



SCICOM (MSC) BERHAD
 (Company No. 597426-H)
 (Incorporated in Malaysia under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2005

ANNOUNCEMENT

The Board of Directors of Scicom (MSC) Berhad (“Scicom” or the “Company”) is pleased to announce the following unaudited consolidated results for the first quarter ended 30 September 2005. This is the first quarterly announcement made by Scicom to Bursa Malaysia Securities Berhad since its listing on the MESDAQ Market on 26 September 2005.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.9.2005	Preceding Year Corresponding Quarter 30.9.2004 *	Current Year To Date 30.9.2005	Preceding Year Corresponding Period 30.9.2004 *
	RM'000	RM'000	RM'000	RM'000
Revenue	14,303	N/A	14,303	N/A
Operating expenses	(12,795)	N/A	(12,795)	N/A
Other income	8	N/A	8	N/A
Profit from operations	1,516	N/A	1,516	N/A
Finance cost	(36)	N/A	(36)	N/A
Profit before taxation	1,480	N/A	1,480	N/A
Taxation	22	N/A	22	N/A
Profit after taxation	1,502	N/A	1,502	N/A
Basic earnings per share (sen)	1.57	N/A	1.57	N/A
Diluted earnings per share (sen)	1.56	N/A	1.56	N/A

* The comparative figures for the preceding year are not available as Scicom was listed on the MESDAQ Market of Bursa Malaysia Securities Berhad on 26 September 2005.

The unaudited condensed consolidated income statement should be read in conjunction with the Group's audited financial statements for the year ended 30 June 2005 as disclosed in the Prospectus dated 7 September 2005.

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**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2005**

	As At End Of Current Quarter 30.9.2005	As At Preceding Financial Year Ended 30.6.2005
	(Unaudited) RM'000	(Audited) RM'000
Non-Current Assets		
Plant and equipment	11,531	11,782
Current Assets		
Trade Receivables	7,748	4,934
Deposits, prepayments and other receivables	1,967	2,377
Deposits with financial institutions	17,166	1,765
Cash and Bank Balances	2,531	872
	29,412	9,948
Current Liabilities		
Payables and accruals	6,235	5,845
Taxation	80	84
Borrowings (secured and interest-bearing)	1,217	2,165
	7,532	8,094
NET CURRENT ASSETS	21,880	1,854
Non-Current Liabilities		
Borrowings (secured and interest-bearing)	1,217	1,034
Payables and accruals	366	468
Deferred taxation	114	137
	1,697	1,639
NET ASSETS	31,714	11,997
Capital and Reserves		
Share capital	12,800	7,500
Share premium	14,957	0
Retained earnings	3,972	4,510
Currency translation reserve	(15)	(13)
SHAREHOLDERS' FUNDS	31,714	11,997
NET TANGIBLE ASSETS PER SHARE (RM)	0.25	0.16

The unaudited condensed consolidated balance sheet should be read in conjunction with the Group's audited financial statements for the year ended 30 June 2005 as disclosed in the Prospectus dated 7 September 2005.

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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Current Year Period Ended 30.9.2005	Preceding Year Period Ended 30.9.2004 *
	RM'000	RM'000
Operating Activities		
Profit after taxation	1,502	N/A
Adjustments:		
Depreciation of plant and equipment	1,026	N/A
Interest expense	66	N/A
Interest income	(31)	N/A
Unrealised foreign exchange gains/losses	(21)	N/A
Gain on disposal of plant and equipment	(7)	N/A
Taxation	(22)	N/A
Operating profit before changes in working capital	2,513	N/A
Receivables	(4,098)	N/A
Payables	2,028	N/A
Cash flow from operations	443	N/A
Interest received	31	N/A
Interest paid	(3)	N/A
Taxation paid	(5)	N/A
Net cash generated from operating activities	466	N/A
Investing Activities		
Proceed from disposal of plant and equipment	133	N/A
Purchase of plant and equipment	(574)	N/A
Net cash used in investing activities	(441)	N/A
Financing Activities		
Drawdown of fixed deposits	1,600	N/A
Repayment of finance lease principal	(558)	N/A
Repayment of Islamic Term Financing	(298)	N/A
Proceeds from issuance of shares	21,600	N/A
Payment of listing expenses	(1,343)	N/A
Dividends	(2,040)	N/A
Interest paid	(62)	N/A
Net cash generated from financing activities	18,899	N/A
Net increase in cash and cash equivalents	18,924	N/A
Effect of foreign exchange on cash and cash equivalents	(35)	N/A
Cash and cash equivalents at beginning of financial quarter	643	N/A
Cash and cash equivalents at end of financial quarter	19,532	N/A

* The comparative figures for the preceding year are not available as Scicom was listed on the MESDAQ Market of Bursa Malaysia Securities Berhad on 26 September 2005.

