gives clients the power to create user groups, apply security settings and determine user access rights.
- Extensive range of reporting options, stored on a central server, allowing for instant and effortless report generation in real-time.



On-line Services ◀

Front Office and Back-end Processing ◀

Fulfillment Centres ◀

# ABOUT SCICOM...

## Border Control Systems and Solutions

### Functionalities

- Partnering with governments, from strategy through to design, implementation and operations, to deliver an integrated and secure approach.
- Integrating border control touch point at Entry and Exit points to utilise biometrics as the main identification token. The device extracts the data held in the traveller's ePassport and matches it against distinctive biometric traits to confirm the identity of the traveller.

### Benefits

- The Border Control system performs checks against Interpol and local criminal databases and alerts authorities to potential threats in real time.
- Allows for swift decision making and law enforcement intervention, denying entry for inadmissible persons and those posing a threat.
- Enabling border agencies and immigration authorities to improve service, speed and security.

## Interpol Integrated Solutions

### Functionalities

- Secured communication between the Border Control System and EIDS.
- Online real-time access to hits.
- Quick Interpol responses in cases of suspected and wanted persons.

### Benefits

- Real-time access to information on suspected terrorists, wanted persons, fingerprints database, DNA profiles, lost or stolen travel documents, stolen vehicles and stolen work of art.
- Alerting authorities on illegal immigration and emigration.
- Instant access to critical policing information.
- Criminal investigation support from other countries.



On-line Services ◀

Front Office and Back-end Processing ◀

Fulfillment Centres ◀

## Migrant Workers Management System

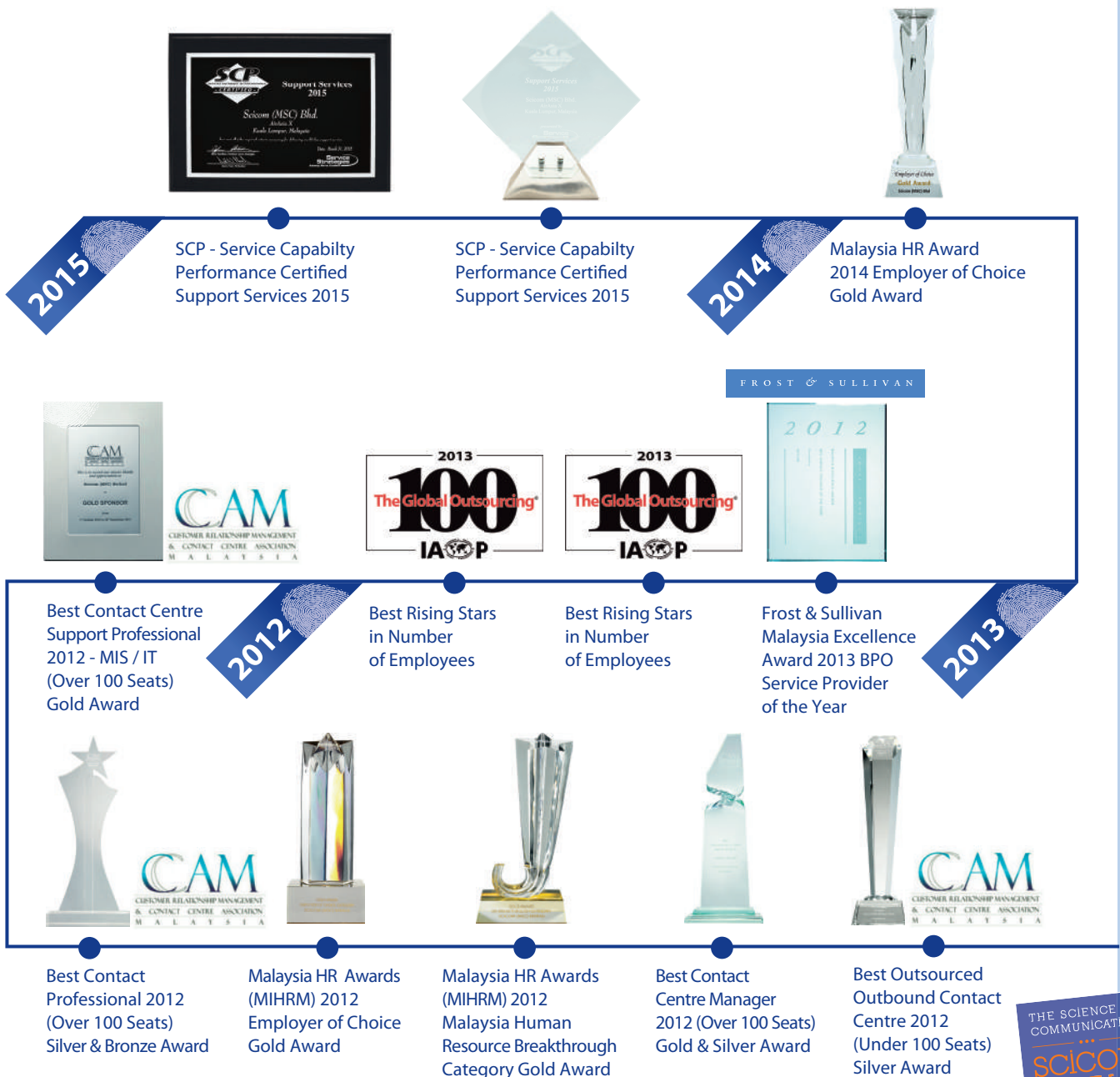
### Functionalities

- Allow employers to apply for a migrant workforce work permit online.
- Manage relevant information on migrant workers and track movement.
- Link to law enforcement systems for security checks on past criminal activities, prior convictions and/or deportation orders.
- Issue work permit and foreign worker IDs.
- Enable electronic submission and payment for visa and work permit applications.
- Link employers and agents to the Labour Department.
- Integrate with health screening and biometric systems

### Benefits

- Complete Tracking of the end-to-end process.
- Tracking of workflow SLA's.
- Seamless immigration processing integrated with border control systems.
- Real-time updates on application status.
- Complete foreign workers profile including:
  - Bio data
  - Medical Screening Results
  - Insurance Coverage and Expiry
  - Work Visa Expiry Notifications
- Auditable and complete log of the application process for individuals.
- Configurable and drilldown dashboards for Reporting and Analysis.

# AWARDS, CERTIFICATIONS, & RECOGNITIONS...



# AWARDS, CERTIFICATIONS, & RECOGNITIONS...



## Excellence Award 2011 Best Contact

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

2011



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



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



## SCP - Service Capability Performance Certified

1. Support Services 2011
2. Support Services 2010
3. Support Services 2009



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



Malaysia HR Award 2011 HR Breakthrough Category Gold Award



2012



FROST & SULLIVAN



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

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

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



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

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

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

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



Excellence Award 2011 Best Outsourced Inbound Contact Centre (Over 100 Seats) Silver Award

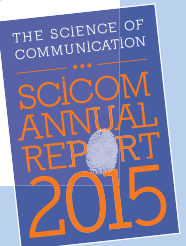
Excellence Award 2011 Best Outsourced Inbound Contact Centre (Over 100 Seats) Silver Award

Excellence Award 2011 Best Outsourced Inbound Contact Centre (Over 100 Seats) Gold Award

Malaysia HR Award 2011 Employer of Choice Gold Award

2011

To view our full category of AWARDS, CERTIFICATIONS & RECOGNITIONS, please visit us at [www.scicom-intl.com](http://www.scicom-intl.com)





# VALUES & GOAL...

DELIGHT ME  
EACH TIME WE INTERACT



MAKE ME FEEL  
VALUED

OUR  
GOAL

DELIVER ON YOUR  
PROMISE EVERY TIME

RESPECT MY  
PRIVACY

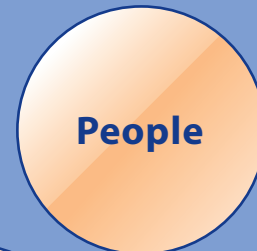


CONVINCE ME TO  
TRUST YOU

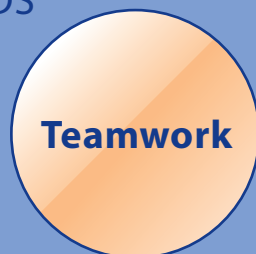
DON'T PRETEND  
TO KNOW WHAT I WANT



OUR  
VALUES



ANTICIPATE MY  
FUTURE NEEDS



PERSONALISE IT TO  
MY TASTES & NEEDS

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

ONCE IN A WHILE,  
PLEASANTLY SURPRISE ME

# KEY FACTS...



# CORPORATE DIRECTORY & 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

### Dato' 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

### Dato' Nicholas John Lough

@ Sharif Lough Bin Abdullah  
Member

## NOMINATION & REMUNERATION COMMITTEE

### Dr. Nikolai Dobberstein

Chairman

### Dato' Mohd Salleh Bin Hj Harun

Member

### Loh Lee Soon

Member

### Karen Goonting

Member

## COMPANY SECRETARY

### Wong Wai Foong

(MAICSA No.7009745)

### Kuan Hui Fang

(MIA No.16876)

## REGISTERED OFFICE Scicom (MSC) Berhad

(Company No. 597426-H)

Unit 30-01, Level 30, Tower A  
Vertical Business Suite Avenue 3,  
Bangsar South No. 8, Jalan Kerenchi  
59200 Kuala Lumpur  
Tel : 03 2783 9191  
Fax : 03 2783 9111

## SHARE REGISTRAR Tricor Investor Services Sdn Bhd

Unit 32-01, Level 32, Tower A  
Vertical Business Suite Avenue 3,  
Bangsar South No. 8, Jalan Kerenchi  
59200 Kuala Lumpur  
Tel : 03 2783 9299  
Fax : 03 2783 9222

## 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 Rakyat  
Kuala Lumpur Sentral  
50706 Kuala Lumpur  
Malaysia  
Tel : 03 2173 1188  
Fax : 03 2173 1288

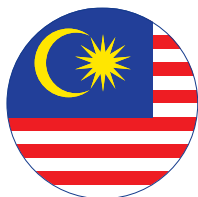
## STOCK EXCHANGE LISTING

### Main Market Bursa Malaysia Securities Berhad

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

## WEB

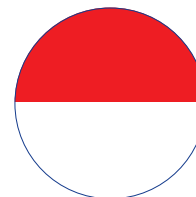
URL : [www.scicom-intl.com](http://www.scicom-intl.com)  
E-mail : [corpinfo@scicom-intl.com](mailto:corpinfo@scicom-intl.com)



**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  
100% owned



**ASIAN CONTACT CENTRES  
SDN BHD**  
Kuala Lumpur, Malaysia  
50% owned

# BOARD OF DIRECTORS...



**Krishnan Menon**, 65, 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.

**Krishnan Menon**  
Non-Independent Non-Executive Director & Chairman







**Dato' Mohd Salleh Bin HJ Harun**  
Independent Non-Executive Director



**Dato' Mohd Salleh bin HJ Harun**, 71, 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 Takaful Bhd, Etiqa Insurance Bhd, and Maybank Philippines. He is also a Director of Asia Capital Reinsurance Malaysia Sdn Bhd.

# BOARD OF DIRECTORS...



**Leo Ariyanayakam**, 52, 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 3 consecutive years, as conferred by Frost & Sullivan. The Group is now widely regarded as one of the premier contact centre and BPO providers within the industry, with an unblemished performance record. He has been instrumental in building Scicom as the leader in contact centre outsourcing, BPO, training and customer relationship management consulting solutions in the Asia Pacific region, and is a respected visionary and leader in this rapidly growing industry. On 7 October 2006, he was appointed as the President of the Customer Relationship Management and Contact Centre Association of Malaysia, a position which he held until early 2010. In June 2007, he was selected as one of Malaysia's Outstanding Entrepreneurs at the Asia Pacific Entrepreneurship Awards. In the same year he was honored as a 'Key Industry Leader' by PIKOM. In 2008 he was conferred as the CEO of the year by the Malaysian Canadian Business Council. In 2010 he was appointed as a member to the "Local Advisory Panel" (LAP) nominated by the Malaysian Government specifically to the ICT Industry.

**Leo Ariyanayakam**  
Non-Independent Executive Director







**Dr. Nikolai Dobberstein**  
Independent Non-Executive Director



**Dr. Nikolai Dobberstein**, 49, 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, internet 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...



**Loh Lee Soon**, 60, a Malaysian, was appointed to the Board of Scicom on 25 April 2007. He is 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 over 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 management positions in multi-national and Malaysian companies. He is also an Independent Director of Etiqa Insurance Berhad, Etiqa Takaful Berhad, Maybank Asset Management Group Berhad, and Maybank International (L) Ltd.

**Loh Lee Soon**  
Independent Non-Executive Director





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



**Nicholas John Lough**, 63, a British Citizen holding Malaysian permanent resident. He was appointed to the Board of Scicom on 14 May 2014. He is also a member of the Audit and Risk Management Committee. 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 a director of Royce Pharma Berhad where he also chairs the Audit Committee and Nomination Committee.

# BOARD OF DIRECTORS...



**Karen Goonting**, 53, a Malaysian, was appointed to the Board of Scicom on 14 May 2014. She is also a member of the Nomination and Remuneration Committee. She holds a Bachelor of Laws from Victoria University of Wellington, New Zealand and a Bachelor of Science (Psychology) from the 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.

Karen has over 27 years' of experience in the private sector as a practicing lawyer and thereafter as a consultant to clients in the energy, healthcare, telecommunications, road safety and government sectors including 10 years of experience as a psychologist in road safety and behavior change. She is currently the Asian Development Bank's National Road Safety Advisor for Malaysia for its ASEAN road safety capacity building project.

**Karen Goonting**  
Independent Non-Executive Director



**None of the Directors 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.

# SENIOR MANAGEMENT TEAM...



**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.

**Benny Philip**  
Chief Operating Officer - Outsourcing





**Jude Mohan**  
Chief Operating Officer - Education



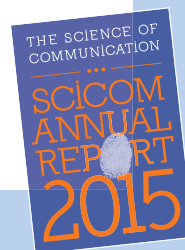
**Jude** joined Scicom in 2007 and helms the Scicom Education Group, a global educational initiative for formal professional development. This division is the driving force behind the need to create a globally competent work-force for emerging growth markets in the Services Management space.

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.





# SENIOR MANAGEMENT TEAM...



**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.

**Jasim Puthucheary**  
Chief Operating Officer - CRM & Consulting





**Chandima Hemachandra**  
Chief Technology Officer



**Chandima** joined Scicom in 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...



**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.

**Kelvin Loke Cheong Hian**  
Senior Vice-President - Finance



**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...



**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.

## **Shanti Jacqueline Jeya Raj**

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





**Jerry Rajendram**  
Head & Vice-President - Scicom Marketing



**Jerry** joined Scicom in 2003. In his capacity as the Head & 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.

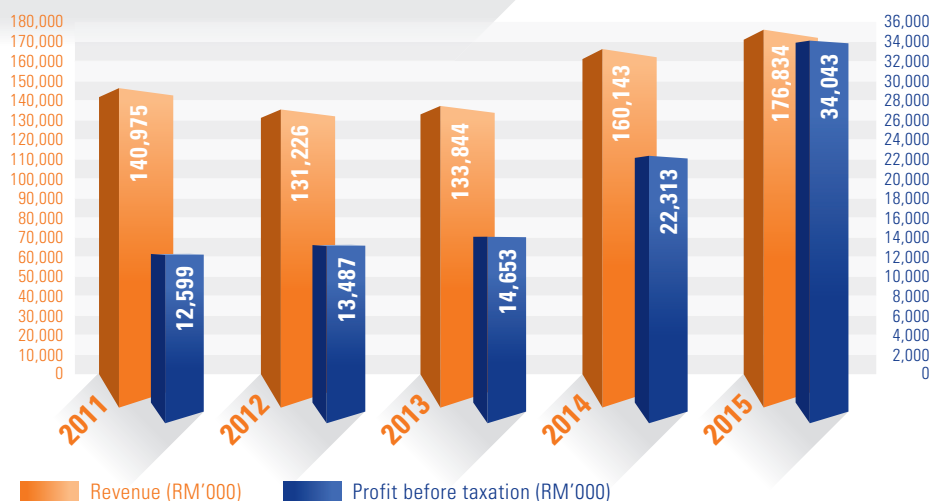
Jerry holds a Masters of Science and Bachelor of Science Honour's Degree respectively in Behavioural Science. He also holds an Associate of Arts Degree in Social Sciences and is a life member of UNICEF since 1979.

