



SCICOM (MSC) BERHAD
 (Company No. 597426-H)
 (Incorporated in Malaysia under the Companies Act, 1965)
FOURTH QUARTER REPORT ENDED 30 JUNE 2016

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 fourth quarter ended 30 June 2016.

CONSOLIDATED STATEMENT COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current Period	Preceding Year	Current Financial	Preceding Financial
	Quarter 30.6.2016	Corresponding Quarter 30.6.2015	Year Ended 30.6.2016	Year Ended 30.6.2015
	RM'000	RM'000	RM'000	RM'000
Revenue	53,682	48,133	196,295	176,834
Operating expenses	(39,995)	(36,206)	(147,019)	(137,953)
Depreciation and amortisation	(1,690)	(1,469)	(6,310)	(5,522)
Operating profit	11,997	10,458	42,966	33,359
Share of (loss)/profit of jointly controlled entity, net of tax	(57)	14	(3)	52
Other operating income	0	0	0	1
Gain on foreign exchange	1,378	298	443	919
Reversal of impairment loss/(Impairment loss)	733	(556)	733	(842)
Plant and equipment written off	(4)	(22)	(4)	(22)
Finance income	243	208	777	576
Finance costs	(4)	16	(4)	0
Profit before taxation	14,286	10,416	44,908	34,043
Taxation	(3,258)	85	(3,306)	123
Profit for the financial year	11,028	10,501	41,602	34,166

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia under the Companies Act, 1965)
FOURTH QUARTER REPORT ENDED 30 JUNE 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (cont'd)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current Period Quarter 30.6.2016 RM'000	Preceding Year Corresponding Quarter 30.6.2015 RM'000	Current Financial Year Ended 30.6.2016 RM'000	Preceding Financial Year Ended 30.6.2015 RM'000
Other comprehensive (loss)/ income, net of tax				
Foreign currency translation differences for foreign operations	(1,078)	630	(703)	111
Total comprehensive income for the financial year	9,950	11,131	40,899	34,277
Profit attributable to:				
- Owners of the Company	11,114	10,595	41,947	34,694
- Non-controlling interest	(86)	(94)	(345)	(528)
Profit for the financial year	11,028	10,501	41,602	34,166
Total comprehensive income attributable to:				
- Owners of the Company	10,036	11,244	41,244	34,824
- Non-controlling interest	(86)	(113)	(345)	(547)
Total comprehensive income for the financial year	9,950	11,131	40,899	34,277
Earnings per share attributable to equity holders of the Company:				
- Basic (sen)*	3.13	2.98	11.80	9.76
- Diluted (sen)	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 2015 and the accompanying explanatory notes attached to the interim financial report.

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia under the Companies Act, 1965)
FOURTH QUARTER REPORT ENDED 30 JUNE 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At Current Financial Year Ended 30.6.2016	As At Preceding Financial Year Ended 30.06.2015
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Plant and equipment	15,808	14,250
Software licences	4,372	2,280
Investment in jointly controlled entity	1,746	1,749
Deferred tax assets	120	627
Tax recoverable	0	558
	22,046	19,464
Current Assets		
Trade receivables	29,042	32,235
Unbilled receivables	14,120	11,723
Deposits, prepayments and other receivables	7,715	6,866
Tax recoverable	338	175
Cash and cash equivalents	37,004	24,076
	88,219	75,075
TOTAL ASSETS	110,265	94,539
EQUITY AND LIABILITIES		
Capital and reserves attributable to Owners of the Company		
Share capital	35,545	35,545
Retained earnings	59,543	46,032
Currency translation reserve	(1,624)	(921)
	93,464	80,656
Non-controlling interest	(803)	(458)
TOTAL EQUITY	92,661	80,198
Non-Current Liabilities		
Deferred tax liabilities	31	94
	31	94
Current Liabilities		
Trade and other payables	14,853	14,241
Current tax liabilities	2,719	6
	17,572	14,247
TOTAL LIABILITIES	17,603	14,341
TOTAL EQUITY AND LIABILITIES	110,264	94,539
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	0.26	0.23

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial report.

