SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2017

ANNOUNCEMENT

The Board of Directors of Scicom (MSC) Berhad (hereinafter referred to as "Scicom" or "the Company") is pleased to announce the following unaudited consolidated results for the first quarter ended 30 September 2017.

CONSOLIDATED STATEMENT COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
	Current Period Quarter 30.9.2017	Preceding Year Corresponding Quarter 30.9.2016	Changes	Current Financial Period Ended 30.9.2017	Preceding Financial Period Ended 30.9.2016	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	**45,838**	**52,055**	**-12%**	**45,838**	**52,055**	**-12%**
Operating expenses	(32,334)	(38,686)	-16%	(32,334)	(38,686)	-16%
Depreciation and amortisation	(1,963)	(1,751)	12%	(1,963)	(1,751)	12%
Operating profit	**11,541**	**11,618**	**-1%**	**11,541**	**11,618**	**-1%**
Share of profit of jointly controlled entity, net of tax	14	18	-22%	14	18	-22%
(Loss)/Gain on foreign exchange	(19)	1,150	-102%	(19)	1,150	-102%
Finance income	234	252	-7%	234	252	-7%
Finance costs	0	(13)	-100%	0	(13)	-100%
Profit before taxation	**11,770**	**13,025**	**-10%**	**11,770**	**13,025**	**-10%**
Taxation	(880)	(1,089)	-19%	(880)	(1,089)	-19%
Profit for the financial period	**10,890**	**11,936**	**-9%**	**10,890**	**11,936**	**-9%**

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (cont'd)

	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
	Current Period Quarter 30.9.2017	Preceding Year Corresponding Quarter 30.9.2016	Changes	Current Financial Period Ended 30.9.2017	Preceding Financial Period Ended 30.9.2016	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Other comprehensive (loss)/ income, net of tax						
Foreign currency translation differences for foreign operations	38	13	192%	38	13	192%
Total comprehensive income for the financial period	10,928	11,949	-9%	10,928	11,949	-9%
Profit attributable to:						
- Owners of the Company	10,972	12,021	-9%	10,972	12,021	-9%
- Non-controlling interest	(82)	(85)	-4%	(82)	(85)	-4%
Profit for the financial period	10,890	11,936	-9%	10,890	11,936	-9%
Total comprehensive income attributable to:						
- Owners of the Company	11,010	12,034	-9%	11,010	12,034	-9%
- Non-controlling interest	(82)	(85)	-4%	(82)	(85)	-4%
Total comprehensive income for the financial period	10,928	11,949	-9%	10,928	11,949	-9%
Earnings per share attributable to equity holders of the Company:						
- Basic (sen)*	3.09	3.38	-9%	3.09	3.38	-9%
- Diluted (sen)	N/A	N/A	N/A	N/A	N/A	N/A

Other disclosure items pursuant to Note 16 of Appendix 9B of the Main Market Listing Requirements of Bursa Securities are not applicable.

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial report.

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At Current Financial Period Ended 30.9.2017	As At Preceding Financial Year Ended 30.06.2017
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Plant and equipment	14,382	14,140
Software licences	4,509	4,423
Investment in jointly controlled entity	149	135
	19,040	18,698
Current Assets		
Trade receivables	27,311	34,394
Unbilled receivables	17,928	15,609
Deposits, prepayments and other receivables	8,927	8,938
Tax recoverable	842	446
Cash and bank balances	34,410	29,066
Investments in cash funds	8,130	8,062
	97,548	96,515
TOTAL ASSETS	116,588	115,213
EQUITY AND LIABILITIES		
Capital and reserves attributable to Owners of the Company		
Share capital	35,545	35,545
Retained earnings	73,258	72,950
Currency translation reserve	(2,057)	(2,095)
	106,746	106,400
Non-controlling interest	(1,201)	(1,119)
TOTAL EQUITY	105,545	105,281
Non-Current Liabilities		
Deferred tax liabilities	683	683
	683	683
Current Liabilities		
Trade and other payables	10,360	9,142
Current tax liabilities	0	107
	10,360	9,249
TOTAL LIABILITIES	11,043	9,932
TOTAL EQUITY AND LIABILITIES	116,588	115,213
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	0.30	0.30

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial report.