# GROUP FINANCIAL HIGHLIGHTS...

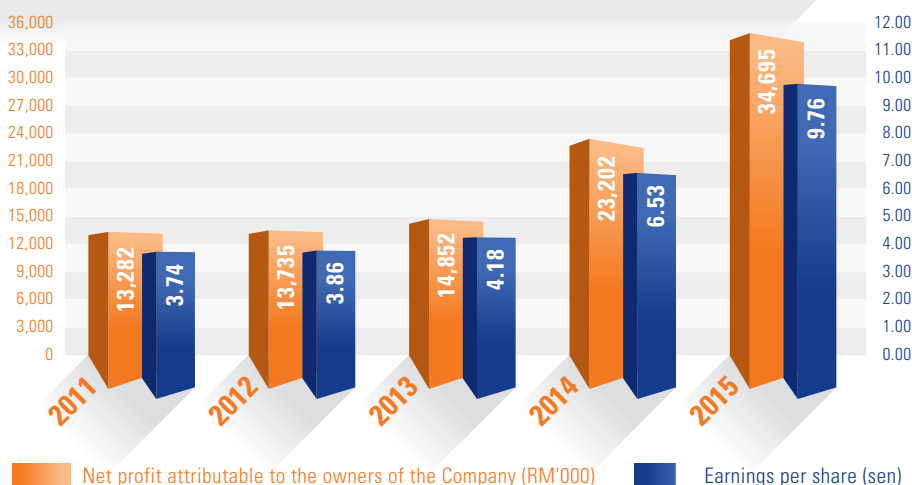
	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
<b>PROFITABILITY (RM'000)</b>				
Operating revenue	176,834	160,143	174,335	157,653
Profit before taxation ("PBT")	34,043	22,313	26,967	25,003
Net profit for the financial year	34,166	22,403	27,096	24,874
Net profit attributable to the equity holders of the Company	34,695	23,202	27,096	24,874
<b>KEY BALANCE SHEET DATA (RM'000)</b>				
Total assets	94,539	84,951	92,144	90,556
Total liabilities	14,340	13,084	12,335	12,292
Capital and reserves attributable to Owners of the Company	80,199	71,867	79,809	78,264
Net cash position	24,077	26,765	23,272	25,358
<b>FINANCIAL RATIOS</b>				
Profitability:				
- Revenue growth (%)	10.4%	19.6%	10.6%	25.7%
- PBT growth (%)	52.6%	52.3%	7.9%	39.3%
- Net profit growth (%)	52.5%	53.9%	8.9%	39.9%
- Basic earnings per share (sen)	9.76	6.53	N/A	N/A
- Diluted earnings per share (sen)	N/A	N/A	N/A	N/A
- Asset turnover (times)	1.87	1.89	1.89	1.74
- Net return on equity (times)	0.43	0.31	0.34	0.32
Liquidity				
- Current (times)	5.27	5.42	5.97	5.82
- Cash over total assets (%)	25.5%	31.5%	25.3%	28.0%
- Trade receivables turnover (months)	2.98	2.78	2.99	2.79
Financing				
- Debt over equity (times)	—	—	—	—
- Gearing (times)	—	—	—	—
Market Based (as at 30 June) :				
Market capitalisation (RM'000)	725,125	319,908		
Price-earning ratio (times)	20.90	16.54		
Dividend Yield (%)	3.7%	6.5%		
Net Asset Per Share (sen)	22.56	24.26		



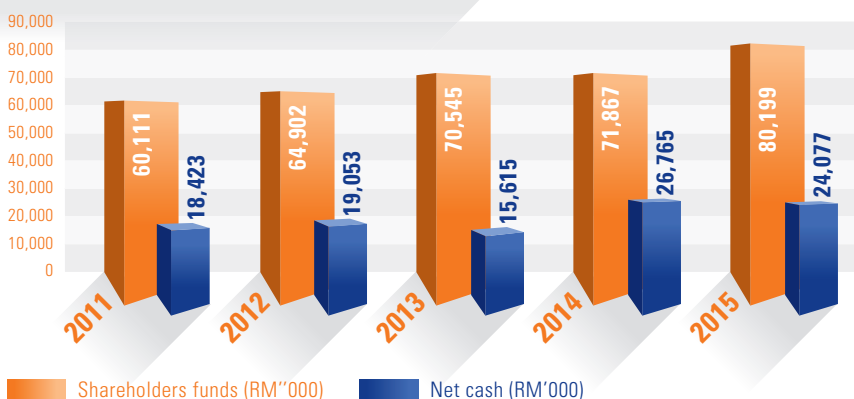
### REVENUE & PROFIT BEFORE TAXATION



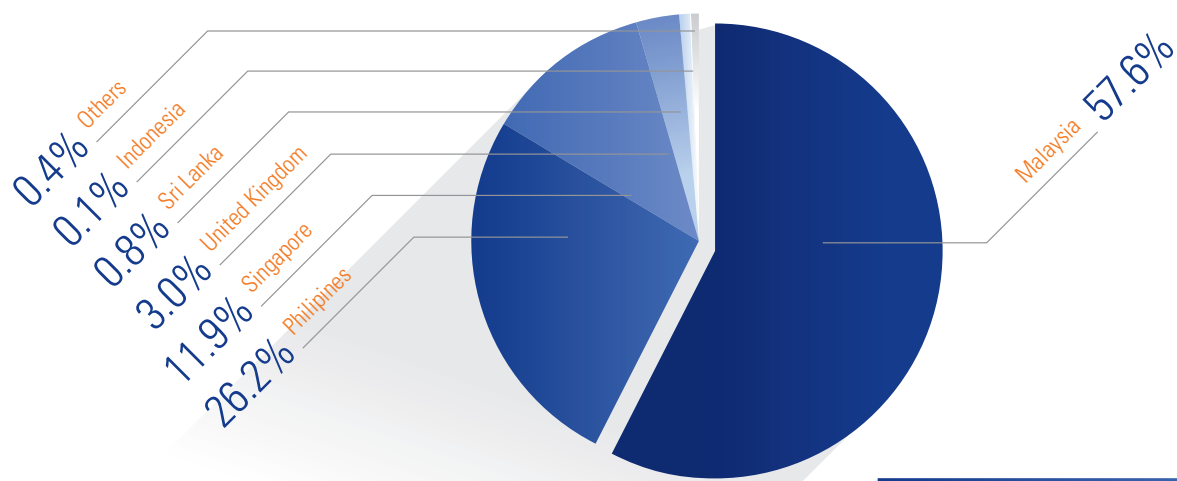
### NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY & EPS



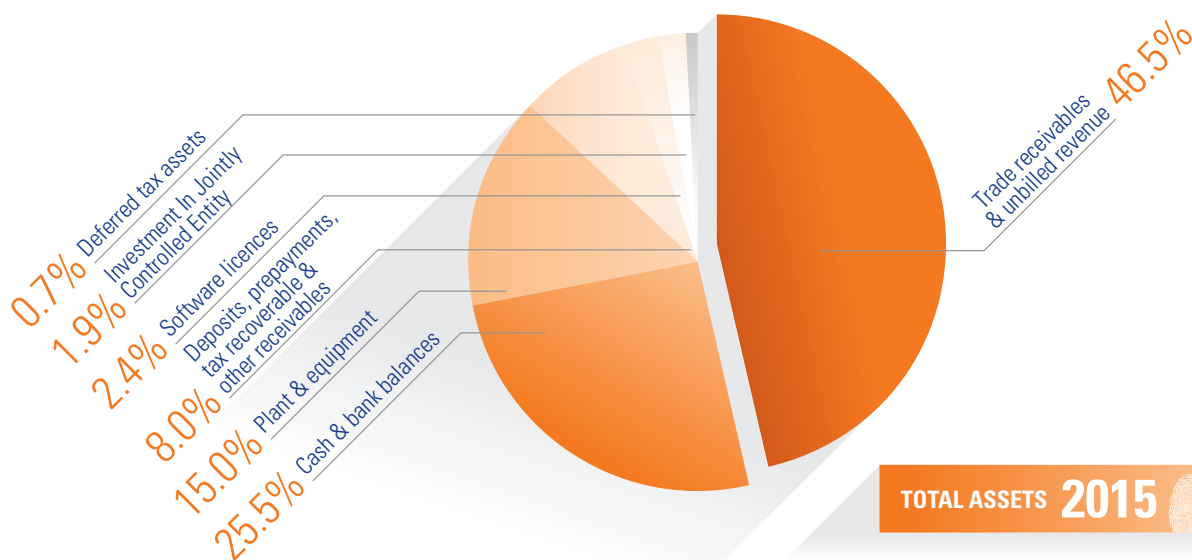
### SHAREHOLDERS' FUNDS & NET CASH



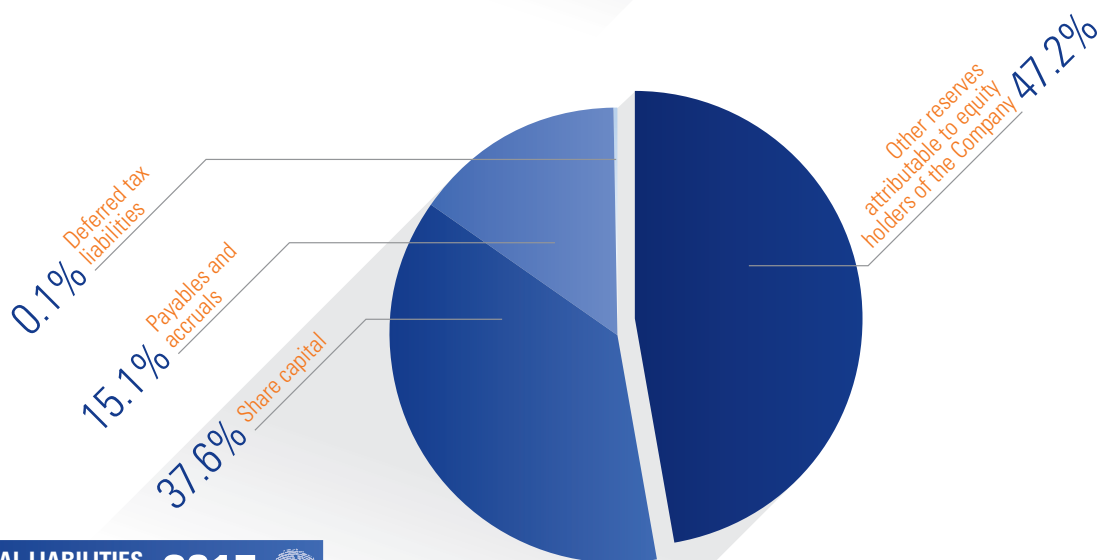
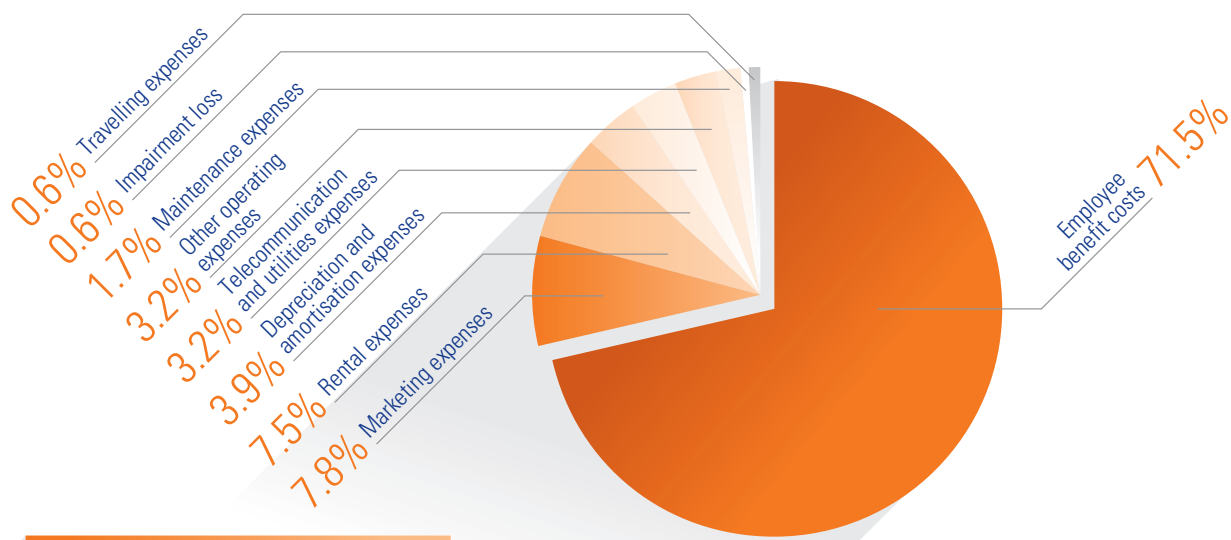
# GROUP FINANCIAL HIGHLIGHTS...



REVENUE BY LOCATION 2015



TOTAL ASSETS 2015



# CHAIRMAN'S STATEMENT ...

## Personal Perspectives

In a world that is becoming increasingly competitive, Scicom's strategy is to deliver to companies and governments, solutions and services that would be relevant, future ready, innovative and value driven. Our commitment is to provide leading solutions and services in each of our business segments. This year we have made strong progress in this respect, booking over RM176.834 million in revenue and RM34.166 million in profit representing an increase of 10.42% and 52.51%, respectively as compared to the previous financial year.

Over the financial year, we have consolidated our position as a differentiated and value driven provider of solutions and services to a discerning client base comprising of local conglomerates, multi-nationals and governments. Our BPO business targets multi-nationals that have a customer base in Asia Pacific, the Middle East and Africa. Our Education business targets large corporates and emerging governments in Asia Pacific. Our e-Government solutions business targets emerging markets around the region and our e-Commerce business leverages on our clients and their customers from a global perspective. The resulting mix of business verticals, markets we operate in and varied client base has contributed towards mitigating our business risk and enhancing our profit margins. This has enabled us to achieve a net profit margin of 19.32% for the FY 2015 as compared to 13.99% in FY 2014.



## The role of the Board

As we grow and move into different markets, businesses and associated risks, much of the Board focus has been on ensuring the key operational targets for 2015 outlined by the senior management team have been delivered. We were confident in the ability of the business to deliver based on the strategies presented for sustained growth.

However, we have not just focused on the here and now, we realise that shareholder value is created over the longer term and we challenged the senior management team to look ahead and constantly innovate to stay relevant in a constantly changing world.

An effective Board needs to have the right balance of knowledge and experience among the non-executive directors, and to be well informed on the relevant technological, regulatory and market developments. Scicom achieves this by having Board members with relevant experience in the fields of corporate finance, legal, IT, banking and consulting.

## Cash returns to Shareholders

The Board considers the ordinary dividend to be the core element of shareholder remuneration, and something on which shareholders should be able to depend. Over the FY 2015, the Board recommended four interim dividends in each quarter. The total interim dividends amounted to a total dividend pay-out for the FY2015 of 7.5 sen per ordinary share, tax exempt. These recommendations translated to a dividend pay-out ratio of 73.42% of total profits attributable to the owners of the Group and reflect the Board's continuing commitment towards maintaining a stable dividend pay-out for its shareholders.

The Group completed a bonus issue of 1 new share for every 5 existing shares on the 1st of December 2014. The total number of shares issued after the completion of the bonus stands at 355,453,560.

Taking into account dividends, and the bonus issuances, we have delivered a compound annual total return to shareholders (including dividends) of 769.62% since our IPO in FY2005.

Our balance sheet and solid cash flows continue to provide us with the operating flexibility to fund organic growth and explore new business initiatives. We completed FY 2015 with RM24.077 million in cash and a zero debt position.

## Moving Forward

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

From this deep understanding of what matters most to clients, we have established a new business relevance that encompasses customer experience, engagement and growth. With over 18 years of experience serving millions of customers in over 37 countries, we have the knowledge, technology acuity and customer domain expertise to help our clients to achieve positive outcomes with relevant solutions.

From our humble beginnings managing contact centres to becoming an international force with proprietary IP in software and process delivery and a blue chip client base, we have invested years of effort and spent significantly on our vision. We are well positioned to succeed.

I expect to see the Group's revenues and earnings continue to grow for FY2016 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.

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

Thank you.



Krishnan Menon  
Chairman






# CEO UPDATE...

## Dear Shareholders,

### Delivering in Financial Year 2015

In fiscal year 2015 SCICOM, again, delivered profitable growth, increased revenues, achieved double-digit EPS growth, generated solid cash flow and significantly increased dividend payments to shareholders.

### Here are some highlights:

- We delivered record annual revenues of RM176.834 million. Revenue increased by RM16.691 million or 10.42% in comparison to the preceding financial year.  

- We delivered RM34.166 million in net profit - an all-time high representing an increase of RM11.763 million or 52.51% year on year.  

- The net profit margin for the Group is at 19.32% for this financial year as compared to 13.99% in FY 2014.
- Basic Earnings Per Share (EPS) was at a record 9.76 sen, compared with 6.53 sen in the preceding financial year, representing an increase of 49.46%.  

- We generated free cash flows of RM22.790 million and maintained a very strong balance sheet, ending the year with RM24.077 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 2015 was 7.5 sen per ordinary share, tax exempt; resulting in a dividend payout ratio of 73.42% of FY 2015'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 RM1.08 per share on 1 July 2014 to RM2.04 on 30 June 2015. As a result, market capitalisation for Scicom increased by 127% to RM725.125 million by the end of the FY 2015.  


- Since our IPO in 2005, Scicom shares have delivered a compound annual total return to shareholders (including dividends) of 769.62%. 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 our shares.

### Evolution of services, risk and margin diversification

We operate four distinct yet integrated business segments:

#### Customer Contact Management Solutions (BPO solutions)

We provide premier customer care and technical support services along with associated fulfillment via our multi-lingual and multi-channel customer contact management centres. Our target clients include conglomerates and multi-nationals that have a customer base in Asia Pacific and beyond. We 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.