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia under the Companies Act, 1965)
FOURTH QUARTER REPORT ENDED 30 JUNE 2016

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued and fully paid ordinary shares of RM0.10 each		Non-distributable		Distributable	Total	Non-controlling interest	Total Equity
	Number of shares	Nominal value	Share premium reserve	Currency translation reserve	Retained earnings			
	'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
12 months ended 30.6.2015								
As at 1 July 2014	296,211	29,621	1,983	(1,051)	41,853	72,406	(539)	71,867
Currency translation differences, representing total income and expense recognised directly in equity	0	0	0	130	0	130	(19)	111
Net profit for the financial year	0	0	0	0	34,694	34,694	(528)	34,166
Total comprehensive (loss)/ income	0	0	0	130	34,694	34,824	(547)	34,277
Dividends paid for the financial year ended:								
- 30 June 2014	0	0	0	0	(5,925)	(5,925)	0	(5,925)
- 30 June 2015	0	0	0	0	(19,549)	(19,549)	0	(19,549)
Issuance of bonus issues	59,242	5,924	(1,907)	0	(4,017)	0	0	0
Bonus issuance expense	0	0	(76)	0	0	(76)	0	(76)
Additional acquisition of subsidiary	0	0	0	0	(1,024)	(1,024)	628	(396)
As at 30 June 2015	355,453	35,545	-	(921)	46,032	80,656	(458)	80,198
12 months ended 30.6.2016								
As at 1 July 2015	355,453	35,545	0	(921)	46,032	80,656	(458)	80,198
Currency translation differences, representing total income and expense recognised directly in equity	0	0	0	(703)	0	(703)	0	(703)
Net profit for the financial year	0	0	0	0	41,947	41,947	(345)	41,602
Total comprehensive income	0	0	0	(703)	41,947	41,244	(345)	40,899
Dividends paid for the financial year ended:								
- 30 June 2015	0	0	0	0	(7,109)	(7,109)	0	(7,109)
- 30 June 2016	0	0	0	0	(21,327)	(21,327)	0	(21,327)
As at 30 June 2016	355,453	35,545	0	(1,624)	59,543	93,464	(803)	92,661

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 2015 and the accompanying explanatory notes attached to the interim financial report.

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia under the Companies Act, 1965)
FOURTH QUARTER REPORT ENDED 30 JUNE 2016

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Financial Year Ended 30.6.2016	Preceding Financial Year Ended 30.6.2015
	RM'000	RM'000
Operating Activities		
Net profit for the financial year	41,602	34,166
Adjustments:		
Depreciation of plant and equipment	5,615	5,141
Amortisation of software licenses	695	381
(Reversal of impairment loss)/Impairment loss	(733)	842
Bad debts written off	240	623
Unrealised foreign exchange gain	(419)	(464)
Interest expense	4	0
Plant and equipment written off	4	23
Taxation	3,306	(123)
Interest income	(777)	(576)
Gain on disposal of plant and equipment	(118)	0
Share of loss/(profit) of jointly controlled entity	3	(52)
Operating profit before changes in working capital	49,422	39,961
Payables	391	1,190
Receivables	1,144	(8,324)
Cash flow from operations	50,957	32,827
Interest received	777	576
Taxation paid	(303)	(88)
Net cash flow generated from operating activities	51,431	33,315
Investing Activities		
Additional acquisition of a subsidiary	0	(395)
Proceeds from disposal of plant and equipment	118	2
Purchases of plant and equipment	(7,193)	(7,989)
Purchases of software licences	(2,795)	(2,050)
Net cash flow used in investing activities	(9,870)	(10,432)
Financing Activities		
Payment of share issuance expenses	0	(76)
Interest paid	(4)	-
Payment of dividends	(28,436)	(25,474)
Net cash flow used in financing activities	(28,440)	(25,550)
Net increase/(decrease) in cash and cash equivalents	13,121	(2,667)
Effect of foreign exchange on cash and cash equivalents	(193)	(22)
Cash and cash equivalents at beginning of financial year	24,076	26,765
Cash and cash equivalents at end of financial year	37,004	24,076

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial report.



SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia under the Companies Act, 1965)
FOURTH QUARTER REPORT ENDED 30 JUNE 2016

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 2015.

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 2015.

The following MFRS and Amendments to MFRSs have been issued by the MASB but are not yet effective to the Group:

Effective for annual periods commencing on or after 1 January 2016

- Amendments to MFRS 11 Joint Arrangements- *Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets- *Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116 Property, Plant and Equipment
- Amendments to MFRS 127 Consolidated and Separate Financial Statements- *Equity Method in Separate Financial Statements*
- Annual Improvements to MFRSs 2012- 2014 Cycle
- Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entities and MFRS 128 Investments in Associates and Joint Ventures – *Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 101 Presentation of Financial Statements – *Disclosure Initiative*

Effective for financial periods beginning on or after 1 January 2017

- Amendments to MFRS 107 Statement of Cash Flows – *Disclosure Initiative*
- Amendments to MFRS112 Income Taxes- *Recognition of Deferred Tax Assets for Unrealised Losses*



SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia under the Companies Act, 1965)
FOURTH QUARTER REPORT ENDED 30 JUNE 2016

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1. BASIS OF PREPARATION (cont'd)

Effective for financial periods beginning on or after 1 January 2018
MFRS 15 Revenue from Contracts with Customers
MFRS 9 Financial Instruments

Effective for financial periods beginning on or after 1 January 2019
MFRS 16 Leases

The MASB had on 31 December 2015 deferred the effective date of Amendments to MFRS 10 and MFRS 128 on Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The Group will adopt the above pronouncements when they become effective in the respective financial periods. The Group does not expect any material impact to the financial statements on the above pronouncement.

