



SCICOM (MSC) BERHAD
 (Company No. 597426-H)
 (Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2019

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 2019.

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
	Current Period Quarter	Preceding Year Corresponding Quarter	Changes	Current Financial Period Ended	Preceding Financial Period Ended	Changes
	30.9.2019	30.9.2018		30.9.2019	30.9.2018	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	48,092	38,659	24%	48,092	38,659	24%
Operating expenses*	(34,352)	(30,686)	12%	(34,352)	(30,686)	12%
Depreciation and amortisation*	(4,090)	(1,622)	152%	(4,090)	(1,622)	152%
Operating profit	9,650	6,351	52%	9,650	6,351	52%
(Loss)/Gain on foreign exchange	(214)	197	-209%	(214)	197	-209%
Impairment on receivable	(142)	0	100%	(142)	0	100%
Finance income	239	265	-10%	239	265	-10%
Finance costs*	(249)	0	100%	(249)	0	100%
Profit before taxation	9,284	6,813	36%	9,284	6,813	36%
Taxation	(2,856)	(1,678)	70%	(2,856)	(1,678)	70%
Profit for the financial period	6,428	5,135	25%	6,428	5,135	25%

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2019

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (cont'd)

	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
	Current Period Quarter 30.9.2019	Preceding Year Corresponding Quarter 30.9.2018	Changes	Current Financial Period Ended 30.9.2019	Preceding Financial Period Ended 30.9.2018	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Other comprehensive (loss)/ income, net of tax						
Foreign currency translation differences for foreign operations	(121)	(416)	-71%	(121)	(416)	-71%
Total comprehensive income for the financial period	6,307	4,719	34%	6,307	4,719	34%
Profit attributable to:						
- Owners of the Company	6,423	5,185	24%	6,423	5,185	24%
- Non-controlling interest	5	(50)	-110%	5	(50)	-110%
Profit for the financial period	6,428	5,135	25%	6,428	5,135	25%
Total comprehensive income attributable to:						
- Owners of the Company	6,302	4,769	32%	6,302	4,769	32%
- Non-controlling interest	5	(50)	-110%	5	(50)	-110%
Total comprehensive income for the financial period	6,307	4,719	34%	6,307	4,719	34%
Earnings per share attributable to equity holders of the Company:						
- Basic (sen)	1.81	1.46	24%	1.81	1.46	24%
- Diluted (sen)	N/A	N/A	N/A	N/A	N/A	N/A

* Adoption of MFRS 16 Leases, as set out in Note 1 to the unaudited interim financial statements.

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2019 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 2019

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At Current Financial Period Ended 30.9.2019	As At Preceding Financial Year Ended 30.06.2019
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Plant and equipment	7,350	8,492
Software licences	9,363	9,283
Right-of-use assets*	13,106	-
Deferred tax assets	700	700
	30,519	18,475
Current Assets		
Trade receivables	24,819	24,932
Unbilled receivables	16,639	19,247
Deposits, prepayments and other receivables	9,720	7,885
Tax recoverable	213	196
Investments in cash funds	15,067	14,969
Cash and bank balances	29,303	25,536
	95,761	92,765
TOTAL ASSETS	126,280	111,240
EQUITY AND LIABILITIES		
Capital and reserves attributable to Owners of the Company		
Share capital	35,545	35,545
Retained earnings	69,599	66,730
Currency translation reserve	(3,510)	(3,389)
	101,634	98,886
Non-controlling interest	(1,605)	(1,610)
TOTAL EQUITY	100,029	97,276
Non-Current Liabilities		
Lease liabilities*	3,635	-
Deferred tax liabilities	35	66
	3,670	66
Current Liabilities		
Trade and other payables	10,535	12,450
Lease liabilities*	9,597	-
Current tax liabilities	2,449	1,448
	22,581	13,898
TOTAL LIABILITIES	26,251	13,964
TOTAL EQUITY AND LIABILITIES	126,280	111,240
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	0.29	0.28

* Adoption of MFRS 16 Leases, as set out in Note 1 to the unaudited interim financial statements.