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2017

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued and fully paid ordinary shares		Non-distributable	Distributable		
	Number of shares	Share capital	Currency translation reserve	Retained earnings	Non-controlling interest	Total Equity
	'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended 30.9.2016						
As at 1 July 2016	355,453	35,545	(1,624)	59,543	(803)	92,661
Currency translation differences, representing total income and expense recognised directly in equity	0	0	13	0	0	13
Net profit for the financial period	0	0	0	12,021	(85)	11,936
Total comprehensive (loss)/income	0	0	13	12,021	(85)	11,949
Dividends paid for the financial year ended:						
- 30 June 2016	0	0	0	(10,664)	0	(10,664)
As at 30 September 2016	355,453	35,545	(1,611)	60,900	(888)	93,946
3 months ended 30.9.2017						
As at 1 July 2017	355,453	35,545	(2,095)	72,950	(1,119)	105,281
Currency translation differences, representing total income and expense recognised directly in equity	0	0	38	0	0	38
Net profit for the financial period	0	0	0	10,972	(82)	10,890
Total comprehensive (loss)/income	0	0	38	10,972	(82)	10,928
Dividends paid for the financial year ended:						
- 30 June 2017	0	0	0	(10,664)	0	(10,664)
As at 30 September 2017	355,453	35,545	(2,057)	73,258	(1,201)	105,545

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial report.

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2017

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Financial Period Ended 30.9.2017	Preceding Financial Period Ended 30.9.2016*
	RM'000	RM'000
Operating Activities		
Net profit for the financial period	10,890	11,936
Adjustments:		
Depreciation of plant and equipment	1,623	1,508
Amortisation of software licenses	340	243
Unrealised foreign exchange gain	484	(989)
Interest expense	0	13
Taxation	880	1,089
Interest income	(234)	(252)
Gain on disposal of plant and equipment	0	(5)
Share of profit of jointly controlled entity	(14)	(18)
Operating profit before changes in working capital	13,969	13,525
Receivables	4,291	(4,200)
Payables	1,216	(504)
Cash flow from operations	19,476	8,821
Interest received	234	252
Taxation paid	(1,383)	(554)
Net cash flow generated from operating activities	18,327	8,519
Investing Activities		
Distribution received from joint venture	0	1,675
Proceeds from disposal of plant and equipment	0	5
Investment in cash funds	(68)	(61)
Purchases of plant and equipment	(1,865)	(533)
Purchases of software licences	(425)	(355)
Net cash flow (used in)/generated from investing activities	(2,358)	731
Financing Activities		
Interest paid	0	(13)
Payment of dividends	(10,664)	(10,664)
Net cash flow used in financing activities	(10,664)	(10,677)
Net increase/(decrease) in cash and cash equivalents	5,305	(1,427)
Effect of foreign exchange on cash and cash equivalents	39	(116)
Cash and cash equivalents at beginning of financial year	21,066	30,065
Cash and cash equivalents at end of financial period	26,410	28,522
Deposits with maturity of more than 3 months	8,000	7,000
Cash and bank balances at the end of the financial period	34,410	35,522

* The comparative balances in the statement of cash flow have been restated to conform to the currenty year's presentation and classification, which more accurately reflects the nature of the relevant transactions.

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1. BASIS OF PREPARATION

The unaudited interim financial report has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The unaudited interim financial report should be read in conjunction with the Group's most recent audited financial statements for the financial year ended 30 June 2017.

The accounting policies and method of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 30 June 2017. The adoption of the following MFRSs and Amendments to MFRSs that came into effect on 1 July 2017 did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

- Annual Improvements to MFRS 12 'Disclosures of Interests in Other Entities' (effective from 1 January 2017)
- Amendments to MFRS107 'Statement of Cash Flows – Disclosure Initiative' (effective from 1 January 2017)
- Amendments to MFRS112 'Income Taxes- Recognition of Deferred Tax Assets for Unrealised Losses' (effective from 1 January 2017)

Standards, amendments to published standards and interpretations that have been issued but not yet effective

Effective for financial periods beginning on or after 1 January 2018

- MFRS 15 Revenue from Contracts with Customers
- MFRS 9 Financial Instruments
- MFRS128 Investments in Associates and Joint Ventures
- IC Interpretation 22 'Foreign Currency Transactions and Advance Consideration'

Effective for financial periods beginning on or after 1 January 2019

- IC Interpretation 23 'Uncertainty over Income Tax Treatments'
- MFRS 16 Leases

Management is currently assessing the impact arising from the initial application of these standards on the financial statements of the Group.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted in preparing these consolidated condensed interim financial statements are consistent with those of the audited financial statements for the financial year ended 30 June 2017.

3. AUDITORS' REPORT OF PRECEDING AUDITED ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 30 June 2017 was not qualified.