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 2015.

3. AUDITORS' REPORT OF PRECEDING AUDITED ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 30 June 2015 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 year 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 year to date.

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia under the Companies Act, 1965)
FOURTH QUARTER REPORT ENDED 30 JUNE 2016

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

7. MOVEMENT IN DEBT AND EQUITY SECURITIES

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

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
2015	Interim dividend of 2.0 sen per ordinary share	22 September 2015	RM7,109,071
2016	Interim dividend of 2.0 sen per ordinary share	30 December 2015	RM7,109,071
2016	Interim dividend of 2.0 sen per ordinary share	24 March 2016	RM7,109,071
2016	Interim dividend of 2.0 sen per ordinary share	21 June 2016	RM7,109,071

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. Outsourcing services comprising of BPO services which offers multi-lingual, multi-channel customer care, technical support help desks, consultative sales and associated fulfillment.
- b. Education includes educational and industrial training services primarily focused on customer care in the service industry.

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia under the Companies Act, 1965)
FOURTH QUARTER REPORT ENDED 30 JUNE 2016

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 year ended 30 June 2016

FY 2016	Current Financial Year Ended 30.6.2016			
	Outsourcing services	Training and consultancy	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	195,783	512	-	196,295
Inter-segment revenue	-	1,521	(1,521)	-
Total revenue	195,783	2,033	(1,521)	196,295
Segment results	52,614	(2,284)		50,330
Unallocated income/ other gains				118
Depreciation of plant and equipment				(5,615)
Amortisation of software licences				(695)
Share of results of jointly controlled entity (net of tax)				(3)
Finance income				777
Finance cost				(4)
Profit before taxation				44,908
Taxation				(3,306)
Net profit for the financial year				41,602

For the financial year ended 30 June 2015

FY 2015	Preceding Financial Year Ended 30.6.2015			
	Outsourcing services	Training and consultancy	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	175,973	861	-	176,834
Inter-segment revenue	-	739	(739)	-
Total revenue	175,973	1,600	(739)	176,834
Segment results	42,728	(3,792)		38,936
Unallocated income/ other gains				1
Depreciation of plant and equipment				(5,141)
Amortisation of software licences				(381)
Share of results of jointly controlled entity (net of tax)				52
Finance income				576
Finance cost				-
Profit before taxation				34,043
Taxation				123
Net profit for the financial year				34,166



SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia under the Companies Act, 1965)
FOURTH QUARTER REPORT ENDED 30 JUNE 2016

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 year to date. As at 30 June 2016, 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 2015.

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia under the Companies Act, 1965)
FOURTH QUARTER REPORT ENDED 30 JUNE 2016

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

14. COMMITMENTS

Commitments for the Group not provided for as at 30 June 2016 are as follows:

(a) Capital commitments

In respect of plant and equipment
- Authorised and contracted

Current Financial Year Ended 30.6.2016	
RM'000	
2,500	

(b) Non-cancelable operating leases

Future minimum lease payments
- not later than 1 year
- later than 1 year and not later than 5 years
- later than 5 years

Current Financial Year Ended 30.6.2016	
RM'000	
7,335	
7,624	
186	
15,145	

15. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia under the Companies Act, 1965)
FOURTH QUARTER REPORT ENDED 30 JUNE 2016

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

16. REVIEW OF PERFORMANCE

PERFORMANCE BY QUARTER

Financial quarter ended	30 Jun 2016	30 Jun 2015	Increase/ (decrease)
Revenue	RM'000	RM'000	RM'000
Outsourcing	53,547	48,128	5,419
Education	135	5	130
Total revenue	53,682	48,133	5,549
Profit before taxation	14,286	10,416	3,870

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 increase in revenue for existing projects and newly secured projects in the financial quarter under review as compared to the preceding year corresponding quarter amounted to RM5.76 million and RM5.49 million, respectively.

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 amounting to RM5.83 million for the financial quarter under review as compared to the preceding year corresponding quarter.

The net increase in the Group's outsourcing revenue for the financial quarter under review is RM5.42 million.