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SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2019

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued and fully paid ordinary shares		Non-distributable	Distributable	Non-controlling interest	Total Equity
	Number of shares	Share capital	Currency translation reserve	Retained earnings		
	'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended 30.9.2018						
As at 1 July 2018	355,453	35,545	(2,663)	73,179	(1,423)	104,638
Currency translation differences, representing total income and expense recognised directly in equity	0	0	(416)	0	0	(416)
Net profit for the financial period	0	0	0	5,185	(50)	5,135
Total comprehensive (loss)/income	0	0	(416)	5,185	(50)	4,719
Dividends paid for the financial year ended: - 30 June 2018	0	0	0	(10,664)	0	(10,664)
As at 30 September 2018	355,453	35,545	(3,079)	67,700	(1,473)	98,693
3 months ended 30.9.2019						
As at 1 July 2019	355,453	35,545	(3,389)	66,730	(1,610)	97,276
Currency translation differences, representing total income and expense recognised directly in equity	0	0	(121)	0	0	(121)
Net profit for the financial period	0	0	0	6,423	5	6,428
Total comprehensive (loss)/income	0	0	(121)	6,423	5	6,307
Dividends paid for the financial year ended: - 30 June 2019	0	0	0	(3,554)	0	(3,554)
As at 30 September 2019	355,453	35,545	(3,510)	69,599	(1,605)	100,029

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 2019 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 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Financial Period Ended 30.9.2019 RM'000	Preceding Financial Year Ended 30.6.2019 RM'000
Operating Activities		
Net profit for the financial period	6,428	20,022
Adjustments:		
Depreciation of plant and equipment	1,252	4,500
Amortisation of software licenses	428	1,789
Amortisation of right-of-use assets*	2,410	-
Impairment on receivable	142	-
Bad debts written off	-	306
Unrealised foreign exchange loss	285	737
Plant and equipment written off	-	1
Gain on acquisition of a subsidiary	-	4
Taxation	2,856	7,039
Finance income	(239)	(871)
Finance cost*:		
- accretion on lease liabilities	249	-
Share of loss of joint venture	-	3
Operating profit before changes in working capital	13,811	33,530
Receivables	458	(5,987)
Payables	(1,915)	1,028
Cash flow from operations	12,354	28,571
Interest received	239	871
Taxation paid	(1,904)	(7,201)
Net cash flow generated from operating activities	10,689	22,241
Investing Activities		
Distribution received from joint venture	-	134
Proceeds from disposal of plant and equipment	-	4
Purchases of plant and equipment	(93)	(2,255)
Purchases of software licences	(508)	(3,770)
Investment in cash funds	(98)	(1,484)
Decrease/(Increase) in fixed deposits with maturity of more than 3 months	1,500	(4,000)
Net cash flow generated from/(used in) investing activities	801	(11,371)
Financing Activities		
Repayment of lease financing*	(2,533)	-
Payment of dividends	(3,554)	(26,658)
Net cash flow used in financing activities	(6,087)	(26,658)
Net increase/(decrease) in cash and cash equivalents	5,403	(15,788)
Effect of foreign exchange on cash and cash equivalents	(136)	(1,463)
Cash and cash equivalents at beginning of financial year	18,536	35,787
Cash and cash equivalents at end of financial period	23,803	18,536
Deposits with maturity of more than 3 months	5,500	7,000
Cash and bank balances at the end of the financial period	29,303	25,536

* Adoption of MFRS 16 Leases, as set out in Note 1 to the unaudited interim financial statements.

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 30 June 2019 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 2019

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 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

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 2019. The Group has applied the following standards and amendments for the first time for the financial year beginning on 1 July 2019:

- MFRS 16 ‘Leases’ supersedes MFRS 117 ‘Leases’ and the related interpretations.
- IC Interpretation 23 ‘Uncertainty over Income Tax Treatments’
- Amendments to MFRS 128 ‘Long-term Interests in Associates and Joint Ventures’
- Amendments to MFRS 9 Financial Instruments - ‘Prepayment features with negative compensation’
- Amendments to MFRS 119 Employee Benefits - ‘Plan amendment, curtailment or settlement’
- Annual improvements to MFRSs 2015 – 2017 cycle:
 - Amendments to MFRS 3 ‘Business Combinations’
 - Amendments to MFRS 11 ‘Joint Arrangements’
 - Amendments to MFRS 112 ‘Income Taxes’
 - Amendments to MFRS 123 ‘Borrowing Costs’

The adoption of these standards and amendments had no significant effect on the financial performance or position of the Group, except for MFRS 16 ‘Leases’.