4. SEASONAL / CYCLICAL FACTORS

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

5. UNUSUAL ITEMS

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

6. MATERIAL CHANGES IN ESTIMATES OF AMOUNTS REPORTED

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

7. MOVEMENT IN DEBT AND EQUITY SECURITIES

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

8. DIVIDENDS PAID

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

In respect of the financial year ended	Dividend	Date of dividend payment	Amount paid
2017	Interim dividend of 3.0 sen per ordinary share	27 September 2017	RM10,663,607

9. SEGMENT RESULTS AND REPORTING

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

The two primary segments that are the focus of the management's internal financial and operational reporting structure are as follows:

a. Business Process Outsourcing (BPO)'s suite of services include integrated solutions in Customer Lifecycle Management, e-Commerce Solutions and e-Government Solutions.

b. Education includes educational and industrial training services primarily focused on customer care in the service industry.

Segmental analysis by geographical areas:

	Current Period Quarter 30.9.2017	Preceding Year Corresponding Quarter 30.9.2016
	RM'000	RM'000
Revenue		
Malaysia	27,761	26,443
Singapore	2,530	2,902
Philippines	9,503	17,452
United Kingdom	763	476
Sri Lanka	1,437	1,000
China	2,229	2,854
Others	1,615	928
	45,838	52,055

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

9. SEGMENT RESULTS AND REPORTING (cont'd)

Segmental analysis by business segment is as follows:

For the financial period ended 30 September 2017

FY 2018	Current Financial Period Ended 30.9.2017			
	Outsourcing services	Education	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	45,753	85	-	45,838
Inter-segment revenue	-	467	(467)	-
Total revenue	45,753	552	(467)	45,838
Segment results	13,911	(426)		13,485
Unallocated income/ other gains				-
Depreciation of plant and equipment				(1,623)
Amortisation of software licences				(340)
Share of results of jointly controlled entity (net of tax)				14
Finance income				234
Finance cost				-
Profit before taxation				11,770
Taxation				(880)
Net profit for the financial period				10,890

For the financial period ended 30 September 2016

FY 2017	Preceding Financial Period Ended 30.9.2016			
	Outsourcing services	Education	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	52,055	-	-	52,055
Inter-segment revenue	-	-	-	-
Total revenue	52,055	-	-	52,055
Segment results	15,548	(1,029)		14,519
Unallocated income/ other gains				-
Depreciation of plant and equipment				(1,508)
Amortisation of software licences				(243)
Share of results of jointly controlled entity (net of tax)				18
Finance income				252
Finance cost				(13)
Profit before taxation				13,025
Taxation				(1,089)
Net profit for the financial period				11,936

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

10. VALUATION OF PLANT AND EQUIPMENT

There was no revaluation of plant and equipment during the financial quarter under review and financial period to date. As at 30 September 2017, all plant and equipment were stated at cost less accumulated depreciation.

11. SUBSEQUENT EVENTS

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

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group, including business combinations, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations for the financial quarter under review.

13. CONTINGENT LIABILITY OR CONTINGENT ASSET

There was no contingent liability or contingent asset arising since the last audited financial statement for the financial year ended 30 June 2017.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

14. COMMITMENTS

Commitments for the Group not provided for as at 30 September 2017 are as follows:

(a) Capital commitments

	Current Financial Period Ended 30.9.2017
	RM'000
In respect of plant and equipment - Authorised and contracted	208

(b) Non-cancelable operating leases

	Current Financial Period Ended 30.9.2017
	RM'000
Future minimum lease payments	
- not later than 1 year	10,535
- later than 1 year and not later than 5 years	6,773
	17,308

15. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

16. REVIEW OF PERFORMANCE

PERFORMANCE BY QUARTER/FINANCIAL PERIOD TO DATE

Financial quarter ended	30 Sep 2017	30 Sep 2016	Increase/ (decrease)
Revenue	RM'000	RM'000	RM'000
Outsourcing	45,753	52,055	(6,302)
Education	85	-	85
Total revenue	**45,838**	**52,055**	**(6,217)**
Profit before taxation	**11,770**	**13,025**	**(1,255)**

a. Revenue

Outsourcing
The Group's Outsourcing business principally comprises services provided to clients on long term contracts. Additionally, clients require the Group to provide ad-hoc short term services. The reduction in billable headcount for certain projects as a result of a change in clients' requirements and/or strategies has also resulted in a reduction of billable revenue from these projects amounted to RM15.26 million for the financial quarter under review as compared to the preceding year corresponding quarter.

The decrease in revenue is mitigated by revenue from increase in existing projects which amounted to RM8.8 million, respectively.

The net decrease in the Group's outsourcing revenue for the financial quarter under review is RM6.46 million.