#### Education Solutions

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

#### e-Government Solutions

Governments are increasingly becoming cognizant of the value of outsourcing in providing efficiencies as well as offering an innovative product suite to their citizens. Our integrated approach to this challenge has generated interest from governments in emerging markets in the region who have been keen to talk to us about a myriad series of opportunities as they seek the best ways 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.

These services and solutions provide Scicom with the ability to mitigate risk and at the same time provide opportunities to tap into a diverse series of potential markets ranging from local conglomerates and multi-nationals to governments.

The diversification of our business from that of a pure play BPO solution proposition to that of an integrated solutions player in BPO, Education, e-Government and e-Commerce provides Scicom with an opportunity to leverage on typically higher margins for these solution sets. This is evidenced by our increase in profit margin from 13.99% in financial year 2014 to 19.32% in financial year 2015.

In FY 2015, 42% 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.

We have 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.

Scicom e-Commerce, a new growth platform that integrates our existing digital assets, software and services has provided Scicom with a unique opportunity to leverage our resources to create a platform for sustained future growth. The ability to leverage our clients and their customers in creating retail, private and public based revenues, will provide Scicom the impetus to grow a new business segment. The inclusion of m-commerce, analytics, big data and social media to unleash the power of e-commerce through integrated online platforms gives further scope for Scicom to build a business for the future.

Malaysia continues to be at the heart of our service propositions and is our operational HQ. 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.

With 2,702 employees as of 30th June 2015, Scicom is strongly positioned as one of Malaysia's largest and most experienced providers of integrated 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 seize 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 convinced that we are executing the right strategy and making the right investments to win in the marketplace. I am confident 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.

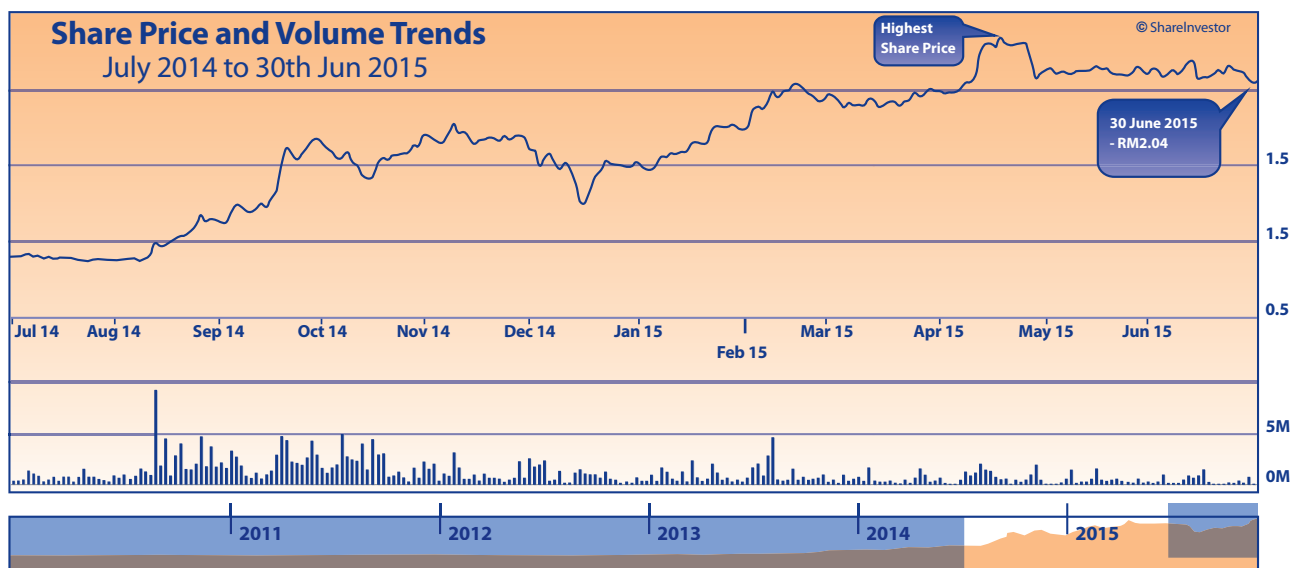
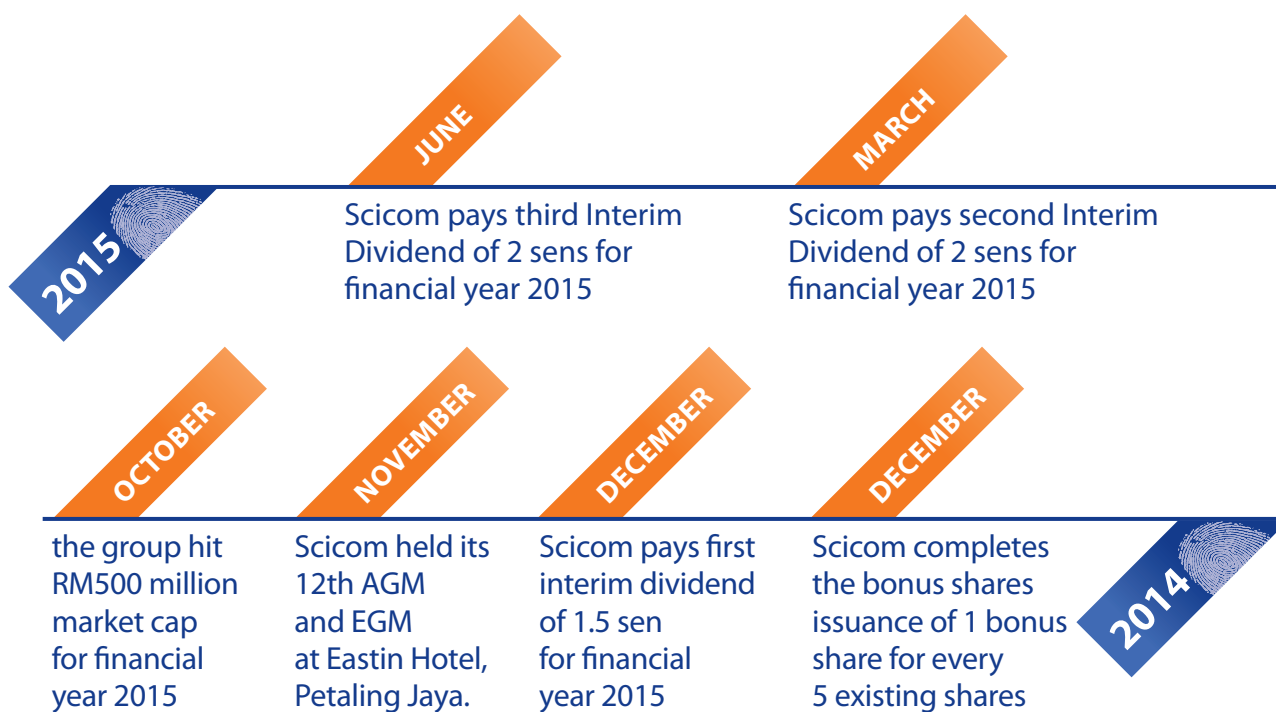


Leo Ariyanayakam  
Group Chief Executive Officer



# CORPORATE MILESTONES...

## FINANCIAL YEAR 2015 CORPORATE MILESTONES & RECOGNITION EVENTS



# CORPORATE SOCIAL RESPONSIBILITY...

## ONE CITIZEN

A charitable initiative started in 2011 to help the vulnerable people in Malaysia and around the planet. To date caring Scicom employees have contributed over RM500,000 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. Leadership in Energy & Environmental Design (LEED) certification initiative by the Group.



# CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT...

Scicom has embedded sustainability into its culture which is reflective of our commitment to longer term sustainability and is committed towards contributing to having a positive impact on the environment, development of communities where we operate and in integrating social responsibilities 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 of 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's CSR is about business giving back to its people. It is fundamentally about doing "Business with a Soul". We believe it is important for our employees to feel a sense of community while working for Scicom. While participating in the social welfare projects, Scicomers are able to feel part of the bigger picture and know that they are not only making a difference in the company, but also in society. The CSR initiative by the staff, known as "One Citizen" is aimed at helping the most vulnerable people within our society.

The initiatives and programmes organised by Scicom staff under 'One Citizen' during the year were :

## **Nasam Walk in Taman Tasik Titiwangsa, Kuala Lumpur**

Scicom participated in the National Stroke Association of Malaysia's Walk for Health event in October last year, where the staff was able to gain awareness on how to take care of their hearts on what to do when a stroke occurs, and great tips on how to maintain a healthy heart. Before the run, the staff were briefed and were led into an exercise routine to pump up the heart.





### MDeC Relief Fund for Kelantan Flood victims

Scicom took an active role in helping MDeC provide relief goods for the victims of the Kelantan Floods. Our representatives were physically at the MDeC office in Cyberjaya sorting, packing and loading almost 100 packs of relief goods that were then sent to the most needed areas in Kelantan.

Apart from assisting MDeC, Scicom's staff also organized a fund donation drive named 'Box of Hope' to collect funds for the flood victims.

### Box of Hope

'Box of Hope' project was put together to help the most fragile of the community, the children. The program's objective was to span as many affected flood areas in the peninsular. In particular, the boxes of hope would be gifted to not just any child, but to orphans of different ages. Orphanages from different flood affected states were identified and contacted to be the receivers.

After receiving the distribution list, the gifts were wrapped in boxes. All boxes were delivered personally by teams consisting of Scicom employees. Each team took effort to travel to different states to reach the affected orphanages.

Overall, 10 Orphanages with more than 256 children received Boxes of Hope from all the flood affected states in peninsular Malaysia.

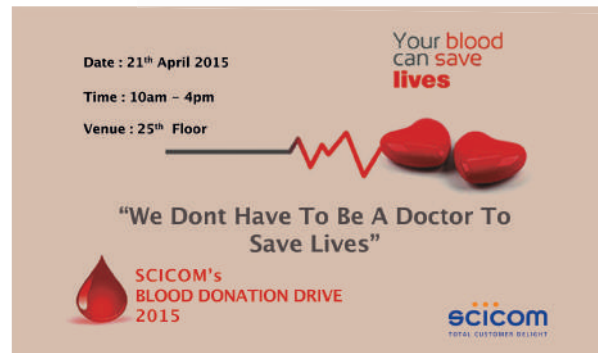
### Blood Donation Drive

In collaboration with Pusat Darah Negara, Scicom conducted our yearly Blood Donation Drive on the 21st of April 2015. This donation drive was opened to all Scicomers. The event which ran from 10am till 5pm and saw more than 200 staff volunteer to donate blood. The total number of donors at the end of the event surpassed the target and also last year's figures. We managed to get 160 staff to successfully donate blood.

### Nepal Relief Fund

As we had done previously, Scicom has continuously been supporting the less fortunate hit by natural disasters by contributing to fund raising campaigns. Scicom employees raised RM75,000 for the earthquake victims of Nepal.

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.





# CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT...

## Our Environment

At Scicom, staff are mindful of environmental issues and constantly engage in proactive measures in environmental conservation which involves the efficient use of energy, water, biodegradable and eco-friendly products, recycled paper and various other measures to reduce our carbon footprint. 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 to reduce wastage of resources. This has resulted in savings from a financial standpoint and has helped 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 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 the various departments within our organisation must work together and be interdependent on each other 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 advancement. We also develop employees for future organisational roles and create a common framework of behaviour.



# CORPORATE GOVERNANCE STATEMENT...

The Corporate Governance Statement of Scicom demonstrates the continuous commitment by the Board in discharging their roles and responsibilities to protect and enhance shareholders interest and 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 ("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 ("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 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 ("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 ("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 guidelines are in place;
- Reviewing, approving and monitoring the implementation of the Group's strategic business plans;
- Assessing and evaluating the Group's business and operational performance 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 Director, 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.

The independent Non-Executive Directors provides the necessary checks and balances in the Board's exercise of their functions by facilitating an independent evaluation of the Board's decisions and decision making process. The Board believes that both genders are to be given fair and equal treatment and any new appointments to the Board shall be based solely on merit, experience, qualifications and other attributes. Currently, there is a female Director on the Board. The Board is satisfied with the level of independence demonstrated by the Directors during the year and their ability to act in the best interest.

Recommendations of the Code provide that the tenure of an Independent Director should not exceed a cumulative term of (nine) 9 years. Dato' Mohd Salleh Bin Hj Harun and Dr. Nikolai Dobberstein both being Independent Non-Executive Directors had exceeded the term of 9 years during the financial year. The shareholders of the Company during the Twelfth (12th) Annual General Meeting held on 17th November 2014 re-elected the named Directors to continue in office as Independent Non-Executive Director until the conclusion of the next Annual General Meeting.

A brief profile of the Directors is included in the Board of Directors – Profiles as set out on pages 14 to 20 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 CEO, via the appointment of separate Board members to hold respective positions.

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

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

The Group CEO is responsible for the day-to-day running of the Group's business, and ensuring that the Group's policies and strategies as approved and adopted by the Board are implemented with the assistance of the Senior Management Team ("SMT").

### 3. Board Charter and Responsibilities

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

To enhance accountability, the Board Charter also sets out specific functions reserved for the Board and those delegated to the Management.

The principal functions of the Board are as follows:

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

# CORPORATE GOVERNANCE STATEMENT...

## 4. Board meetings

The Board meets at least four (4) times a year on a quarterly 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 and all the Directors attended the four (4) meetings. :

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 Seputeh Meeting Room, Lower Ground Level, 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	Course / Conference Title	Date Attended	Organised By
Krishnan Menon	Anti-Money Laundering and Counter Financing of Terrorism Awareness Programme	13 August 2014	Malaysian Institute of Accountants
	Petronas Directors' Training – "Board Dynamics"	25 August 2014	Petronas Nasional Berhad
	CAANZ-MICPA Audit Forum: "Risk Management – Walking the talk"	5 September 2014	Chartered Accountants of Australia and New Zealand (CAANZ) & The Malaysian Institute of Certified Public Accountants
	Petronas Directors' Training: "Annual Asean Corporate Governance Summit 2014 - Governance and Regulatory Updates"	1 & 2 October 2014	Malaysian Institute of Corporate Governance & Federal Of Public Listed Companies Bhd
	MISC Directors' Annual Training <ul style="list-style-type: none"> <li>• Directors' Conflict of Interest</li> <li>• Finance for Non-Finance</li> <li>• Outlook of LNG Shipping</li> <li>• Outlook in Oil and Gas Industry</li> </ul>	15 October 2014	MISC Berhad
	Petronas Annual Internal Audit Forum – "Achieving Excellence Through Audits"	11 November 2014	Petronas Nasional Berhad
	Petronas Directors' Training: Corporate Directors Advances Programme – "Innovation"	12 & 13 November 2014	Malaysian Directors Academy
	Petronas Directors' Training: Audit Committee Conference 2015 – "Rising to New Challenges"	24 March 2015	Malaysian Institute of Accountants & The Institute of Internal Auditors Malaysia
	Corporate Governance : "Balancing Rules & Practices"	11 May 2015	AAC, KPMG, MSWG & Securities Commission

# CORPORATE GOVERNANCE STATEMENT...

Name	Course / Conference Title	Date Attended	Organised By
Dato' Mohd Salleh Bin Hj Harun	Annual Risk Workshop – 2014	22 July 2014	Maybank
	Directors' Remuneration Study Survey 2014	5 September 2014	FIDE Forum & PWC
	FIDE Core Programme Module A (Insurance) – "Role of Chairman"	8 September 2014	FIDE/ICLIF
	The Guru Series: "Private to Public – The Journey Thus Far"	30 September 2014	Maybank
	Insurance Sector Report	27 January 2015	Bank Negara Malaysia
	The Guru Series: "Make It Happen"	9 March 2015	Maybank
	Composite Risk Rating for 2014 Supervisory: "Communication to Board of Directors"	10 March 2015	Bank Negara Malaysia
	Briefing Session on BNM Annual Report 2014: Financial Stability and Payment Systems Report 2014 – Takaful Operators	11 March 2015	Bank Negara Malaysia
	Industry Consultation Session 2015 Non-Executive Directors' Remuneration Study	6 May 2015	FIDE Forum
	<ul style="list-style-type: none"> <li>• Overview of Global Economics Environment with emphasis on China</li> <li>• The Future of European Union</li> <li>• Forces at Work Shaping the Insurance Industry</li> <li>• The New Insurance Landscape</li> <li>• Bank Insurance in a Changing World</li> </ul>	8 & 9 June 2015	Ageas

Name	Course / Conference Title	Date Attended	Organised By
Dr. Nikolai Dobberstein	A.T. Kearney Ltd – Worldwide Partners Meeting	23 to 26 June 2015	A.T. Kearney Ltd
	A.T. Kearney Ltd – Asia Partner and Principal Meeting	25 to 28 February 2015	A.T. Kearney Ltd
	Vodafone supplier conference: Vodafone India - Supplier Integration Meet - Speaker and Panel Chair	9 April 2015	Vodafone