Adoption of MFRS 16 ‘Leases’ (‘MFRS16’)

The Group has adopted MFRS16 in the current financial period, where MFRS16 supersedes MFRS 117 ‘Leases’ and the related interpretations. Under MFRS16, a lease is a contract (or part of contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. MFRS16 eliminates the classification of leases by the lessee as either finance leases or operating leases.

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2019

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

MFRS16 requires the lessee to recognise in the statements of financial position, a 'right-of-use' of the underlying asset and a lease liability reflecting future lease payment for most leases. The right-of use asset is depreciated in accordance with the principle in MFRS116 'Property, Plant and Equipment' and the lease liability is accreted over time with interest expense recognized in the statement of profit or loss.

On the date of initial application, the Group applied the simplified transition approach and did not restate comparative amounts for the period prior to first adoption. Right-of-use assets were measured on transition as if the new rules had always been applied.

The adoption of MFRS16 impacts the Group's financial performance in the current financial period as below:

- (a) On the statements of comprehensive income, expenses which previously included in operating expenses as rentals within EBITDA were replaced by interest expense on lease liabilities (include within 'finance costs') and amortisation of the right-of-use assets (included within 'depreciation and amortisation').
- (b) On the statements of cash flows, operating lease rental outflows previously recorded within 'net cash flows from operating activities' were reclassified as 'net cash flows used in financing activities' for repayment of the principal and interest of lease liabilities.

The financial effects on the financial quarter under review arising from the adoption of MFRS16 are as follows:

	MFRS117 RM'000	Adoption of MFRS16 RM'000	Adjusted RM'000
Statement of Comprehensive Income			
Operating expenses	36,885	(2,533)	34,352
Depreciation and amortisation	1,680	2,410	4,090
Finance cost	-	249	249
Statement of Financial Position			
Right-of-use assets – non-current	-	13,106	13,106
Lease liabilities – non-current	-	(3,635)	(3,635)
Lease liabilities – current	-	(9,597)	(9,597)



SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia)

FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2019

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

MFRS, amendments and Improvements to MFRSs and IC Interpretation that are applicable to the Group but not yet effective.

The Malaysian Accounting Standards Board had issued the following new standard, amendments and improvements to MFRSs and IC Interpretation, all of which are effective for the financial period beginning on or after 1 January 2020. The Group did not early adopt these new standards, amendments and improvements to MFRSs and IC Interpretation and they are not expected to have a significant effect on its consolidated financial statements:

- Amendments to MFRS 3 Definition of a Business
- Amendments to MFRS 101 and MFRS 108 Definition of Material

3. AUDITORS' REPORT OF PRECEDING AUDITED ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 30 June 2019 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.



SCICOM (MSC) BERHAD
 (Company No. 597426-H)
 (Incorporated in Malaysia)

FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2019

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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.

8. DIVIDENDS PAID

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

In respect of the financial year ended	Dividend	Date of dividend payment	Amount paid
2019	Interim dividend of 1.0 sen per ordinary share	30 September 2019	RM3,554,536

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, Digital/ E-Commerce Solutions and E-Government (Gov-Tech) Solutions.

Education includes educational and industrial training services primarily focused on customer care in the service industry, English Language Testing/ Assessments and also internal training for the Group.