Education

The revenue for Education in the financial year quarter under review is consistent with the preceding year corresponding quarter.

b. Profit before taxation

The higher profit before tax for the financial year quarter under review as compared to the preceding year corresponding quarter is due primarily to the increase in billings for outsourcing projects.

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia under the Companies Act, 1965)
FOURTH QUARTER REPORT ENDED 30 JUNE 2016

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

16. REVIEW OF PERFORMANCE (cont'd)

PERFORMANCE BY FINANCIAL YEAR TO DATE

Financial year ended	30 Jun 2016	30 Jun 2015	Increase/ (decrease)
Revenue	RM'000	RM'000	RM'000
Outsourcing	195,783	175,973	19,810
Education	512	861	(349)
Total revenue	196,295	176,834	19,461
Profit before taxation	44,908	34,043	10,865

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 increase in existing projects and newly secured projects in the current financial period as compared to the preceding year corresponding period amounted to RM30.69 million and RM18.63 million, respectively.

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 amounting to RM29.51 million for the current financial period as compared to the preceding year corresponding period.

The net increase in the Group's outsourcing revenue for the current financial period is RM19.81 million.

Education

The lower revenue for Education in the current financial period as compared to the preceding year corresponding period is due mainly to lower number of external students trained during the period.

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia under the Companies Act, 1965)
FOURTH QUARTER REPORT ENDED 30 JUNE 2016

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

16. REVIEW OF PERFORMANCE (cont'd)

PERFORMANCE BY FINANCIAL YEAR TO DATE (cont'd)

a. Profit before taxation

The higher profit before tax for the current financial period as compared to the preceding year corresponding period is due primarily to the increase in billings for outsourcing projects.

17. COMPARISON WITH PRECEDING QUARTER'S RESULTS

Financial quarter ended	30 Jun 2016	31 Mar 2016	Increase/ (decrease)
Revenue	RM'000	RM'000	RM'000
Outsourcing	53,547	50,048	3,499
Education	135	180	(45)
Total revenue	53,682	50,228	3,454
Profit before taxation	14,286	10,713	3,573

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 increase in existing projects and newly secured projects in the financial quarter under review as compared to the preceding financial quarter amounted to RM4.30 million and RM1.81 million, respectively.

The reduction in billable transaction for certain project as a result of a change in clients' requirements and/or strategies has also resulted in a reduction of billable revenue from these projects amounting to RM2.61 million for the financial quarter under review as compared to the preceding financial quarter.

The net increase in the Group's outsourcing revenue for the financial quarter under review is RM3.50 million.

Education

The lower revenue for Education in the current financial period as compared to the preceding year corresponding period is due mainly to lower number of external students trained during the period.



SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia under the Companies Act, 1965)
FOURTH QUARTER REPORT ENDED 30 JUNE 2016

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

17. COMPARISON WITH PRECEDING QUARTER'S RESULTS (cont'd)

a. Profit before taxation

The profit before taxation for the financial quarter under review is higher than the preceding financial quarter primarily due to the higher revenue achieved for outsourcing projects.

18. CURRENT YEAR REVIEW AND PROSPECTS FOR FINANCIAL YEAR 2017

The Group registered double digit growth for the financial year as compared to the preceding year, cumulating in a healthy increase in revenue and profit before taxation of 11.00% and 31.92%, respectively for the financial year ended 30 June 2016. The increase in the Group's profitability is attributable to organic growth from existing Outsourcing projects and new Outsourcing projects secured during the year. Revenue and direct contribution for the current financial year from the Outsourcing division has grown by 11.26% and 21.42% respectively as compared to the preceding financial year.

Prospects for financial year 2017

Outsourcing

The Outsourcing division expects to achieve growth in terms of revenue and profit for the financial year 2017 in line with newly secured business and a healthy pipeline of projects.

Education

The Education division continues to face challenges in securing new training contracts during the financial year due to a significant reduction of training budgets available in both the public and private sector. The resources available in the Education division are being utilized effectively to provide training to employees of the Group. The Intellectual Property (IP), methodologies, track record and experience of the Education division augers well for the future as the economy improves and business development initiatives come to fruition.

Overall the Group expects to continue to achieve growth in terms of revenue and profitability for the financial year 2017.

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia under the Companies Act, 1965)
FOURTH QUARTER REPORT ENDED 30 JUNE 2016

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 2016.