Name	Course / Conference Title	Date Attended	Organised By
Loh Lee Soon	FIDE Forum: Risks - From Whereof	21 August 2014	FIDE
	Nominating Committee Programme 2: Effective Board Evaluations	28 August 2014	ICLIF Leadership & Governance Centre, jointly with Bursa Malaysia
	Enhanced Understanding of Risk Management and Internal Control	11 September 2014	Bursa Malaysia
	Maybank Law Conference – Beyond Domestic Laws	18 September 2014	Maybank
	Appreciation & Application of ASEAN Corporate Governance Scorecard	7 October 2014	Bursa Malaysia & Minority Shareholders Watchdog Group
	Foreign Exchange Administration (FEA) Rules	14 April 2015	Bank Negara Malaysia

# CORPORATE GOVERNANCE STATEMENT...

Name	Course / Conference Title	Date Attended	Organised By
Dato' Nicholas John Lough @ Sharif Lough Bin Abdullah	Goods & Services Tax	30 May 2014	PricewaterhouseCoopers Taxation Services Sdn Bhd
	FIDE Forum: Risks - From Whereof	21 August 2014	FIDE
	Enhanced Understanding of Risk Management and Internal Control	11 September 2014	Bursa Malaysia
	Breakfast Series: "Great Companies Deserve Great Boards and Great Boards Leading the Way for Highly Innovative Companies"	10 October 2014	Bursa Malaysia
	Qualified Risk Directors Program (White Belt & Yellow Belt)	21 October 2014	Institute of Enterprise Risk Practitioners
	Qualified Risk Directors Program (Green Belt & Brown Belt)	24 November 2014	Institute of Enterprise Risk Practitioners
	Qualified Risk Directors Program (Black Belt)	16 December 2014	Institute of Enterprise Risk Practitioners
	FIDE Forum: "Financial Services in Turbulent Times"	5 February 2015	Bank Negara Malaysia
	FIDE Core Programme: Module A - Banks	10 to 13 March 2015	Bank Negara Malaysia
	FIDE Core Programme: Module B - Banks	16 to 18 March 2015	Bank Negara Malaysia
	FIDE Forum: Dialogue with Governor, Bank Negara Malaysia	23 March 2015	Bank Negara Malaysia
	Lead The Change: Getting Women On Boards	8 May 2015	PEMANDU in collaboration with Bursa Malaysia
	FIDE Forum: 2 <sup>nd</sup> Distinguished Board Leadership Series – "Board's Strategic Leadership: Innovation & Growth in Uncertain Times"	21 May 2015	Bank Negara Malaysia
	Annual In-House Directors' Training: "Shaking Things Up – Technology that Transforms and How to Keep Pace"	29 May 2015	Hong Leong Bank Berhad
	FIDE Forum: 3 <sup>rd</sup> Distinguished Board Leadership Series – "Impact of the New Accounting Standard on Banks – What Directors should be aware of"	5 June 2015	Bank Negara Malaysia

## 7. Supply of Information

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

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

## 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 ("ARMC") composition, terms of reference and summary of activities is included in the Audit and Risk Management Committee Report as set out on pages 60 to 64 of this Annual Report.

### • Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") was formed on 12 May 2010 and is responsible for proposing candidates for directorship and assessing the directors on an ongoing basis. In addition, the NRC assesses the contribution of individual Board members, the effectiveness of the Board and the Board Committees.

The NRC is responsible in determining the remuneration of the Directors and senior management staff so as to ensure that the Company attracts, retains and motivates the Directors and senior management staff of the quality needed to manage the business of the Group effectively. The remuneration scheme is reflective of the individual Director's and senior management staff's experience and level of responsibilities. In addition, the remuneration for the Executive Director and senior management staff is structured to link remuneration and rewards to corporate and individual performance.

The members of the NRC are as follows:

- Dr. Nikolai Dobberstien – Chairman/Independent Non-Executive Director
- Dato' Mohd Salleh Bin Hj Harun – Independent Non-Executive Director
- Loh Lee Soon – Independent Non-Executive Director



# CORPORATE GOVERNANCE STATEMENT...

The NRC met three (3) times during the financial year to review the Board's structure, evaluation of Director's performances and to review the remuneration of the Executive Director and senior management staff. The members attended all the meetings,

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.

The amount of remuneration received by each Director of the Company during the financial year was as follows:

	Director's Fee	Audit & Risk Management Committee Member Fee	Nomination & Remuneration Committee Member Fee	TOTAL RM
<b><u>Executive Director</u></b>				
Leo Suresh Ariyanayakam	n/a	n/a	n/a	n/a
<b><u>Non-Executive Director</u></b>				
Krishnan a/I C. K. Menon	90,000	n/a	n/a	90,000
Dato' Mohd Salleh bin Hj. Harun	60,000	10,000	5,000	75,000
Dr. Nikolai Dobberstein	60,000	5,000	10,000	75,000
Loh Lee Soon	60,000	5,000	5,000	70,000
Karen Judith Goonting	60,000	n/a	n/a	60,000
Dato' Nicholas John Lough @ Sharif Lough bin Abdullah	60,000	n/a	n/a	60,000
Total	390,000	20,000	20,000	430,000

<b>Executive Director</b> Leo Suresh Ariyanayakam	<b>RM</b>
Salary and Bonuses	1,413,934
Benefits in kind	107,934
Total	1,521,273

## 10. Accountability and Audit

### (i) Financial Reporting

The Board aims to convey a balanced and understandable assessment of the Group's performance and prospects in its quarterly announcements, annual reports and other public reports to the shareholders. The Board retains the responsibility for the preparation of the Group's and Company's financial statements. The Directors are required by the Companies Act, 1965 to prepare the Group's and the Company's statutory financial statements with all material disclosures, to ensure the accuracy and completeness, in compliance with MASB approved accounting standards in Malaysia for Entities Other Than Private Entities, as well as the rules and regulations under the said Act. In order to properly achieve this, the 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 127 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 55 to 59 of the Annual Report.

### (iii) Relationship with Auditors

The Board, 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 130 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 60 to 64 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](http://www.scicom-intl.com), 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](mailto:corpinfo@scicom.com.my).

# CORPORATE GOVERNANCE STATEMENT...

## • The Annual General Meeting and Communication with Stakeholders

The Annual General Meeting (“AGM”) is the principal forum for dialogue and communications, and also offers an opportunity for the Board and the Senior Management Team (SMT) to interact with the shareholders. During the AGM, the Chairman, other Board members, SMT and Group’s external auditors are available to respond to any questions and queries as raised by the shareholders. Where appropriate, the Chairman will endeavour to provide the shareholders with written answers to any significant questions which cannot be readily answered during the AGM.

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

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

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL...

The Board of Directors ("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 2015.

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 limited assurance review was performed in accordance with Recommended Practice Guide ("RPG") 5 (Revised) issued by the Malaysian Institute of Accountants. RPG 5 (Revised) 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.

The Board has received assurance from the Group Chief Executive Officer ("Group CEO") and the Chief Financial Officer ("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 framework 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
- Reviewing 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 ("SMT") is responsible for implementing the Board's policies on risks and controls, whereas the remaining human capital is made responsible for internal controls through their 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.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL...

## **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 that the Group may potentially be exposed to 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 ("ARMC") through the SMT is also responsible for creating and promoting risk aware 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.

## **Control Environment and Structure**

In addition to the risk management process, the Board and SMT have established numerous processes to ensure the 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 ("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 and 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 the internal auditors.

The details of activities carried out by the ARMC are set out in the Audit and Risk Management Committee Report on pages 60 to 64.

### 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 controls. Total cost of the internal audit function in respect of the current financial year is RM74,000.

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 of high risk to ensure that adequate action plans are in place to mitigate the risk. On a quarterly basis or earlier as required, the internal auditors report to the ARMC and 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 Ethics ("Code") available on the Group's intranet website (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 conduct (including fraudulent activities), and in the event of such occurrences, to inform either their Line Managers or the Human Resource Department.

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

All incidences of violations of the Code are immediately brought to the attention of the Group CEO by the Human Resource Department, who will then alert and bring the matter to the attention of the SMT during their SMT meetings. 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.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL...

## **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 as appropriate.

## **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 a secondary site where key operational activities can be resumed. The SMT has employed a 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 and these tests were successfully executed. 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. The Group is currently preparing for ISO 27001 certification on Information Security Management and targets to obtain accreditation status by end of year 2016.

## **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.

## Human Capital Management

The competencies of staff are enhanced through structured development programs and potential candidates are subject to a 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 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 that the financial statements are sound to safeguard shareholders' interest in 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.

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 21 August 2015.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT...

The Board of Directors ("Board") of Scicom is pleased to present the Audit and Risk Management Committee ("Committee") Report for the financial year ended 30 June 2015.

## A. COMPOSITION AND MEETINGS

The composition of the Audit and Risk Management Committee is as follows :

Director	Designation
Dato' Mohd Salleh bin Hj. Harun	Chairperson / Independent Non-Executive Director
Dr. Nikolai Dobberstein	Independent Non-Executive Director
Loh Lee Soon	Independent Non-Executive Director

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 members attended all the meetings.

A brief profile of the individual Committee members is included in the Board of Directors – Profiles as set out on pages 14 to 20.

## 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 the majority being Independent Directors.

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

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 ("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.

### (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.

Decisions 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 purpose 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.



# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT...

## 3. Authority

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

- have the authority to appoint the internal auditor of the Company;
- have explicit authority to investigate any matter within the terms of reference;
- have the resources the Committee requires to perform the duties;
- have full access to any information which the Committee requires in the course of performing the duties;
- have unrestricted access to the CEO of the Company;
- have direct communication channels with the external auditors and person carrying out the internal audit function (if any);
- be able to obtain independent professional or other advice in the performance of its duties at the cost of the Company;
- be able to invite others with relevant experience to attend its meetings, if necessary; and
- 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 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.

In the event of any vacancy in the Committee, the Company shall fill the vacancy within two (2) 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.
- 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 in a timely manner.

#### b. Internal Audit

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

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT...

## **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 thereto, 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 2015.

In preparing the financial statements for the financial year ended 30 June 2015, the Directors have:

- Adopted suitable accounting policies and applied them consistently;
- Made judgments, 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 127 of the Audited Statutory Financial Statements.





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(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 2015.

## 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 multilingual, 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.

There have been no significant changes in the principal activities of the Group and of the Company during the financial year.

## FINANCIAL RESULTS

	<b>Group</b>	<b>Company</b>
	<b>RM</b>	<b>RM</b>
Total comprehensive income for the financial year attributable to:		
- Owners of the Company	34,824,919	27,095,562
- Non-controlling interest	(547,429)	-
Total comprehensive income for the financial year	<u>34,277,490</u>	<u>27,095,562</u>

## DIVIDENDS

The dividends on ordinary shares paid or declared by the Company since 30 June 2014 were as follows:

	<b>RM</b>
(a) In respect of the financial year ended 30 June 2014, a fourth interim dividend of 2 sen, tax exempt, per ordinary share, paid on 26 September 2014	5,924,226
(b) In respect of the financial year ended 30 June 2015, a first interim dividend of 1.5 sen, tax exempt, per ordinary share, paid on 15 December 2014	5,331,803
(c) In respect of the financial year ended 30 June 2015, a second interim dividend of 2 sen, tax exempt, per ordinary share, paid on 11 March 2015	7,109,071
(d) In respect of the financial year ended 30 June 2015, a third interim dividend of 2 sen, tax exempt, per ordinary share, paid on 22 June 2015	7,109,071
	<u>25,474,171</u>

Subsequent to the financial reporting period, on 21 August 2015, the Board of Directors declared a fourth interim dividend of 2 sen, tax exempt, per ordinary share, amounting to RM7,109,071 which is to be paid on 22 September 2015. The financial statements for the financial year ended 30 June 2015 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 2016.

# 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.

## ISSUE OF SHARES

On 1 December 2014, the Company issued a bonus issue of 59,242,260 new ordinary shares of RM0.10 each credited as fully paid-up on the basis of one (1) bonus share for every five (5) existing ordinary shares held.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

## 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  
Karen Judith Goonting  
Nicholas John Lough @ Sharif Lough bin Abdullah

## 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 1 July 2014	Bonus issued	Bought	Disposed	At 30 June 2015
	'000	'000	'000	'000	'000
<b>Direct interest in shareholdings</b>					
Krishnan a/l C. K. Menon	2,487	498	-	-	2,985
Dato' Mohd Salleh bin Hj. Harun	1,530	306	-	-	1,836
Leo Suresh Ariyanayakam	65,989	13,678	5,627	-	85,294
Dr. Nikolai Dobberstein	1,100	220	-	-	1,320
Loh Lee Soon	298	59	-	-	357
Nicholas John Lough @ Sharif Lough bin Abdullah	-	34	216	-	250

	Number of ordinary shares of RM0.10 each in the Company				
	At 1 July 2014	Bonus issued	Bought	Disposed	At 30 June 2015
	'000	'000	'000	'000	'000
<b>Deemed interest in shareholdings</b>					
Krishnan a/l C. K. Menon <sup>1</sup>	67,099	11,420	-	(10,000)	68,519
Nicholas John Lough @ Sharif Lough bin Abdullah <sup>2</sup>	-	10	240	-	250

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

<sup>2</sup> Deemed interest by virtue of his shareholdings in Melewar Leisure 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 21 August 2015.

LEO SURESH ARIYANAYAKAM  
DIRECTOR

Kuala Lumpur

KRISHNAN A/L C. K. MENON  
DIRECTOR

# Statements Of Comprehensive Income

## For The Financial Year Ended 30 June 2015

	Note	Group		Company	
		2015	2014	2015	2014
		RM	RM	RM	RM
REVENUE	6	<b>176,833,670</b>	160,142,765	<b>174,334,956</b>	157,653,248
OTHER OPERATING INCOME		<b>832</b>	8,253	<b>832</b>	8,253
		<b>176,834,502</b>	160,151,018	<b>174,335,788</b>	157,661,501
OPERATING EXPENSES					
- Depreciation and amortisation expenses		<b>(5,522,457)</b>	(5,737,442)	<b>(4,470,120)</b>	(3,863,245)
- Employee benefit costs	7	<b>(102,819,637)</b>	(96,752,980)	<b>(97,550,331)</b>	(92,527,999)
- Impairment loss		<b>(841,770)</b>	(149,401)	<b>(16,191,479)</b>	(3,263,405)
- Maintenance expenses		<b>(2,394,072)</b>	(2,111,585)	<b>(2,205,840)</b>	(1,954,161)
- Rental expenses	8	<b>(10,785,421)</b>	(10,188,318)	<b>(8,402,859)</b>	(7,922,367)
- Telecommunication and utilities expenses		<b>(4,532,704)</b>	(5,536,630)	<b>(3,941,695)</b>	(5,013,597)
- Travelling expenses		<b>(876,828)</b>	(1,192,073)	<b>(725,051)</b>	(776,561)
- Marketing expenses		<b>(11,126,758)</b>	(10,679,341)	<b>(11,104,805)</b>	(10,660,696)
- Other operating expenses		<b>(4,519,591)</b>	(5,754,586)	<b>(3,312,377)</b>	(7,044,038)
		<b>(143,419,238)</b>	(138,102,356)	<b>(147,904,557)</b>	(133,026,069)
PROFIT FROM OPERATIONS		<b>33,415,264</b>	22,048,662	<b>26,431,231</b>	24,635,432
NET FINANCE INCOME/(COSTS)					
Finance income		<b>575,886</b>	422,055	<b>535,598</b>	392,488
Finance costs		<b>(331)</b>	(24,720)	<b>-</b>	(24,708)
	9	<b>575,555</b>	397,335	<b>535,598</b>	367,780
SHARE OF PROFIT/(LOSS) OF THE JOINT VENTURE	17	<b>52,132</b>	(133,081)	<b>-</b>	<b>-</b>
PROFIT BEFORE TAXATION	10	<b>34,042,951</b>	22,312,916	<b>26,966,829</b>	25,003,212
TAXATION	11	<b>123,406</b>	90,246	<b>128,733</b>	(128,951)
NET PROFIT FOR THE FINANCIAL YEAR		<b>34,166,357</b>	22,403,162	<b>27,095,562</b>	24,874,261
OTHER COMPREHENSIVE INCOME/(LOSS)					
Items that may be subsequently reclassified to profit or loss:					
- Currency translation differences		<b>111,133</b>	(586,924)	<b>-</b>	<b>-</b>
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<b>34,277,490</b>	21,816,238	<b>27,095,562</b>	24,874,261

# Statements Of Comprehensive Income

## For The Financial Year Ended 30 June 2015 (Continued)

	Note	Group		Company	
		2015	2014	2015	2014
		RM	RM	RM	RM
NET PROFIT FOR THE FINANCIAL YEAR					
ATTRIBUTABLE TO:					
- Owners of the Company		<b>34,694,662</b>	23,201,606	<b>27,095,562</b>	24,874,261
- Non-controlling interest		<b>(528,305)</b>	(798,444)	-	-
		<b>34,166,357</b>	22,403,162	<b>27,095,562</b>	24,874,261
TOTAL COMPREHENSIVE INCOME FOR THE					
FINANCIAL YEAR ATTRIBUTABLE TO:					
- Owners of the Company		<b>34,824,919</b>	22,621,990	<b>27,095,562</b>	24,874,261
- Non-controlling interest		<b>(547,429)</b>	(805,752)	-	-
		<b>34,277,490</b>	21,816,238	<b>27,095,562</b>	24,874,261
Earnings per share:					
- Basic (sen)	12	<b>9.76</b>	6.53		

The above statements of comprehensive income are to be read in conjunction with the notes to the financial statements on pages 83 to 126.