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2019

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

9. SEGMENT RESULTS AND REPORTING (cont'd)

Segmental analysis by geographical areas:

	Current Period Quarter 30.9.2019 RM'000	Preceding Year Corresponding Quarter 30.9.2018 RM'000
Revenue		
Malaysia	29,281	23,140
Singapore	2,768	2,111
Philippines	6,996	6,267
Thailand	700	747
Sri Lanka	1,386	1,414
China	5,504	2,720
Others	1,457	2,260
	48,092	38,659

Segmental analysis by business segment is as follows:

For the financial period ended 30 September 2019

FY 2020	Current Financial Period Ended 30.9.2019			
	Outsourcing services RM'000	Education RM'000	Elimination RM'000	Consolidated RM'000
Revenue from external customers	48,023	69	-	48,092
Inter-segment revenue	-	-	-	-
Total revenue	48,023	69	-	48,092
Segment results	13,900	(516)		13,384
Unallocated income/ other gains				-
Depreciation of plant and equipment				(1,252)
Amortisation of software licences				(428)
Amortisation of right-of-use assets				(2,410)
Share of profit of joint venture				-
Finance income				239
Finance cost				(249)
Profit before taxation				9,284
Taxation				(2,856)
Net profit for the financial period				6,428

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2019

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

9. SEGMENT RESULTS AND REPORTING (cont'd)

Segmental analysis by business segment is as follows (cont'd):

For the financial period ended 30 September 2018

FY 2019	Preceding Financial Period Ended 30.9.2018			
	Outsourcing services	Education	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	38,593	66	-	38,659
Inter-segment revenue	-	5	(5)	-
Total revenue	38,593	71	(5)	38,659
Segment results	9,076	(906)		8,170
Unallocated income/ other gains				-
Depreciation of plant and equipment				(1,184)
Amortisation of software licences				(438)
Share of results of joint venture (net of tax)				-
Finance income				265
Finance cost				-
Profit before taxation				6,813
Taxation				(1,678)
Net profit for the financial period				5,135

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 2019, 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.



SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia)

FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2019

NOTES TO THE UNAUDITED 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 2019.

14. COMMITMENTS

Commitments for the Group not provided for as at 30 September 2019 are as follows:

(a) Capital commitments

In respect of plant and equipment
- Authorised and contracted

Current Financial Period Ended 30.9.2019
RM'000
593

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)

FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2019

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

16. REVIEW OF PERFORMANCE

PERFORMANCE BY QUARTER/FINANCIAL PERIOD TO DATE

Financial quarter ended	30 Sep 2019	30 Sep 2018	Increase/ (decrease)
Revenue	RM'000	RM'000	RM'000
BPO	48,023	38,593	9,430
Education	69	66	3
Total revenue	48,092	38,659	9,433
Profit before taxation	9,284	6,813	2,471

a. Revenue

BPO

The Group's BPO business principally comprises services provided to clients on long term contracts. The Group also secures clients that requires ad-hoc short term services. For the financial quarter under review, revenue from existing BPO projects and newly secured projects increased by RM6.93 million and RM2.50 million, respectively as compared to the preceding year corresponding quarter.

Education

The revenue from Group's Education during the financial quarter under review comprises of corporate trainings and English Language Testing/ Assessments.

b. Profit before taxation

The higher profit before tax for the financial quarter under review as compared to the preceding year corresponding quarter is in tandem with the increase in revenue.



SCICOM (MSC) BERHAD
 (Company No. 597426-H)
 (Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2019

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

17. COMPARISON WITH PRECEDING QUARTER'S RESULTS

Financial quarter ended	30 Sep 2019	30 Jun 2019	Increase/ (decrease)
Revenue	RM'000	RM'000	RM'000
BPO	48,023	42,166	5,857
Education	69	64	5
Total revenue	48,092	42,230	5,862
Profit before taxation	9,284	7,401	1,883

a. Revenue

BPO

The Group's BPO 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 the financial quarter under review by RM5.86 million as compared to the preceding financial quarter is due mainly to higher billable transactions during the financial quarter under review.

Education

The revenue from Group's Education during the financial quarter under review comprises of corporate trainings and English Language Testing/ Assessments.

b. Profit before taxation

The higher profit before taxation for the current financial quarter under review as compared to the preceding quarter is in tandem with the increase in revenue.



SCICOM (MSC) BERHAD
 (Company No. 597426-H)
 (Incorporated in Malaysia)

FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2019

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

18. CURRENT YEAR REVIEW

The Group registered an increase in revenue and profit before taxation of 24.4% and 36.3% respectively, for the current financial quarter under review as compared to the preceding year financial quarter due to the increase in transactional volume for BPO's major clients.