20. TAXATION

	Current Financial Quarter Ended 3.6.2016 RM '000	Current Financial Year Ended 30.6.2016 RM '000
<u>Group</u>		
Current tax	2,759	2,861
Deferred tax	499	445
	3,258	3,306

The Company was first awarded the Multimedia Super Corridor (“MSC”) status on 7 November 2002 and the latest renewal 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 a portion of the Company’s statutory income. During the financial year, the income tax exemption on the Company’s statutory business income was revised down from 100% to 70% for the remainder of its MSC status term beginning 7 November 2015. The provision for tax expense has been made with the application of the income tax exemption as the Company has met the conditions stipulated by the Ministry of Finance. The Malaysian current income tax is calculated at the statutory tax rate of 24% (2015: 25%) of the estimated assessable profit for the financial year.

A subsidiary of the Company has received tax assessment notices of RM1.4 million, INR23.8 million (2015: 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 26 August 2016, being the date of this report.

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia under the Companies Act, 1965)
FOURTH QUARTER REPORT ENDED 30 JUNE 2016

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

22. GROUP BORROWINGS AND DEBT SECURITIES

The Group does not have any borrowings and debt securities as at 30 June 2016.

23. CHANGES IN MATERIAL LITIGATION

There were no material litigation matters dealt with during the financial year to date or pending as at 26 August 2016, being the date of this report.

24. DIVIDENDS

The Board of Directors has approved and declared a third interim dividend of 3 sen, tax exempt, per ordinary share, amounting to RM10,663,607 which is payable on 28 September 2016.

	Current Financial Year Ended 30.6.2016	Preceding Financial Year Ended 30.6.2015
Interim dividend for the financial year ended 30 June		
<u>4th interim</u>	2016	
Approved and declared on	26-Aug-16	
Date payable	28-Sep-16	
Based on register members dated	13-Sep-16	
Amount per share	3.0 sen tax exempt	
Net dividend payable (RM)	10,663,607	
Interim dividend for the financial year ended 30 June	2016	2015
<u>3rd interim</u>		
Approved and declared on	24-May-16	25-May-15
Date paid	21-Jun-16	22-Jun-15
Based on register members dated	07-Jun-16	08-Jun-15
Amount per share	2.0 sen tax exempt	2.0 sen tax exempt
Net dividend paid (RM)	7,109,071	7,109,071
Interim dividend for the financial year ended 30 June	2016	2015
<u>2nd interim</u>		
Approved and declared on	25-Feb-16	09-Feb-15
Date paid	24-Mar-16	11-Mar-15
Based on register members dated	10-Mar-16	25-Feb-15
Amount per share	2.0 sen tax exempt	2.0 sen tax exempt
Net dividend paid (RM)	7,109,071	7,109,071
Interim dividend for the financial year ended 30 June	2016	2015
<u>1st interim</u>		
Approved and declared on	30-Nov-15	17-Nov-14
Date paid	30-Dec-15	15-Dec-14
Based on register members dated	14-Dec-15	1-Dec-14
Amount per share	2.0 sen tax exempt	1.5 sen tax exempt
Net dividend paid (RM)	7,109,071	5,331,803
Interim dividend for the financial year ended 30 June	2015	2014
<u>4th interim</u>		
Approved and declared on	21-Aug-15	27-Aug-14
Date paid	22-Sep-15	26-Sep-14
Based on register members dated	07-Sep-15	11-Sep-14
Amount per share	2.0 sen tax exempt	2.0 sen tax exempt
Net dividend paid (RM)	7,109,071	5,924,226



SCICOM (MSC) BERHAD
 (Company No. 597426-H)
 (Incorporated in Malaysia under the Companies Act, 1965)
FOURTH QUARTER REPORT ENDED 30 JUNE 2016

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

25. EARNINGS PER SHARE (“EPS”)

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

	Current Financial Quarter Ended 30.6.2016	Current Financial Year Ended 30.6.2016
Profit attributable to the Owners of the Company for the financial period (RM'000)	11,114	41,947
Weighted average number of ordinary shares in issue ('000)	355,454	355,454
Basic earnings per share (sen)	3.13	11.80

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

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia under the Companies Act, 1965)
FOURTH QUARTER REPORT ENDED 30 JUNE 2016

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

26. 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 Year Ended 30.6.2016 RM'000	As at Current Financial Year Ended 30.6.2015 RM'000
Total retained profit for Scicom and its subsidiaries :		
- Realised	22,460	21,367
- Unrealised	(507)	(1,185)
	21,953	20,182
Total share of retained profit from jointly controlled entity :		
- Realised	1,746	1,749
	23,699	21,931
Add : Consolidation adjustments	35,844	24,101
Total Group retained profits as per consolidated accounts	59,543	46,032

By order of the Board of Directors

LEO SURESH ARIYANAYAKAM
DIRECTOR
26 August 2016