# Statements Of Financial Position

## As At 30 June 2015

		Group		Company	
	Note	2015	2014	2015	2014
		RM	RM	RM	RM
NON-CURRENT ASSETS					
Plant and equipment	14	14,249,501	11,345,417	11,417,548	8,735,445
Software licences	15	2,279,756	612,299	1,653,077	612,299
Investment in subsidiaries	16	-	-	4,855,718	9,307,693
Investment in joint venture	17	1,749,495	1,697,363	1	1
Deferred tax assets	23	627,344	376,744	627,344	376,744
Tax recoverable		557,970	492,466	-	-
		19,464,066	14,524,289	18,553,688	19,032,182
CURRENT ASSETS					
Trade receivables	18	43,957,643	37,120,894	43,432,717	36,668,547
Other receivables	19	6,865,563	6,338,164	5,910,678	4,871,018
Amounts due from subsidiaries	20	-	-	974,468	4,626,158
Tax recoverable		174,796	202,236	-	-
Cash and cash equivalents	21	24,076,565	26,765,014	23,272,138	25,358,161
		75,074,567	70,426,308	73,590,001	71,523,884
LESS: CURRENT LIABILITIES					
Trade and other payables	22	14,240,872	12,997,697	12,329,108	12,292,344
Tax liabilities		5,677	-	5,677	-
		14,246,549	12,997,697	12,334,785	12,292,344
NET CURRENT ASSETS		60,828,018	57,428,611	61,255,216	59,231,540
LESS: NON-CURRENT LIABILITY					
Deferred tax liabilities	23	93,599	86,200	-	-
		93,599	86,200	-	-
NET ASSETS		80,198,485	71,866,700	79,808,904	78,263,722

# Statements Of Financial Position

As At 30 June 2015 (Continued)

		Group		Company	
	Note	2015	2014	2015	2014
		RM	RM	RM	RM
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	24	<b>35,545,356</b>	29,621,130	<b>35,545,356</b>	29,621,130
Share premium reserve	25	-	1,982,994	-	1,982,994
Currency translation reserve	26	<b>(921,231)</b>	(1,051,488)	-	-
Retained earnings	26	<b>46,032,370</b>	41,853,260	<b>44,263,548</b>	46,659,598
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		<b>80,656,495</b>	72,405,896	<b>79,808,904</b>	78,263,722
NON-CONTROLLING INTEREST		<b>(458,010)</b>	(539,196)	-	-
TOTAL EQUITY		<b>80,198,485</b>	71,866,700	<b>79,808,904</b>	78,263,722

The above statements of financial position are to be read in conjunction with the notes to the financial statements on pages 83 to 126.

# Statements Of Changes In Equity

## For The Financial Year Ended 30 June 2015

Attributable to owners of the Company							
Note	Issued and fully paid ordinary shares of RM0.10 each						
	Number of shares	Nominal value	Share premium reserve	Currency translation reserve	Retained earnings	Non-controlling interest	Total equity
	unit	RM	RM	RM	RM	RM	RM
<u>Group</u>							
Balance as at 1 July 2014	296,211,300	29,621,130	1,982,994	(1,051,488)	41,853,260	(539,196)	71,866,700
Currency translation differences, representing total income and expense recognised directly in equity	-	-	-	130,257	-	(19,124)	111,133
Net profit for the financial year	-	-	-	-	34,694,662	(528,305)	34,166,357
<i>Total comprehensive income for the financial year</i>	-	-	-	130,257	34,694,662	(547,429)	34,277,490
Transactions with owners:							
Additional acquisition of a subsidiary 16	-	-	-	-	(1,023,940)	628,615	(395,325)
Issuance of bonus issue 24	59,242,260	5,924,226	(1,906,785)	-	(4,017,441)	-	-
Bonus issuance expense	-	-	(76,209)	-	-	-	(76,209)
Dividends for financial year ended:							
- 30 June 2014 13	-	-	-	-	(5,924,226)	-	(5,924,226)
- 30 June 2015 13	-	-	-	-	(19,549,945)	-	(19,549,945)
<i>Total transactions with owners recognised directly in equity</i>	59,242,260	5,924,226	(1,982,994)	-	(30,515,552)	628,615	(25,945,705)
Balance as at 30 June 2015	355,453,560	35,545,356	-	(921,231)	46,032,370	(458,010)	80,198,485



# Statements Of Changes In Equity

For The Financial Year Ended 30 June 2015 (Continued)

	Attributable to owners of the Company							
	Note	Issued and fully paid ordinary shares of RM0.10 each		Share premium reserve	Currency translation reserve	Retained earnings	Non- controlling interest	Total equity
		Number of shares	Nominal value					
Group								
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		296,211,300	29,621,130	1,982,994	(1,051,488)	41,853,260	(539,196)	71,866,700

# Statements Of Changes In Equity

## For The Financial Year Ended 30 June 2015 (Continued)

		Attributable to owners of the Company			
Note	Issued and fully paid ordinary shares of RM0.10 each		Non- distributable	Distributable	Total equity
	Number of shares	Nominal value	Share premium reserve	Retained earnings	
	unit	RM	RM	RM	
<u>Company</u>					
Balance as at 1 July 2014	296,211,300	29,621,130	1,982,994	46,659,598	78,263,722
Net profit for the financial year	-	-	-	27,095,562	27,095,562
<i>Total comprehensive income for the financial year</i>	-	-	-	<i>27,095,562</i>	<i>27,095,562</i>
Transactions with owners:					
Issuance of bonus issue	24	59,242,260	5,924,226	(1,906,785)	-
Bonus issuance expense		-	-	(76,209)	-
Dividends for financial year ended:					
- 30 June 2014	13	-	-	(5,924,226)	(5,924,226)
- 30 June 2015	13	-	-	(19,549,945)	(19,549,945)
<i>Total transactions with owners, recognised directly in equity</i>		<i>59,242,260</i>	<i>5,924,226</i>	<i>(1,982,994)</i>	<i>(29,491,612)</i>
Balance as at 30 June 2015		355,453,560	35,545,356	44,263,548	79,808,904

# Statements Of Changes In Equity

For The Financial Year Ended 30 June 2015 (Continued)

Attributable to owners of the Company							
Note	Issued and fully paid ordinary shares of RM0.10 each		Non- distributable	Distributable	Total equity		
	Number of shares	Nominal value	Share premium reserve	Retained earnings			
						unit	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>	-	-	-	<i>24,874,261</i>	<i>24,874,261</i>		
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>	-	-	-	<i>(20,734,791)</i>	<i>(20,734,791)</i>		
Balance as at 30 June 2014	296,211,300	29,621,130	1,982,994	46,659,598	78,263,722		

The above statements of changes in equity are to be read in conjunction with the notes to the financial statements on pages 83 to 126.

# Statements Of Cash Flows

## For The Financial Year Ended 30 June 2015

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit for the financial year	<b>34,166,357</b>	22,403,162	<b>27,095,562</b>	24,874,261
Adjustments for:				
Impairment loss:				
- investment in subsidiary	-	-	<b>7,980,361</b>	2,128,329
- amounts due from subsidiaries	-	-	<b>7,478,460</b>	985,826
- deposits	-	149,250	-	149,250
- trade receivables	<b>732,658</b>	151	<b>732,658</b>	-
- plant and equipment	<b>109,112</b>	-	-	-
Amortisation of software licences	<b>381,108</b>	56,456	<b>327,243</b>	56,456
Bad debts written off	<b>623,194</b>	-	<b>387,100</b>	-
Depreciation of plant and equipment	<b>5,141,349</b>	5,680,986	<b>4,142,877</b>	3,806,789
Gain on disposal of plant and equipment	<b>(15)</b>	-	<b>(15)</b>	-
Plant and equipment written off	<b>22,293</b>	12,035	<b>22,293</b>	555
Finance costs	<b>331</b>	24,720	-	24,708
Finance income	<b>(575,886)</b>	(422,055)	<b>(535,598)</b>	(392,488)
Share of (profit)/loss of the joint venture	<b>(52,132)</b>	133,081	-	-
Unrealised foreign exchange (gain)/loss	<b>(464,458)</b>	(273,989)	<b>(1,612,684)</b>	196,463
Taxation	<b>(123,406)</b>	(90,246)	<b>(128,733)</b>	128,951
Operating profit before changes in working capital	<b>39,960,505</b>	27,673,551	<b>45,889,524</b>	31,959,100
Changes in working capital:				
Trade and other receivables	<b>(8,323,964)</b>	1,240,321	<b>(8,754,675)</b>	(4,735,145)
Trade and other payables	<b>1,191,880</b>	6,208,966	<b>25,136</b>	6,869,035
Intercompany balances	-	-	<b>398,174</b>	1,468,616
Cash generated from operating activities	<b>32,828,421</b>	35,122,838	<b>37,558,159</b>	35,561,606
Interest received	<b>575,886</b>	422,055	<b>535,598</b>	392,488
Tax (refund)/paid	<b>(87,419)</b>	151,413	<b>(116,190)</b>	(76,584)
Net cash generated from operating activities	<b>33,316,888</b>	35,696,306	<b>37,977,567</b>	35,877,510

# Statements Of Cash Flows

## For The Financial Year Ended 30 June 2015 (Continued)

	Note	Group		Company	
		2015	2014	2015	2014
		RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Increase in investment in subsidiary		(395,325)	-	-	(560,000)
Proceeds from disposal of plant and equipment		1,516	54,091	1,516	892
Purchase of software licences	15	(2,049,997)	(668,755)	(1,368,021)	(668,755)
Purchase of plant and equipment	14	(7,988,842)	(3,524,924)	(6,848,774)	(2,244,395)
Advances to subsidiaries		-	-	(6,982,585)	(8,492,280)
Repayment of advances to subsidiaries		-	-	663,712	6,718,704
Net cash used in investing activities		(10,432,648)	(4,139,588)	(14,534,152)	(5,245,834)
CASH FLOWS FROM FINANCING ACTIVITIES					
Issuance of shares to non-controlling interest		-	240,000	-	-
Bonus issue transaction costs		(76,209)	-	(76,209)	-
Interest paid		(331)	(24,720)	-	(24,708)
Payment of dividends		(25,474,171)	(20,734,791)	(25,474,171)	(20,734,791)
Net cash used in financing activities		(25,550,711)	(20,519,511)	(25,550,380)	(20,759,499)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,666,471)	11,037,207	(2,106,965)	9,872,177
EFFECT OF FOREIGN EXCHANGE MOVEMENT ON CASH AND CASH EQUIVALENTS		(21,978)	112,971	20,942	565,029
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		26,765,014	15,614,836	25,358,161	14,920,955
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	21	24,076,565	26,765,014	23,272,138	25,358,161

The above statements of cash flows are to be read in conjunction with the notes to the financial statements on pages 83 to 126.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015

### 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 multilingual, 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 estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group and 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

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

The new accounting standards, amendments and improvements to published standards and interpretations that are effective for the Group and the Company's financial year beginning on 1 July 2014 are as follows:

- Amendments to MFRS 132 'Offsetting Financial Assets and Financial Liabilities'
- Amendments to MFRS 10, MFRS 12 and MFRS 127 'Investment entities'
- Amendment to MFRS 119 'Employee benefits'
- IC Interpretation 21 'Levies'
- Annual Improvement 2010 - 2012
- Annual Improvement 2011 - 2013

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.



# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 2 BASIS OF PREPARATION (CONTINUED)

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

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 July 2014. None of these is expected to have a significant effect on the consolidated financial statements of the Group and the Company, except the following set out below:

- Amendment to MFRS 11 'Joint arrangements' (effective from 1 January 2016) requires an investor to apply the principles of MFRS 3 'Business Combination' when it acquires an interest in a joint operation that constitutes a business. The amendments are applicable to both the acquisition of the initial interest in a joint operation and the acquisition of additional interest in the same joint operation. However, a previously held interest is not re-measured when the acquisition of an additional interest in the same joint operation results in retaining joint control.
- Amendments to MFRS 116 'Property, plant and equipment' and MFRS 138 'Intangible assets' (effective from 1 January 2016) clarify that the use of revenue-based methods to calculate the depreciation and amortisation of an item of property, plant and equipment and intangible are not appropriate. This is because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

The amendments to MFRS 138 also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption can be overcome only in the limited circumstances where the intangible asset is expressed as a measure of revenue or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

- Amendments to MFRS 10 and MFRS 128 regarding sale or contribution of assets between an investor and its associate or joint venture (effective from 1 January 2016) resolve a current inconsistency between MFRS 10 and MFRS 128. The accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business'. Full gain or loss shall be recognised by the investor where the non-monetary assets constitute a 'business'. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor to the extent of the other investors' interests. The amendments will only apply when an investor sells or contributes assets to its associate or joint venture. They are not intended to address accounting for the sale or contribution of assets by an investor in a joint operation.
- MFRS 9 'Financial Instruments' (effective from 1 January 2018) will replace MFRS 139 'Financial Instruments: Recognition and Measurement'. The complete version of MFRS 9 was issued in November 2014.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

- MFRS 9 introduces an expected credit loss model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 2 BASIS OF PREPARATION (CONTINUED)

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

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 July 2014. None of these is expected to have a significant effect on the consolidated financial statements of the Group and the Company, except the following set out below (continued):

- MFRS 15 'Revenue from contracts with customers' (effective from 1 Jan 2017) replaces MFRS 118 'Revenue' and MFRS 111 'Construction contracts' and related interpretations. The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

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.

### 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.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (b) Subsidiaries (continued)

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.

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 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.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (d) Plant and equipment (continued)

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.

#### (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.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (g) Financial assets (continued)

##### (i) Classification (continued)

###### 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.

##### (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.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (g) Financial assets (continued)

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

###### Assets carried at amortised cost (continued)

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

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

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

##### (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.

#### (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.



# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (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.

#### (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.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (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.

#### (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.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (p) Income taxes (continued)

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.

#### (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:

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (q) Foreign currencies (continued)

##### (iii) Group companies (continued)

- (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.

#### (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.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 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 including the application of certain tax incentive. 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 in subsidiaries 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.

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.

During the year, the Company had undertaken an assessment of the recoverable amount of its investments in subsidiaries and recognised an impairment charge of RM7,980,361 (2014: RM2,128,329) to the statement of comprehensive income.

### 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.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 5 SEGMENT REPORTING (CONTINUED)

The Group organises its business in the following operating segments (continued):

- (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.