The Group continues to aggressively enhance its pipeline of prospects locally and has made significant inroads in its business development efforts for its suite of products globally. The Group expects these prospects to convert and contribute to the Group's earnings in the second half of the financial year 2020.

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 ending 30 June 2020.

20. TAXATION

	Current Financial Quarter Ended 30.9.2019 RM '000	Current Financial Period Ended 30.9.2019 RM '000
<u>Group</u>		
Current tax	2,887	2,887
Deferred tax	(31)	(31)
	2,856	2,856

Effective tax rate 31% 31%

The Malaysian current income tax is calculated at the statutory tax rate of 24% (2019: 24%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions are calculated at rates prevailing in the respective jurisdictions.

The Group's effective tax rate for the current financial quarter is higher than the statutory tax rate due to deferred tax on current period losses of subsidiaries not recognized.



SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia)

FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2019

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

20. TAXATION (cont'd)

A subsidiary of the Company has received tax assessment notices of RM1.4 million INR23.8 million (2019: 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 crystallize from these assessments.

21. STATUS OF CORPORATE PROPOSALS ANNOUNCED

There were no corporate proposals announced but not completed as at 25 November 2019, 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 2019.

23. UPDATE ON LITIGATION

On 24 July 2019, the Company received an Originating Summons (“OS”) filed by the Education Malaysia Global Services (“EMGS”). The Originating Summons was filed by EMGS pursuant to an agreement dated 1 November 2012 entered into between the Company and EMGS wherein EMGS is seeking to enforce a right under the said agreement to access the data captured in the Company’s proprietary system.

Although the OS sought general damages and costs to be assessed by the Court, the Company sees no merit or basis for such claims and even if any such claim were to succeed, it would not have a material financial impact on the Company.

On the 15 August 2019 an application to stay proceedings (“Stay Application”) was filed on behalf of Scicom in the High Court. The court has placed a hold on the Summons temporarily to enable the Stay Application to be heard. The Stay Application is listed for a substantive hearing on 11 December 2019.

Other than the above, there were no material litigation matters dealt with during the financial period to date or pending as at 25 November 2019, being the date of this report.

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2019

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

24. DIVIDENDS

The Board of Directors has approved and declared a first interim dividend of 1.5 sen, tax exempt, per ordinary share, amounting to RM5,331,803 which is payable on 24 December 2019.

	Current Financial Period Ended 30.9.2019	Preceding Financial Period Ended 30.9.2018
Interim dividend for the financial year ended 30 June	2020	2019
<u>First interim</u>		
Approved and declared on	25-Nov-19	22-Nov-18
Date payable/paid	24-Dec-19	21-Dec-18
Based on register members dated	10-Dec-19	07-Dec-18
Amount per share	1.5 sen tax exempt	2.0 sen tax exempt
Net dividend payable/paid(RM)	5,331,803	7,109,071
Interim dividend for the financial year ended 30 June	2019	2018
<u>Fourth interim</u>		
Approved and declared on	28-Aug-19	27-Aug-18
Date paid	30-Sep-19	28-Sep-18
Based on register members dated	13-Sep-19	13-Sep-18
Amount per share	1.0 sen tax exempt	3.0 sen tax exempt
Net dividend paid (RM)	3,554,536	10,633,607

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2019

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 30.9.2019	Current Financial Period Ended 30.9.2019
Profit attributable to the Owners of the Company for the financial year (RM'000)	6,672	6,672
Weighted average number of ordinary shares in issue ('000)	355,454	355,454
Basic earnings per share (sen)	1.88	1.88

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).



SCICOM (MSC) BERHAD
 (Company No. 597426-H)
 (Incorporated in Malaysia)

FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2019

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 2019 disclosed in the report approximate their fair values.

The following table represents the assets measured at fair value:

	Current Financial Period Ended 30.9.2019 RM'000	As at Preceding Financial Period Ended 30.9.2018 RM'000
<u>Available-for-sale financial assets</u>		
Investments in cash funds		
- Recurring fair value measurement at Level 1 of the fair value hierarchy	15,067	13,611

By order of the Board of Directors

DATO' SRI LEO SURESH ARIYANAYAKAM
 DIRECTOR
 25 NOVEMBER 2019