Education
The Group's Education focus is predicated on both internal and external requirements. The external revenue aspect of the Education business for the period under review is insignificant. The Group's internal training requirements are managed completely by the Education division.

b. Profit before taxation

The lower profit before tax for the financial quarter under review as compared to the preceding year corresponding quarter is due primarily to the reversal of forex gain recognized in the previous financial quarters as compared to a forex gain position in the preceding year correspondence quarter.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

17. COMPARISON WITH PRECEDING QUARTER'S RESULTS

Financial quarter ended	30 Sep 2017	30 Jun 2017	Increase/ (decrease)
Revenue	RM'000	RM'000	RM'000
Outsourcing	45,753	47,087	(1,334)
Education	85	-	85
Total revenue	**45,838**	**47,087**	**(1,249)**
Profit before taxation	**11,770**	**11,463**	**307**

a. Revenue

Outsourcing
The Group's outsourcing business principally comprises services provided to clients on long term contracts. Additionally, clients require the Group to provide ad-hoc short term services.

Revenue for the financial quarter under review decreased by RM5.08 million as compared to the preceding financial quarter due mainly to the reduction in billable transaction for certain projects as a result of a change in clients' requirements and/or strategies. The decrease is mitigated by organic growth in certain projects and revenue from ad-hoc project amounting to RM3.41 million during the financial quarter under review.

The net decrease in the Group's outsourcing revenue for the financial quarter under review is RM1.67 million.

Education
The Group's Education focus is predicated on both internal and external requirements. The external revenue aspect of the Education business for the period under review is insignificant. The Group's internal training requirements are managed completely by the Education division.

b. Profit before taxation

The lower profit before taxation for the current financial quarter under review as compared to the preceding quarter is primarily due to drop in revenue and the reversal of forex gain recognized in the previous financial quarter.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

18. CURRENT YEAR REVIEW

For the current financial quarter under review, the Group's revenue and profit before taxation decreased by 12% (RM6.2 million) to RM45.8 million and 10% (RM1.3 million) to RM11.8 million, respectively as compared to the preceding year corresponding period. Revenue from the Group's BPO business decreased by RM15.3 million due primarily to a change in clients' customer service requirements and/or strategies to consolidate their operations in countries with a lower cost environment or bringing their customer service inhouse. The decrease in revenue is mitigated by revenue from new projects secured and organic growth for existing projects which amounted to RM8.8 million, respectively. Net decrease in revenue for BPO division is RM6.5 million as compared to the preceding year corresponding period.

The BPO division has taken the following actions to mitigate the impact from clients' change in strategy:

a. Cost mitigation

The BPO division is mitigating its cost structure on two major fronts, namely controlling operations cost and enhancing utilization of the Group's fixed asset base. For the current financial quarter under review as an indicator, direct contribution increased slightly to 30.5% as compared to 29.3% for the preceding financial year ended 30 June 2017.

b. Extensive build up in sales pipeline

Leveraging on Scicom's track record and experience in multilingual contact centre management, Scicom's business development team has been actively participating in new tenders with estimated contract value of approximately RM105 million. The management further expects to substantially successfully convert outstanding tenders from the above pipeline to commence operations and contribute to the Group's bottom line by the fourth quarter of the current financial year.

Scicom Education Group continue to focus on both the Group's internal training requirements and offers innovative training and education solutions to large corporates and government alike. It increasingly serves as an integral part of the Group's e-government initiatives as service is a key product offering and a comprehensive understanding of the provision of training components in enhancing efficiency and imparting knowledge provides the Group with a clear competitive advantage in implementing large e-government projects.

Despite the challenges faced, the Group has developed a healthy pipeline to mitigate any decrease in existing business to maintain a sustainable growth its revenue and profit before taxation for the current financial year.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

The Group did not publish any profit forecast in respect of the financial year ended 30 June 2018.

20. TAXATION

	Current Financial Quarter Ended 30.9.2017 RM '000	Current Financial Period Ended 30.9.2017 RM '000
Group		
Current tax	880	880
Deferred tax	-	-
	880	880

The Malaysian current income tax is calculated at the statutory tax rate of 24% (2017: 25%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at rates prevailing in the respective jurisdictions.

Scicom (MSC) Berhad ("the Company") was granted Customised Incentive of 100% income tax exemption on statutory income derived from the outsourcing income ("tax incentive") for 5 years commencing 7 November 2012 to 6 November 2017. The recognition of the tax incentive is subject to fulfilment of certain conditions and Key Performance Indicators ('KPIs') and is to be assessed annually by the administrator of the Customised Incentive ("the administrator"). In August 2016, the administrator had revised the KPIs and the tax incentive was reduced from 100% to 70% which is applicable for the incentive period from 7 November 2015 to 6 November 2017.