For the financial year ended 30 June 2015

	<b>Outsourcing services</b>	<b>Training and consulting</b>	<b>Adjustments and eliminations**</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
External revenue	175,972,883	860,787	-	176,833,670
Inter segment revenue	-	739,500	(739,500)	-
<b>Total revenue</b>	<b>175,972,883</b>	<b>1,600,287</b>	<b>(739,500)</b>	<b>176,833,670</b>
Segment results	42,728,796	(3,791,907)	-	38,936,889
Unallocated income/other gains				832
Operating profit				38,937,721
Finance income				575,886
Finance costs				(331)
Depreciation and amortisation expenses				(5,522,457)
Share of profit of the joint venture (net of tax)				52,132
<b>Profit before taxation</b>				<b>34,042,951</b>
Taxation				123,406
<b>Net profit for the financial year</b>				<b>34,166,357</b>



# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 5 SEGMENT REPORTING (CONTINUED)

(a) Operating segments (continued)

As at 30 June 2015

	<b>Outsourcing services</b>	<b>Training and consulting</b>	<b>Adjustments and eliminations**</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Segment assets	72,701,982	318,371	(3,921,718)	69,098,635
Unallocated assets:				
- Deferred tax assets				627,344
- Tax recoverable				732,766
- Cash and cash equivalents				24,076,565
- Others				3,323
Total assets				94,538,633
Segment liabilities	29,697,968	7,782,339	(23,245,353)	14,234,954
Unallocated liabilities				105,194
Total liabilities				14,340,148

For the financial year ended 30 June 2015

	<b>Outsourcing services</b>	<b>Training and consulting</b>	<b>Adjustments and eliminations**</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Capital expenditure	10,029,119	9,720	-	10,038,839
Depreciation and amortisation expenses	5,647,597	71,816	(196,956)	5,522,457
Significant non-cash expenses:				
- Impairment loss	16,300,592	-	(15,458,822)	841,770
- Unrealised foreign exchange (gain)/loss	(1,714,977)	-	1,250,519	(464,458)

\*\* In relation to consolidation adjustments.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 5 SEGMENT REPORTING (CONTINUED)

(a) Operating segments (continued)

For the financial year ended 30 June 2014

	<b>Outsourcing services</b>	<b>Training and consulting</b>	<b>Adjustments and eliminations**</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
External revenue	159,062,020	1,080,745	-	160,142,765
Inter segment revenue	-	1,633,500	(1,633,500)	-
Total revenue	<u>159,062,020</u>	<u>2,714,245</u>	<u>(1,633,500)</u>	<u>160,142,765</u>
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				<u>22,403,162</u>

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 5 SEGMENT REPORTING (CONTINUED)

(a) Operating segments (continued)

As at 30 June 2014

	<b>Outsourcing services</b>	<b>Training and consulting</b>	<b>Adjustments and eliminations**</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
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				84,950,597
Segment liabilities	25,364,920	4,502,796	(16,873,892)	12,993,824
Unallocated liabilities				90,073
Total liabilities				13,083,897

For the financial year ended 30 June 2014

	<b>Outsourcing services</b>	<b>Training and consulting</b>	<b>Adjustments and eliminations**</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
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)

\*\* In relation to consolidation adjustments.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (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 **	
	2015	2014	2015	2014
	RM	RM	RM	RM
Malaysia *	101,904,450	94,474,538	15,063,454	11,153,584
Singapore	21,014,922	39,325,558	-	-
Philippines	46,330,572	15,920,988	-	-
United Kingdom	5,284,466	8,531,897	-	-
Sri Lanka	1,388,252	895,839	2,403,345	1,154,610
Indonesia	249,675	512,933	811,733	1,346,294
Others	661,333	481,012	220	591
	<b>176,833,670</b>	<b>160,142,765</b>	<b>18,278,752</b>	<b>13,655,079</b>

\* 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	
	2015	2014	2015	2014
	RM	RM	RM	RM
Outsourcing services	175,972,883	159,062,020	174,334,956	157,653,248
Training and consultancy	860,787	1,080,745	-	-
	<b>176,833,670</b>	<b>160,142,765</b>	<b>174,334,956</b>	<b>157,653,248</b>

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 7 EMPLOYEE BENEFIT COSTS

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Salaries and bonuses	86,575,225	81,263,142	82,046,606	77,680,720
Defined contribution plans	7,200,985	6,676,005	6,737,879	6,278,443
Other employee benefits	6,557,290	6,748,382	6,282,294	6,503,642
Staff welfare	642,203	548,219	639,618	547,962
	<b>100,975,703</b>	95,235,748	<b>95,706,397</b>	91,010,767
Directors' remuneration:				
- Salaries and bonuses	1,413,934	1,253,232	1,413,934	1,253,232
- Fees	430,000	264,000	430,000	264,000
	<b>102,819,637</b>	96,752,980	<b>97,550,331</b>	92,527,999

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  
Karen Judith Goonting  
Nicholas John Lough @ Sharif Lough bin Abdullah

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

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Executive Director:				
- Salaries and bonuses	1,413,934	1,253,232	1,413,934	1,253,232
- Estimated monetary value of benefits-in-kind	107,339	16,000	107,339	16,000
	<b>1,521,273</b>	1,269,232	<b>1,521,273</b>	1,269,232
Non-executive Directors:				
- Fees	430,000	264,000	430,000	264,000
	<b>1,951,273</b>	1,533,232	<b>1,951,273</b>	1,533,232

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.

# Notes To The Financial Statements

For The Financial Year Ended 30 June 2015 (Continued)

## 8 RENTAL EXPENSES

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Rental:				
- Apartments	<b>731,256</b>	649,962	<b>723,537</b>	602,250
- Offices	<b>9,918,520</b>	9,372,615	<b>7,584,004</b>	7,226,462
- Office equipment	<b>40,166</b>	31,275	<b>35,722</b>	27,020
- Others	<b>95,479</b>	134,466	<b>59,596</b>	66,635
	<b>10,785,421</b>	<b>10,188,318</b>	<b>8,402,859</b>	<b>7,922,367</b>

## 9 NET FINANCE INCOME/(COSTS)

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Finance income:				
- Fixed deposit	<b>575,886</b>	422,055	<b>535,598</b>	392,488
Finance costs:				
- Others	<b>(331)</b>	(24,720)	-	(24,708)
	<b>575,555</b>	397,335	<b>535,598</b>	367,780



# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 10 PROFIT BEFORE TAXATION

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

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Auditors' remuneration:				
- Fees for statutory audit				
- PricewaterhouseCoopers, Malaysia	190,000	166,640	163,373	125,000
- Other auditors	1,141	9,068	-	-
- Fees for other services				
- PricewaterhouseCoopers, Malaysia	18,500	50,000	9,500	41,000
Bad debts written off	623,194	-	387,100	-
Depreciation of plant and equipment	5,141,349	5,680,986	4,142,877	3,806,789
Amortisation of software licences	381,108	56,456	327,243	56,456
Directors' fees	264,000	264,000	264,000	264,000
Foreign exchange (gain)/loss:				
- Realised	(454,492)	(993,832)	(433,064)	(985,223)
- Unrealised	(464,458)	(273,989)	(1,612,684)	196,463
Gain on disposal of plant and equipment	15	-	15	-
Immigration expenses	819,186	1,021,444	813,680	1,005,832
Impairment loss on:				
- investment in subsidiary	-	-	7,980,361	2,128,329
- amounts due from subsidiaries	-	-	7,478,460	985,826
- deposits	-	149,250	-	149,250
- plant and equipment	109,112	-	-	-
- trade receivables	732,658	151	732,658	-
Marketing expenses	11,126,758	10,679,341	11,104,805	10,660,696
Office supplies expenses	991,763	974,842	899,494	875,402
Other professional fees	355,703	372,971	145,932	147,870
Plant and equipment written off	22,293	12,035	22,293	555
Recruitment expenses	187,099	144,515	186,979	141,646
Security service	417,830	422,891	397,521	365,814
Software integration and support services	584,376	3,079,069	584,376	3,079,069
Staff training expenses	33,253	-	772,198	1,633,500

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 11 TAXATION

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Income tax:				
Current financial year:				
- Malaysian tax	121,867	90,780	121,867	94,443
- Foreign tax	(2,072)	1,346	-	-
	119,795	92,126	121,867	94,443
Deferred taxation (Note 23):				
Relating to temporary differences	(243,201)	(182,372)	(250,600)	34,508
	(123,406)	(90,246)	(128,733)	128,951

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 and was renewed for a further five years term expiring on 6 November 2017. In association with the MSC status, the Company was awarded pioneer status which accords the Company with five years of income tax exemption on the Company's statutory income, subject to the Company fulfilling and complying with conditions stipulated by the Minister of Finance of Malaysia on a yearly basis. No provision has been made for tax expenses for the current year as the Company has met the conditions stipulated.

The Malaysian current income tax is calculated at the statutory tax rate of 25% (2014: 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 2015, the amount of unused tax losses for the subsidiaries was RM5,948,754 (2014: RM2,506,301). 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	
	2015	2014	2015	2014
	%	%	%	%
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	5	13	15	11
- Income not subject to tax	(32)	(40)	(40)	(36)
- Deferred tax on current year losses not recognised	2	2	-	-
Average effective tax rate	-	-	-	-

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (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.

The weighted average number of ordinary shares in issue for the previous financial year has been restated to reflect the retrospective adjustment arising from the issuance of bonus shares which were completed on 1 December 2014, as required by MFRS 133 'Earnings Per Share'.

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
		<b>(Restated)</b>
Net profit for the financial year attributable to owners of the Company (RM'000)	<b>34,695</b>	23,202
Weighted average number of issued ordinary shares ('000)	<b>355,454</b>	355,454
Basic earnings per share (sen)	<b>9.76</b>	6.53

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:

	<b>2015</b>		<b>2014</b>	
	<b>Gross dividend per share</b>	<b>Amount of dividend, tax exempt</b>	<b>Gross dividend per share</b>	<b>Amount of dividend, tax exempt</b>
	<b>sen</b>	<b>RM</b>	<b>sen</b>	<b>RM</b>
First interim dividends paid in respect of the financial years ended:				
- 30 June 2015	<b>1.5</b>	<b>5,331,803</b>	-	-
- 30 June 2014	-	-	1.0	2,962,113
Second interim dividends paid in respect of the financial years ended:				
- 30 June 2015	<b>2.0</b>	<b>7,109,071</b>	-	-
- 30 June 2014	-	-	2.0	5,924,226
- 30 June 2013	-	-	2.0	5,924,226
Third interim dividends paid in respect of the financial years ended:				
- 30 June 2015	<b>2.0</b>	<b>7,109,071</b>	-	-
- 30 June 2014	-	-	2.0	5,924,226
Fourth interim dividend paid in respect of the financial year ended:				
- 30 June 2014	<b>2.0</b>	<b>5,924,226</b>	-	-
	<b>7.5</b>	<b>25,474,171</b>	<b>7.0</b>	<b>20,734,791</b>

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 13 DIVIDENDS (CONTINUED)

Subsequent to the financial reporting period, on 21 August 2015, the Board of Directors declared a fourth interim dividend of 2 sen, tax exempt, per ordinary share, amounting to RM7,109,071 which is to be paid on 22 September 2015. The financial statements for the financial year ended 30 June 2015 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 2016.

### 14 PLANT AND EQUIPMENT

	As at 1 July 2014	Additions	Write offs	Disposals	Currency translation differences	As at 30 June 2015
	RM	RM	RM	RM	RM	RM
<u>2015</u>						
<u>Group</u>						
<u>At cost</u>						
Furniture and fittings	4,922,862	789,829	(120,627)	(16,865)	125,929	<b>5,701,128</b>
Office equipment and computers	39,360,602	5,825,719	(2,863,279)	(3,296)	140,194	<b>42,459,940</b>
Telecommunications equipment	8,859,334	42,060	(81,214)	-	1,899	<b>8,822,079</b>
Office renovations	9,378,140	1,331,234	(2,490,277)	-	192,499	<b>8,411,596</b>
Motor vehicles	934,646	-	-	-	-	<b>934,646</b>
Educational manuals	1,392,013	-	(1,392,013)	-	-	<b>-</b>
	<u>64,847,597</u>	<u>7,988,842</u>	<u>(6,947,410)</u>	<u>(20,161)</u>	<u>460,521</u>	<u><b>66,329,389</b></u>

	As at 1 July 2014	Charge for the financial year	Write offs	Disposals	Currency translation differences	As at 30 June 2015
	RM	RM	RM	RM	RM	RM
<u>2015</u>						
<u>Group</u>						
<u>Accumulated depreciation</u>						
Furniture and fittings	3,198,702	583,263	(120,179)	(16,055)	48,697	<b>3,694,428</b>
Office equipment and computers	31,325,906	3,293,855	(2,841,929)	(2,605)	49,360	<b>31,824,587</b>
Telecommunications equipment	8,532,265	111,706	(80,720)	-	668	<b>8,563,919</b>
Office renovations	8,228,888	1,056,433	(2,490,276)	-	171,001	<b>6,966,046</b>
Motor vehicles	824,406	96,092	-	-	-	<b>920,498</b>
Educational manuals	1,392,013	-	(1,392,013)	-	-	<b>-</b>
	<u>53,502,180</u>	<u>5,141,349</u>	<u>(6,925,117)</u>	<u>(18,660)</u>	<u>269,726</u>	<u><b>51,969,478</b></u>

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 14 PLANT AND EQUIPMENT (CONTINUED)

	As at 1 July 2014	Charge for the financial year	Write offs	Disposals	Currency translation differences	As at 30 June 2015
	RM	RM	RM	RM	RM	RM
<u>2015</u>						
<u>Group</u>						
<u>Accumulated impairment</u>						
Furniture and fittings	-	10,455	-	-	124	<b>10,579</b>
Office equipment and computers	-	88,875	-	-	1,057	<b>89,932</b>
Office renovations	-	9,782	-	-	117	<b>9,899</b>
	-	109,112	-	-	1,298	<b>110,410</b>
Accumulated depreciation and impairment	53,502,180	5,250,461	(6,925,117)	(18,660)	271,024	<b>52,079,888</b>

	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)	<b>4,922,862</b>
Office equipment and computers	37,642,364	2,407,152	(251,582)	(992,302)	643,956	(88,986)	<b>39,360,602</b>
Telecommunications equipment	9,156,609	9,808	-	(300,963)	-	(6,120)	<b>8,859,334</b>
Office renovations	9,127,867	451,665	(275)	(63,397)	-	(137,720)	<b>9,378,140</b>
Motor vehicles	934,646	-	-	-	-	-	<b>934,646</b>
Educational manuals	1,392,013	-	-	-	-	-	<b>1,392,013</b>
Capital work in progress	710,327	-	-	-	(710,327)	-	<b>-</b>
	63,319,797	3,524,924	(252,914)	(1,445,818)	-	(298,392)	<b>64,847,597</b>

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 14 PLANT AND EQUIPMENT (CONTINUED)

	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)	<b>3,198,702</b>
Office equipment and computers	29,116,786	3,356,504	(239,708)	(950,960)	56,728	(13,444)	<b>31,325,906</b>
Telecommunications equipment	8,704,926	129,086	-	(300,963)	-	(784)	<b>8,532,265</b>
Office renovations	6,783,168	1,552,818	(114)	(60,655)	-	(46,329)	<b>8,228,888</b>
Motor vehicles	728,314	96,092	-	-	-	-	<b>824,406</b>
Educational manuals	1,392,013	-	-	-	-	-	<b>1,392,013</b>
	<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>	<b><u>53,502,180</u></b>
	As at 1 July 2014	Additions	Write offs	Disposals			As at 30 June 2015
	RM	RM	RM	RM			RM
<u>2015</u>							
<u>Company</u>							
<u>At cost</u>							
Furniture and fittings	2,858,513	782,122	(120,627)	(16,865)			<b>3,503,143</b>
Office equipment and computers	31,047,452	4,693,358	(2,846,062)	(3,296)			<b>32,891,452</b>
Telecommunications equipment	5,343,061	42,060	(81,214)	-			<b>5,303,907</b>
Office renovations	5,936,721	1,331,234	(2,490,277)	-			<b>4,777,678</b>
Motor vehicles	865,621	-	-	-			<b>865,621</b>
	<u>46,051,368</u>	<u>6,848,774</u>	<u>(5,538,180)</u>	<u>(20,161)</u>			<b><u>47,341,801</u></b>



# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 14 PLANT AND EQUIPMENT (CONTINUED)

	As at 1 July 2014	Charge for the financial year	Write offs	Disposals	As at 30 June 2015
	RM	RM	RM	RM	RM
2015					
Company					
Accumulated depreciation					
Furniture and fittings	2,292,756	295,656	(120,179)	(16,055)	<b>2,452,178</b>
Office equipment and computers	23,671,761	3,079,201	(2,824,712)	(2,605)	<b>23,923,645</b>
Telecommunications equipment	5,126,444	105,623	(80,720)	-	<b>5,151,347</b>
Office renovations	5,469,581	566,305	(2,490,276)	-	<b>3,545,610</b>
Motor vehicles	755,381	96,092	-	-	<b>851,473</b>
	<u>37,315,923</u>	<u>4,142,877</u>	<u>(5,515,887)</u>	<u>(18,660)</u>	<u><b>35,924,253</b></u>

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

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 14 PLANT AND EQUIPMENT (CONTINUED)

	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)	<b>2,292,756</b>
Office equipment and computers	22,014,841	2,792,006	(238,280)	(896,806)	<b>23,671,761</b>
Telecommunications equipment	5,295,523	131,884	-	(300,963)	<b>5,126,444</b>
Office renovations	4,912,316	557,265	-	-	<b>5,469,581</b>
Motor vehicles	659,289	96,092	-	-	<b>755,381</b>
	<u>35,013,583</u>	<u>3,806,789</u>	<u>(239,337)</u>	<u>(1,265,112)</u>	<u><b>37,315,923</b></u>
		<b>Group</b>			<b>Company</b>
		<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
		RM	RM	RM	RM
<u>Net book value</u>					
Furniture and fittings		<b>1,996,121</b>	1,724,160	<b>1,050,965</b>	565,757
Office equipment and computers		<b>10,545,421</b>	8,034,696	<b>8,967,807</b>	7,375,691
Telecommunications equipment		<b>258,160</b>	327,069	<b>152,560</b>	216,617
Office renovations		<b>1,435,651</b>	1,149,252	<b>1,232,068</b>	467,140
Motor vehicles		<b>14,148</b>	110,240	<b>14,148</b>	110,240
		<u><b>14,249,501</b></u>	<u>11,345,417</u>	<u><b>11,417,548</b></u>	<u>8,735,445</u>

### 15 SOFTWARE LICENCES

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	RM	RM	RM	RM
<u>Cost</u>				
As at 1 July	<b>668,755</b>	-	<b>668,755</b>	-
Addition	<b>2,049,997</b>	668,755	<b>1,368,021</b>	668,755
As at 30 June	<u><b>2,718,752</b></u>	<u>668,755</u>	<u><b>2,036,776</b></u>	<u>668,755</u>
<u>Accumulated amortisation</u>				
As at 1 July	<b>56,456</b>	-	<b>56,456</b>	-
Charge for the financial year	<b>381,108</b>	56,456	<b>327,243</b>	56,456
Currency translation	<b>1,432</b>	-	-	-
As at 30 June	<u><b>438,996</b></u>	<u>56,456</u>	<u><b>383,699</b></u>	<u>56,456</u>
Net book value	<u><b>2,279,756</b></u>	<u>612,299</u>	<u><b>1,653,077</b></u>	<u>612,299</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 2015 (Continued)

### 16 INVESTMENT IN SUBSIDIARIES

	Company	
	2015	2014
	RM	RM
Unquoted shares at cost	<b>3,073,380</b>	2,678,055
Advances to subsidiaries	<b>11,891,028</b>	8,757,967
	<b>14,964,408</b>	11,436,022
Less: Impairment loss	<b>(10,108,690)</b>	(2,128,329)
	<b>4,855,718</b>	9,307,693

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:

Name	Group's effective interest		Principal activities
	2015	2014	
	%	%	
<u>Subsidiaries of the Company</u>			
<u>Incorporated in Malaysia</u>			
Scicom (Academy) Sdn. Bhd. *	<b>100</b>	100	Provides customer service training products as well as contact centre consulting and marketing services.
Scicom International College Sdn. Bhd. *	<b>70</b>	70	Provides higher educational courses and academic training certification.
<u>Incorporated in India</u>			
Scicom Contact Centre Services Private Limited^	<b>100</b>	100	Dormant.
<u>Incorporated in the United Kingdom</u>			
Scicom International (UK) Ltd.^	<b>100</b>	100	Investment holding.
<u>Incorporated in the United States of America</u>			
<u>Subsidiary of Scicom International (UK) Ltd.</u>			
Scicom Inc.^	<b>100</b>	100	Dormant.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 16 INVESTMENT IN SUBSIDIARIES (CONTINUED)

<u>Name</u>	<u>Group's effective interest</u>		<u>Principal activities</u>
	<u>2015</u>	<u>2014</u>	
	<u>%</u>	<u>%</u>	
<u>Subsidiaries of the Company</u> (continued)			
<u>Incorporated in Indonesia</u>			
PT Scicom Indonesia <sup>^</sup>	<b>100</b>	100	Provides customer contact centre outsourcing services.
<u>Incorporated in Sri Lanka</u>			
Scicom Lanka (Private) Limited <sup>**</sup>	<b>100</b>	70	Provides customer contact centre outsourcing services.