During the financial period to date, the Company recognised a tax incentive representing 70% tax exemption on its statutory income from outsourcing services. The Company's achievement of the conditions and KPIs have been presented to the administrator, however the assessment by the administrator has not been completed as at 30 September 2017. The Directors have assessed that the Company is able to meet the requirements for the tax incentive after taking into consideration that the Company has substantially met the stipulated conditions and KPIs, and their historical experience where confirmations from the administrator were obtained to recognise the tax incentive when conditions and KPIs were substantially met.

Therefore, the Directors are of the view that there is reasonable basis for the Company to recognise the tax incentive during the financial period ended 30 September 2017.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

20. TAXATION (cont'd)

Where the final outcome of the assessment of income tax exemption by the administrator is different from the Company's assessment, this will result in higher income tax expense on the statutory income from outsourcing services recognised during the financial year.

A subsidiary of the Company has received tax assessment notices of RM1.6 million, INR23.8 million (2016: RM1.4 million, INR23.8 million). These assessments are in respect to transfer pricing adjustments and the disallowance of certain expenses for tax purposes. 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.

21. STATUS OF CORPORATE PROPOSALS ANNOUNCED

There were no corporate proposals announced but not completed as at 13 November 2017, being the date of this report.

22. GROUP BORROWINGS AND DEBT SECURITIES

The Group does not have any borrowings and debt securities as at 30 September 2017.

23. CHANGES IN MATERIAL LITIGATION

There were no material litigation matters dealt with during the financial year to date or pending as at 13 November 2017, being the date of this report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

24. DIVIDENDS

The Board of Directors has approved and declared a first interim dividend of 2 sen, tax exempt, per ordinary share, amounting to RM7,109,071 which is payable on 12 December 2017.

	Current Financial Year Ended 30.9.2017	Preceding Financial Year Ended 30.9.2016
Interim dividend for the financial year ended 30 June	**2018**	**2017**
1st interim		
Approved and declared on	13-Nov-17	07-Nov-16
Date payable/paid	12-Dec-17	07-Dec-16
Based on register members dated	27-Nov-17	21-Nov-16
Amount per share	2.0 sen tax exempt	2.0 sen tax exempt
Net dividend payable/paid (RM)	7,109,071	7,109,071
Interim dividend for the financial year ended 30 June	**2017**	**2016**
4th interim		
Approved and declared on	25-Aug-17	26-Aug-16
Date paid	27-Sep-17	28-Sep-16
Based on register members dated	12-Sep-17	13-Sep-16
Amount per share	3.0 sen tax exempt	3.0 sen tax exempt
Net dividend paid (RM)	10,663,607	10,663,607

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

25. EARNINGS PER SHARE ("EPS")

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

	Current Financial Quarter Ended 3.9.2017	Current Financial Period Ended 30.9.2017
Profit attributable to the Owners of the Company for the financial period (RM'000)	10,972	10,972
Weighted average number of ordinary shares in issue ('000)	355,454	355,454
Basic earnings per share (sen)	3.09	3.09

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

26. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Fair value measurement

The Group measure fair value using the following fair value hierarchy that reflects the significance of the input used in making the measurements:

(i) Level 1 - quoted price (unadjusted) in active market for identical assets or liabilities;

(ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices); and

(iii) Level 3 - inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

26. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (cont'd)

(b) Financial instruments carried at fair value:

The carrying value of the financial assets and liabilities of the Group as at 30 September 2017 disclosed in the report approximate their fair values.

The following table represents the assets measured at fair value:

	Current Financial Quarter Ended 3.9.2017 RM'000	Current Financial Period Ended 30.9.2017 RM'000
Available-for-sale financial assets		
Investments in cash funds		
- Recurring fair value measurement at Level 1 of the fair value hierarchy	8,130	8,062

There were no transfers between levels 1 and 2 for recurring fair value measurements during the financial period.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

27. REALISED AND UNREALISED PROFIT

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

		As at Current Financial Period Ended 30.9.2017	As at Preceding Financial Year Ended 30.6.2017
		RM'000	RM'000
Total retained profit for Scicom and its subsidiaries :			
- Realised		24,646	26,147
- Unrealised		1,168	102
		25,814	26,249
Total share of retained profit from jointly controlled entity :			
- Realised		149	135
		25,963	26,384
Add : Consolidation adjustments		47,295	46,566
Total Group retained profits as per consolidated accounts		73,258	72,950

By order of the Board of Directors

DATO SRI' LEO SURESH ARIYANAYAKAM
DIRECTOR
13 November 2017