\* Audited by PricewaterhouseCoopers, Malaysia.

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

<sup>^</sup> Not required by their local laws to appoint statutory auditors.

Non-controlling interests are not material to the Group.

On 11 December 2014, the Company acquired the remaining 30% equity interest in Scicom Lanka (Private) Limited ("SLPL") comprising of 1,575,000 ordinary shares of Sri Lanka Rupee ("SLR") 10.00 each from Abans PLC (Formerly known as Abans Private Limited). Total cash consideration for the shares amounted to SLR15,750,000 (RM395,325). Subsequent to the acquisition, SLPL became a wholly-owned subsidiary of the Company.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 17 INVESTMENT IN JOINT VENTURE

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Unquoted shares at cost	1	1	1	1
Share of net assets of the joint venture	1,749,494	1,697,362	-	-
	<b>1,749,495</b>	<b>1,697,363</b>	<b>1</b>	<b>1</b>

	Group	
	2015	2014
	RM	RM
At 1 July	1,697,363	1,830,444
Share of profit/(loss)	52,132	(133,081)
At 30 June	<b>1,749,495</b>	<b>1,697,363</b>

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

Name	Group's effective interest		Principal activities
	2015	2014	
	%	%	
<u>Incorporated in Malaysia</u>			
Asian Contact Centres Sdn. Bhd. ("ACCS") *	50	50	Managing customer contact centre outsourcing services.

\* Audited by PricewaterhouseCoopers, Malaysia.  
The financial year end of ACCS 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 Group's interest in the joint venture.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (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:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
<u>Current</u>		
Cash and cash equivalents	<b>3,151,101</b>	3,012,341
Other current assets (excluding cash)	<b>1,600,174</b>	1,077,655
Total current assets	<b>4,751,275</b>	4,089,996
Financial liabilities (excluding trade payables)	<b>(353,374)</b>	(406,185)
Other current liabilities (including trade payables)	<b>(1,045,747)</b>	(435,921)
Total current liabilities	<b>(1,399,121)</b>	(842,106)
<u>Non-current</u>		
Assets	<b>146,835</b>	146,835
Net assets	<b>3,498,989</b>	3,394,725
<u>Summarised statement of comprehensive income</u>		
Revenue	<b>2,150,506</b>	3,560,494
Profit/(loss) from continuing operations	<b>133,077</b>	(365,321)
Income tax (expense)/credit	<b>(28,813)</b>	99,159
Net profit/(loss) for the financial year/Total comprehensive income/(loss)	<b>104,264</b>	(266,162)

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (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.

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
<u>Summarised financial information</u>		
Opening net assets 1 July	<b>3,394,725</b>	3,660,887
Profit/(loss) for the financial year	<b>104,264</b>	(266,162)
Closing net assets	<b>3,498,989</b>	3,394,725
Interest in joint venture @ 50%	<b>1,749,495</b>	1,697,363
Carrying value	<b>1,749,495</b>	1,697,363

During the financial year ended 30 June 2015, the Group and the Company rendered services to the Joint Venture ("JV") totalling RM1,986,037 (2014: RM3,356,476). The amount due from the JV to the Group and Company as at 30 June 2015 amounted to RM903,071 (2014: RM435,921).

### 18 TRADE RECEIVABLES

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<u>Financial assets</u>				
<u>Trade receivables</u>				
Third parties	<b>32,064,803</b>	26,881,253	<b>31,682,276</b>	26,685,247
Unbilled receivables	<b>11,722,578</b>	9,803,871	<b>11,580,028</b>	9,547,379
Joint venture	<b>903,071</b>	435,921	<b>903,071</b>	435,921
	<b>44,690,452</b>	37,121,045	<b>44,165,375</b>	36,668,547
Less: Impairment loss				
- Third parties	<b>(732,809)</b>	(151)	<b>(732,658)</b>	-
	<b>43,957,643</b>	37,120,894	<b>43,432,717</b>	36,668,547

Credit terms of trade receivables range from 30 to 120 days (2014: 30 to 120 days) except for a debtor where an extended credit period of 12 months has been agreed.

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 2015 (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	
	2015	2014	2015	2014
	RM	RM	RM	RM
Neither past due nor impaired	<b>24,061,989</b>	17,705,114	<b>23,938,853</b>	17,527,720
Past due but not impaired:				
- 1 to 30 days past due not impaired	<b>4,192,001</b>	5,576,310	<b>4,028,325</b>	5,576,310
- 31 to 60 days past due not impaired	<b>2,208,019</b>	2,017,154	<b>2,185,688</b>	1,998,692
- 61 to 90 days past due not impaired	<b>1,072,832</b>	1,125,144	<b>1,047,039</b>	1,125,144
- More than 90 days past due not impaired	<b>700,224</b>	893,301	<b>652,784</b>	893,302
Impaired:				
- More than 90 days	<b>732,809</b>	151	<b>732,658</b>	-
	<b>32,967,874</b>	27,317,174	<b>32,585,347</b>	27,121,168
Less: Impairment loss	<b>(732,809)</b>	(151)	<b>(732,658)</b>	-
	<b>32,235,065</b>	27,317,023	<b>31,852,689</b>	27,121,168
Unbilled receivables	<b>11,722,578</b>	9,803,871	<b>11,580,028</b>	9,547,379
	<b>43,957,643</b>	37,120,894	<b>43,432,717</b>	36,668,547

#### 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	
	2015	2014	2015	2014
	RM	RM	RM	RM
Existing customers with no history of defaults	<b>22,666,190</b>	17,408,891	<b>22,592,432</b>	17,300,284
New customers within the last 6 months	<b>1,395,799</b>	296,223	<b>1,346,421</b>	227,436
	<b>24,061,989</b>	17,705,114	<b>23,938,853</b>	17,527,720

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (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 RM23,906,579 and RM23,788,214 (2014: RM15,029,476 and RM14,902,083) of the Group's and Company's trade receivables as at 30 June 2015.

Trade receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM8,173,076 (2014: RM9,611,909) and RM7,913,836 (2014: RM9,593,448) 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:

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
At 1 July	<b>151</b>	-	-	-
Charge for the financial year	<b>732,658</b>	151	<b>732,658</b>	-
At 30 June	<b>732,809</b>	151	<b>732,658</b>	-

The impairment of trade receivables is individually determined. The impaired receivables are in relation to customers with indication of impairment estimated based on the timing of the expected cash flows to be secured from the customers.

The fair value of trade receivables approximates its carrying value.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 19 OTHER RECEIVABLES

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
<u>Financial assets</u>				
Other receivables	<b>1,608,143</b>	1,594,433	<b>1,218,878</b>	1,215,826
Deposits	<b>3,852,176</b>	3,266,570	<b>3,456,024</b>	2,821,774
Less: Impairment loss	<b>(159,200)</b>	(159,200)	<b>(159,200)</b>	(159,200)
	<b>3,692,976</b>	3,107,370	<b>3,296,824</b>	2,662,574
	<b>5,301,119</b>	4,701,803	<b>4,515,702</b>	3,878,400
<u>Non-financial assets</u>				
Prepayments	<b>1,520,012</b>	1,636,361	<b>1,394,976</b>	992,618
Other receivable	<b>44,432</b>	-	-	-
	<b>6,865,563</b>	6,338,164	<b>5,910,678</b>	4,871,018

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

The credit quality of the Group's and Company's other receivables can be assessed by historical information of counterparty defaults. Other receivables of the Group and the Company are due from counterparties with no history of defaults.

#### Impairment loss

The movement in impairment loss is as follows:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
At 1 July	<b>159,200</b>	9,950	<b>159,200</b>	9,950
Charge for the financial year	-	149,250	-	149,250
At 30 June	<b>159,200</b>	159,200	<b>159,200</b>	159,200

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 2015 (Continued)

### 20 AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2015	2014
	RM	RM
Amounts due from subsidiaries	12,465,403	8,638,633
Less: Impairment loss	(11,490,935)	(4,012,475)
	<b>974,468</b>	<b>4,626,158</b>

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

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

	Company	
	2015	2014
	RM	RM
Neither past due nor impaired	974,468	4,012,475
Impaired:		
- More than 90 days	11,490,935	4,626,158
	<b>12,465,403</b>	<b>8,638,633</b>
Less: Impairment loss	(11,490,935)	(4,012,475)
	<b>974,468</b>	<b>4,626,158</b>

#### Impairment loss

The movement in impairment loss is as follows:

At 1 July	4,012,475	3,026,649
Charge for the financial year	7,478,460	985,826
At 30 June	<b>11,490,935</b>	<b>4,012,475</b>

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 2015 (Continued)

### 21 CASH AND CASH EQUIVALENTS

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Cash and bank balances	<b>2,815,386</b>	11,068,393	<b>2,171,963</b>	9,806,115
Deposits with licensed banks	<b>21,261,179</b>	15,696,621	<b>21,100,175</b>	15,552,046
	<b>24,076,565</b>	26,765,014	<b>23,272,138</b>	25,358,161

The weighted average interest rates of deposits with licensed banks as at the reporting period for the Group and the Company are 2% (2014: 2%) per annum. The Group and the Company's deposits have weighted average maturity period of 34 days (2014: 38 days).

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

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Cash in-hand	<b>191,845</b>	127,669	<b>191,845</b>	127,669
Cash at bank and deposits with licensed banks				
AAA	<b>18,284,545</b>	26,085,299	<b>17,480,118</b>	24,678,446
AA	<b>5,600,175</b>	552,046	<b>5,600,175</b>	552,046
	<b>24,076,565</b>	26,765,014	<b>23,272,138</b>	25,358,161

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

### 22 TRADE AND OTHER PAYABLES

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
<u>Financial liabilities</u>				
Trade payables	<b>249,829</b>	332,521	<b>235,042</b>	298,500
Accruals	<b>2,099,014</b>	1,495,182	<b>1,838,049</b>	1,261,969
Performance-related bonus	<b>5,534,129</b>	5,362,689	<b>5,388,621</b>	5,327,595
Other payroll-related liabilities	<b>809,663</b>	612,386	<b>734,917</b>	550,283
Other payables	<b>3,648,296</b>	3,633,448	<b>2,330,803</b>	3,408,986
	<b>12,340,931</b>	11,436,226	<b>10,527,432</b>	10,847,333
<u>Non-financial liabilities</u>				
Other payroll-related liabilities	<b>1,430,757</b>	1,397,808	<b>1,384,809</b>	1,358,846
Other payables	<b>469,184</b>	163,663	<b>416,867</b>	86,165
	<b>14,240,872</b>	12,997,697	<b>12,329,108</b>	12,292,344

Credit terms of trade payables range from 30 to 90 days (2014: 30 to 90 days).

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (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:

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Deferred tax assets:				
- Recoverable after more than 12 months	<b>(627,344)</b>	(376,744)	<b>(627,344)</b>	(376,744)
Deferred tax liabilities:				
- To be settled within 12 months	<b>93,599</b>	86,200	-	-
Deferred tax assets	<b>(627,344)</b>	(376,744)	<b>(627,344)</b>	(376,744)
Deferred tax liabilities	<b>93,599</b>	86,200	-	-
At beginning of the financial year	<b>(290,544)</b>	(108,172)	<b>(376,744)</b>	(411,252)
Charged to profit or loss (Note 11):				
- Plant and equipment	<b>(243,201)</b>	(182,372)	<b>(250,600)</b>	34,508
At the end of the financial year	<b>(533,745)</b>	(290,544)	<b>(627,344)</b>	(376,744)
Deferred tax assets:				
- Plant and equipment	<b>(627,344)</b>	(376,744)	<b>(627,344)</b>	(376,744)
Deferred tax liabilities:				
- Plant and equipment	<b>93,599</b>	86,200	-	-

### 24 SHARE CAPITAL

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

	<b>The Group and the Company</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
Authorised ordinary shares of RM0.10 each:		
At the beginning/end of the financial year	<b>100,000,000</b>	100,000,000
Issued and fully paid ordinary shares of RM0.10 each:		
At the beginning of the financial year	<b>29,621,130</b>	29,621,130
Issued during the financial year:		
- Bonus issue	<b>5,924,226</b>	-
At the end of the financial year	<b>35,545,356</b>	29,621,130

On 1 December 2014, the Company declared a bonus issue of 59,242,260 new ordinary shares of RM0.10 each credited as fully paid-up on the basis of one (1) bonus share for every five (5) existing ordinary shares held.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 25 SHARE PREMIUM RESERVE

	The Group and the Company	
	2015	2014
	RM	RM
At the beginning of the financial year	<b>1,982,994</b>	1,982,994
Share premium on ordinary shares utilised pursuant to bonus issue	<b>(1,982,994)</b>	-
At the end of the financial year	-	1,982,994

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.

### 26 RESERVES

#### (a) Retained earnings

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

#### (b) 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.

### 27 COMMITMENTS

#### (a) Capital expenditure

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

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
<u>Authorised and contracted:</u>				
- Plant and equipment	<b>152,287</b>	1,264,080	<b>152,287</b>	1,264,080

#### (b) Non-cancellable operating lease commitments

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

	Group		Company	
	2015	2014	2015	2014
- Not later than one year	<b>9,937,118</b>	6,441,441	<b>9,026,685</b>	4,843,681
- Later than one year and not later than five years	<b>8,132,890</b>	3,236,852	<b>5,516,496</b>	1,426,615
	<b>18,070,008</b>	9,678,293	<b>14,543,181</b>	6,270,296



# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 28 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.

	<b>Company</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
Sales of services:		
- Subsidiaries	-	40,384
Purchase of services:		
- Subsidiaries	<b>(793,500)</b>	(1,633,500)
Invoices billed and collected on behalf:		
- Subsidiaries	<b>(663,712)</b>	(6,718,704)
Expenses paid on behalf:		
- Subsidiaries	<b>4,249,023</b>	4,396,842
Advances:		
- Subsidiaries	<b>2,733,562</b>	4,095,438
Amounts due from:		
- Subsidiaries	<b>974,468</b>	4,626,158

### 29 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 2015 (Continued)

### 29 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 2015, if RM had strengthened by 5% (2014: 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 RM30,515 and RM179,968 lower (2014: RM6,204 and RM31,554 lower) respectively, mainly as a result of foreign exchange losses (2014: losses) on translation of US dollar-denominated trade and other receivables.

At 30 June 2015, if RM had strengthened by 5% (2014: 1%) against the Singapore dollar with all other variables held constant, pre-tax profit for the financial year would have been RM152,855 lower (2014: RM64,732 lower) for the Group and the Company, mainly as a result of foreign exchange losses (2014: losses) on translation of Singapore dollar-denominated trade and other receivables.

At 30 June 2015, if RM had strengthened by 5% (2014: 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 RM96,879 and RM123,011 lower (2014: RM108,511 and RM113,335 lower) respectively, mainly as a result of foreign exchange losses (2014: losses) on translation of Sterling Pound-denominated trade and other receivables.

##### (ii) Interest rate risk

The Group's and the Company's exposure to interest rate risk are limited to their financing through the utilisation of an overdraft facility. It is the Group's and the Company's policy to source for the most favourable interest rate available. As at 30 June 2015, the Group and the Company have no outstanding borrowings.

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

##### (iii) Price risk

For key contracts, the Group and the Company establish price levels that the Group and the Company consider acceptable and also enter into supply agreements where necessary, to achieve these levels.

The Group and the Company do 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 Company.

At the reporting date, the Group's and the Company's maximum exposure to credit risk are 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 2015, where four customers contributed RM22.9 million (2014: RM17.5 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 2015 (Continued)

### 29 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 consider 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 current accounts 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 2015, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that intercompany receivables are stated at the recoverable amounts. As at 30 June 2015, 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 have sufficient cash and bank balances and maintain 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:

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<u>On demand or less than three months:</u>				
Trade and other payables	<b>12,340,931</b>	11,436,226	<b>10,527,432</b>	10,847,333

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 29 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 2015, the Group and the Company had no outstanding borrowings.

### 30 FINANCIAL INSTRUMENTS BY CATEGORY

	<b>Group</b>	<b>Company</b>
	<b>2015</b>	<b>2015</b>
	<b>RM</b>	<b>RM</b>
<u>Loans and receivables</u>		
Trade receivables	<b>43,957,643</b>	<b>43,432,717</b>
Other receivables excluding prepayments	<b>5,301,119</b>	<b>4,515,702</b>
Cash and cash equivalents	<b>24,076,565</b>	<b>23,272,138</b>
Amounts due from subsidiaries	<b>-</b>	<b>974,468</b>
Total	<b>73,335,327</b>	<b>72,195,025</b>
<u>Other financial liabilities at amortised cost</u>		
Trade and other payables excluding statutory liabilities	<b>12,340,931</b>	<b>10,527,432</b>
	<b>Group</b>	<b>Company</b>
	<b>2014</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
<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	68,587,711	70,531,266
<u>Other financial liabilities at amortised cost</u>		
Trade and other payables excluding statutory liabilities	11,436,226	10,847,333

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2015 (Continued)

### 31 CONTINGENT LIABILITY

A subsidiary of the Company has received tax assessment notices of RM1.4 million, INR23.8 million (2014: RM1.3 million, INR23.8 million). These assessments are in respect to transfer pricing adjustments and the disallowance of certain expenses for tax purposes. The subsidiary has, as at 30 June 2015 paid RM0.5 million, INR7.4 million (2014: RM0.4 million, INR7.2 million) in respect of the assessments. This amount has been classified as tax recoverable in the Group's Statement of Financial Position. Currently, the subsidiary is challenging the assessments in the Income Tax Appellate Tribunal, in India. The Board of Directors have received expert advice on this matter from a tax agent. Based on the advice received, the Board of Directors are of the view that no significant liability will crystallise from these assessments. Furthermore, the amount paid up to 30 June 2015 will be recovered.

### 32 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 21 August 2015.

### 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	
	2015	2014	2015	2014
	RM	RM	RM	RM
Total retained earnings/(accumulated losses):				
Realised	<b>21,366,287</b>	34,648,663	<b>46,503,576</b>	46,839,880
Unrealised	<b>(1,185,131)</b>	(564,533)	<b>(2,240,028)</b>	(180,282)
	<b>20,181,156</b>	34,084,130	<b>44,263,548</b>	46,659,598
Total share of retained earnings from joint venture:				
Realised	<b>1,749,495</b>	1,697,363	-	-
	<b>21,930,651</b>	35,781,493	<b>44,263,548</b>	46,659,598
Add: Consolidation adjustments	<b>24,101,719</b>	6,071,767	-	-
Total Group's and Company's retained earnings	<b>46,032,370</b>	41,853,260	<b>44,263,548</b>	46,659,598

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 2015

### **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 73 to 126 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 2015 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 126 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 21 August 2015.

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 73 to 126 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 abovenamed Jayakumar a/l Narayana Pillai Sreedharan Nair at Kuala Lumpur in Malaysia on 21 August 2015, 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 73 to 126, which comprise the statements of financial position as at 30 June 2015 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 2015 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 126 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

AMRIT KAUR  
(No. 2482/01/17 (J))  
Chartered Accountant

Kuala Lumpur  
21 August 2015

# 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 2015. 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 2015.

## **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 2015.

## **6. NON-AUDIT FEES**

The amount of non-audit fees paid by the Group and the Company for the financial year ended 30 June 2015 were RM18,500 and RM9,500 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 2015. 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 2015.

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

For the financial year ended 30 June 2015, 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 2015.

## **11. CORPORATE SOCIAL RESPONSIBILITY**

The Group's corporate social responsibility activities and/or practices undertaken during the financial year ended 30 June 2015 are set out on pages 39 to 43 of the Annual Report.

# Analysis of Shareholdings

## SHARE CAPITAL AS AT 13 OCTOBER 2015

	Amount Amount
<b>Authorised Share Capital</b>	
Authorised ordinary shares of RM0.10 each	100,000,000
<b>Issued and Fully Paid-up Share Capital</b>	
Issued and fully paid-up ordinary shares of RM0.10 each	35,545,356
<b>Class of Securities</b>	Ordinary shares of RM0.10 each
<b>Voting Rights</b>	One vote per ordinary share

## DISTRIBUTION OF SHAREHOLDINGS AS 13 OCTOBER 2015

No. of Shareholders	%	Size of Shareholdings	%
76	4.34%	Less than 100 share	0.00%
157	8.97%	100 to 1,000 shares	0.03%
704	40.20%	1,001 to 10,000 shares	0.96%
582	33.24%	10,001 to 100,000 shares	5.43%
227	12.96%	100,001 to less than 5% of issued shares	53.69%
5	0.29%	5% and above of issued shares	39.89%
<b>1,751</b>	<b>100.00%</b>		<b>100.00%</b>

## LIST OF 30 LARGEST REGISTERED SHAREHOLDERS AS AT 13 OCTOBER 2015 (As shown in the record of Depositors)

No.	Name of Shareholder	No. of Shares Held	%
1	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR NETINSAT ASIA SDN BHD (PBCL-0G0024)	40,000,000	11.253
2	TA NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEO SURESH ARIYANAYAKAM	28,174,500	7.926
3	MAYBANK NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEO SURESH ARIYANAYAKAM	27,885,060	7.844
4	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR NETINSAT ASIA SDN BHD (PB)	27,440,000	7.719
5	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JAGANATH DEREK STEVEN SABAPATHY	18,300,000	5.148
6	ALI BIN ABDUL KADIR	13,200,000	3.713
7	MIDF AMANAH INVESTMENT NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEO SURESH ARIYANAYAKAM (MGN-LSA0005M)	11,000,000	3.094
8	SIEH KOK SWEE	7,953,600	2.237
9	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	6,918,752	1.946
10	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	6,480,780	1.823
11	LEO SURESH ARIYANAYAKAM	6,480,509	1.823
12	CIMSEC NOMINEES (ASING) SDN BHD CIMB BANK FOR LEO SURESH ARIYANAYAKAM (MY2262)	6,000,000	1.687
13	ALLIANCEGROUP NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEO SURESH ARIYANAYAKAM (8117550)	5,920,000	1.665
14	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BSI SA (BSI BK SG-NR)	5,900,000	1.659
15	KHOO LOON SEE	5,159,688	1.451
16	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	4,631,620	1.303

# Analysis of Shareholdings (Continued)

<b>No.</b>	<b>Name of Shareholder</b>	<b>No. of Shares Held</b>	<b>%</b>
17	AMSEC NOMINEES (TEMPATAN) SDN BHD AMTRUSTEE BERHAD FOR CIMB ISLAMIC DALI EQUITY GROWTH FUND (UT-CIMB-DALI)	4,093,000	1.151
18	KRISHNAN A/L C K MENON	2,984,520	0.839
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BHD FOR LIBRA AMANAH SAHAM WANITA (N14011980040)	2,879,060	0.809
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (KIB)	2,655,900	0.747
21	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OMAR SHARIFF BIN MYDEEN	2,545,000	0.715
22	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD-LIBRA CONSUMER AND LEISURE ASIA FUND	2,516,300	0.707
23	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	2,292,300	0.644
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR LIBRA INCOMEEXTRA FUND (240491)	2,200,000	0.618
25	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR MANULIFE INVESTMENT SHARIAH PROGRESSFUND	2,048,800	0.576
26	GAN BOON AIK	1,876,400	0.527
27	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR LIBRA TACTICALEXTRA FUND (250082)	1,744,280	0.490
28	AMSEC NOMINEES (TEMPATAN) SDN BHD AMTRUSTEE BERHAD FOR APEX DANA AL-SOFI-I (UT-APEX-SOFI)	1,615,900	0.454
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KNGA SML CAP FD)	1,614,140	0.454
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD LIBRA INVEST BERHAD FOR LAM SOO HENG @ LAM SEO HAN (AIS012-240263)	1,583,000	0.445
<b>Total</b>		<b>254,093,109</b>	<b>71.467</b>

## SUBSTANTIAL SHAREHOLDERS AS AT 13 OCTOBER 2015

<b>No.</b>	<b>Name of Shareholder</b>	<b>Direct Interest</b>	<b>%</b>	<b>Deemed Interest</b>	<b>%</b>
1	Leo Suresh Ariyanayakam	85,708,963	24.11%	0	0.00%
2	Netinsat Asia Sdn Bhd	68,518,704	19.28%	0	0.00%
3	Krishnan A/L C K Menon	2,984,520	0.84%	68,518,704	19.28%
4	Sreekumar A/L Narayana Pillai	-	0.00%	68,518,704	19.28%
5	Jaganath Derek Steven Sabapathy	18,726,472	5.27%	0	0.00%

## DIRECTORS' SHAREHOLDING AS AT 13 OCTOBER 2015

<b>No.</b>	<b>Name of Shareholder</b>	<b>Direct Interest</b>	<b>%</b>	<b>Deemed Interest</b>	<b>%</b>
1	Leo Suresh Ariyanayakam	85,708,963	24.11%	0	0.00%
2	Krishnan A/L C K Menon <sup>1</sup>	2,984,520	0.84%	68,518,704	19.28%
3	Dato' Mohd Salleh bin Hj. Harun	1,836,000	0.52%	0	0.00%
4	Dr. Nikolai Dobberstein	1,320,000	0.37%	0	0.00%
5	Loh Lee Soon	357,120	0.10%	0	0.00%
6	Nicholas John Lough @ Sharif Lough bin Abdullah <sup>2</sup>	1,000,000	0.28%	1,000,000	0.28%
7	Karen Judith Goonting	-	-	0	0.00%

<sup>1</sup> Deemed interest by virtue of his shareholdings in Netinsat Asia Sdn Bhd

<sup>2</sup> 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 Centres Sdn Bhd
B2B	Business to business
BCP	Business continuity planning
Board	Board of Directors
BPO	Business Process Outsourcing
BPO/SSO	Business Process Outsourcing/Shared Services Outsourcing
Bursa Securities	Bursa Malaysia Securities Berhad
BTEC	Business and Technical Education Council
CCAM	Customer Relationship Management and Contact Centre Association
CEO	Chief Executive Officer
COO	Chief Operating Officer
Code	Code of Business Conduct
CRM	Customer Relationship Management
CSR	Corporate Social Responsibility
EIDS	Electronic Information Delivery System
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
KL	Kuala Lumpur
IP	Intellectual Property
LEED	Leadership in Energy & Environmental Design

# Glossary of Abbreviations (Continued)

LOA	Limits of Authority
FMCG	Fast-Moving Consumer Goods
MASB	Malaysian Accounting Standards Board
MNC	Multinational Corporation
MSC	Multimedia Super Corridor
MQA	Malaysian Qualification Agency
PBT	Profit Before Taxation
PIKOM	Association of the Computer and Multimedia Industry of Malaysia
PJ	Petaling Jaya, Malaysia
PTSI	PT Scicom Indonesia
RM	Ringgit Malaysia
ROI	Return on Investment
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
SLA	Service Level Agreement
SLPL	Scicom Lanka (Private) Limited
SSL	Secure Sockets Layer
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
VPN	Virtual Private Network

# Group Directory



## **Scicom (MSC) Berhad**

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

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

## **Scicom (Academy) Sdn Bhd**

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

## **Scicom International College Sdn Bhd**

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

## **Scicom Contact Centre Services Private Limited**

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

## **Scicom Inc**

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

## **Asian Contact Centres Sdn Bhd**

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

## **Scicom Lanka (Private) Limited**

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

## **PT. Scicom Indonesia**

5th Floor, Jakarta Golden Landmark  
Tower B, Jl. Jenderal Sudirman No.1  
Jakarta 12910, Indonesia



# Notice Of Thirteenth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting of the Company will be held at Ballroom 2, LG Level, Eastin Hotel, 13, Jalan 16/11, Pusat Dagang Seksyen 16, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia on **Monday, 30 November 2015** 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 2015 together with the Reports of the Directors and Auditors thereon.                            | (See Note 2)   |
| <hr/> |   |  |
| 2.    | To re-elect the following Directors who retire pursuant to Article 84 of the Company's Articles of Association:-<br><br>(i) Mr Krishnan A/L C K Menon<br><br>(ii) Mr Loh Lee Soon | <br><br>(Ordinary Resolution 1)<br><br>(Ordinary Resolution 2) |
| <hr/> |   |  |
| 3.    | To approve the payment of Directors' Fees of RM430,000 for the financial year ended 30 June 2015  | (Ordinary Resolution 3)  |
| <hr/> |   |  |
| 4.    | To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration.  | (Ordinary Resolution 4)  |
| <hr/> |   |  |

## **B. Special Business**

- |  |   |                         |
|--|---|-------------------------|
| To consider and if thought fit, to pass, with or without modifications, the following Ordinary Resolutions:- |   |                         |
| 5.   | To consider and if thought fit, to pass the following Ordinary Resolution in accordance with Section 129 of the Companies Act, 1965:-<br><br>"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) |

# Notice Of Thirteenth Annual General Meeting (Continued)

## 6. **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 Mr Loh Lee Soon who has served as Independent Non-Executive Director of the Company since 25 April 2007 and will attain a cumulative term of nine (9) years on 25 April 2016, to continue to act as Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company." | (Ordinary Resolution 6) |
| (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 7) |
| (iii) "THAT 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."   | (Ordinary Resolution 8) |

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## C. **Other Business**

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7. To transact any other business of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

By Order of the Board

**WONG WAI FOONG (MAICSA 7001358)**  
**KUAN HUI FANG (MIA 16876)**  
Company Secretaries

Kuala Lumpur  
6 November 2015

# Notice Of Thirteenth

## 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 Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 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 24 November 2015 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 2015**

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 6 - Proposal for Mr Loh Lee Soon ("Mr Loh") 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 Mr Loh 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 25 April 2007 and has served as Independent Non-Executive Director of the Company and will attain a cumulative term of nine (9) years on 25 April 2016. 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;

# Notice Of Thirteenth

## Annual General Meeting (Continued)

- (b) His vast experiences as a fellow of the Institute of Chartered Accountants in England and Wales and also a member of the Malaysian Institute of Accountants 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 2015 as well as meeting the Management, as and when required, for informed and balanced decision making.

### **(ii) Ordinary Resolution 7 - 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 nine (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 2015 as well as meeting the Management, as and when required, for informed and balanced decision making.

### **(iii) 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 nine (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 Thirteenth

## 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 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 2015 as well as meeting the Management, as and when required, for informed and balanced decision making.

# 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 .....  
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 Thirteenth Annual General Meeting of  
the Company to be held at Ballroom 2, LG Level, Eastin  
Hotel, 13, Jalan 16/11, Pusat Dagang Seksyen 16,  
46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia  
on **Monday, 30 November 2015 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 Krishnan A/L C K Menon as Director pursuant to Article 84 of the Company's Articles of Association.		
2	Re-election of Mr Loh Lee Soon as Director pursuant to Article 84 of the Company's Articles of Association.		
3	Approval of Directors' Fees for the financial year ended 30 June 2015.		
4	Re-appointment of Messrs PricewaterhouseCoopers as Auditors		
<b>Special Business</b>			
5	Re-appointment of Dato' Mohd Salleh Bin Hj Harun as Director in accordance with Section 129 of the Companies Act, 1965.		
6	Approval for Mr Loh Lee Soon to continue in office as an Independent Non-Executive Director		
7	Approval for Dato' Mohd Salleh Bin Hj Harun to continue in office as an Independent Non-Executive Director		
8	Approval for Dr. Nikolai Dobberstein 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 ..... 2015

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.

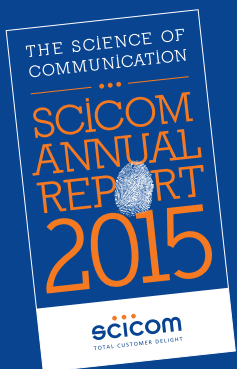
(vi) The instrument appointing a proxy must be completed and deposited at the Registered Office of the Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time appointed for holding the 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 24 November 2015 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting









**SCICOM (MSC) BERHAD** (597426-H)  
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[www.scicom-intl.com](http://www.scicom-intl.com)