The unaudited condensed consolidated cash flow statement should be read in conjunction with the Group's audited financial statements for the year ended 30 June 2005 as disclosed in the Prospectus dated 7 September 2005.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY**

	Issued and fully paid ordinary shares of RM0.10 (2004 : RM1) each		Non-distributable		Distributable	Total
	Number of shares	Nominal value	Share premium	Currency translation reserve	Retained earnings	
	'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>12 months ended 30.6.2005</u>						
As at 1 July 2004	3,000	3,000	0	2	3,602	6,604
27,000,000 ordinary shares split to convert the nominal value from RM1 each to RM0.10 each	27,000	0	0	0	0	0
Bonus issue of shares	45,000	4,500	0	0	(4,500)	0
Net profit for the financial year	0	0	0	0	5,408	5,408
Currency translation differences	0	0	0	(15)	0	(15)
As at 30 June 2005	75,000	7,500	0	(13)	4,510	11,997
<u>3 months ended 30.9.2005</u>						
As at 1 July 2005	75,000	7,500	0	(13)	4,510	11,997
* Dividend	0	0	0	0	(2,040)	(2,040)
** Rights issue of shares	20,400	2,040	0	0	0	2,040
*** Issuance of shares	32,600	3,260	16,300	0	0	19,560
Listing expenses	0	0	(1,343)	0	0	(1,343)
Net profit for the financial period	0	0	0	0	1,502	1,502
Currency translation differences	0	0	0	(2)	0	(2)
As at 30 September 2005	128,000	12,800	14,957	(15)	3,972	31,714

* Tax exempt interim dividend for the financial year ended 30 June 2005 of approximately RM0.027 per ordinary share was paid on 18 August 2005.

** Rights issue of 20,400,000 new ordinary shares of RM0.10 each in Scicom ("Scicom Shares") at an issue price of RM0.10 per ordinary share was completed on 18 August 2005.

*** Public issue of 32,600,000 new Scicom Shares at and issue price of RM0.60 per Scicom Shares on 20 September 2005.

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the Group's audited financial statements for the year ended 30 June 2005 as disclosed in the Prospectus dated 7 September 2005.



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UNAUDITED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – 30 SEPTEMBER 2005

1. BASIS OF PREPARATION

The interim financial statements of Scicom (MSC) Berhad (“Scicom” or “the Company”) and its subsidiaries (“the Group”) has been prepared in accordance with the requirements of Financial Reporting Standards (“FRS”) No. 134 – Interim Financial Reporting and Appendix 7A of the Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”) for MESDAQ Market. There is no preceding year corresponding quarter comparative as the Group is still within its first year of listing on Bursa Securities. The interim financial statements should be read in conjunction with the Group’s most recent audited financial statements for the year ended 30 June 2005.

The accounting policies and methods of computation adopted in the Group’s annual audited financial statements for the financial year ended 30 June 2005 have been consistently adopted in the preparation of the interim financial statements.

The following new accounting standard is applicable to the Company and the Group for the quarter ended 30 September 2005:

- FRS 133 – Earnings Per Share

The adoption of the new accounting standard does not a material impact on the profit after taxation for the period or shareholders’ equity in the interim financial statements. The new accounting policy adopted by the Group is as follows:

- (a) Earnings per share

Basic Earnings Per Share

Basic earnings per share of the Group is calculated by dividing the profit after taxation for the period by the weighted average number of ordinary shares in issue during the period.



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Diluted Earnings Per Share

Diluted earnings per share is calculated by dividing the profit after taxation for the period by the adjusted weighted average number of ordinary shares in issue during the period. The weighted average number of issued shares has been adjusted assuming full conversion of the share options which represents the dilutive potential of the shares. There is only one category of dilutive potential shares, which is shares options granted to employees.

2. QUALIFICATION OF PRECEDING ANNUAL AUDITED STATUTORY FINANCIAL STATEMENTS

There was no qualification issued by the external auditors in the preceding audited annual financial statements of the Group for the year ended 30 June 2005.

3. SEASONAL / CYCLICAL FACTORS

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

4. UNUSUAL ITEMS

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

5. MATERIAL CHANGES IN ESTIMATES OF AMOUNTS REPORTED

There have been no significant changes in the basis of estimates of amounts previously reported which have a material effect in the quarter under review.



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6. MOVEMENT IN DEBT AND EQUITY SECURITIES

During the current financial year to date, there were no issuances, repurchases, resale and repayments of debt and equity securities other than the following:

- a. The rights issue of 20,400,000 new ordinary shares of RM0.10 each at an issue price of RM0.10 per ordinary share to the shareholders as at the date of issuance on the basis of approximately 0.27 new ordinary share for every one (1) existing ordinary share held, which was completed on 18 August 2005; and
- b. The public issue of 32,600,000 new ordinary shares of RM0.10 each at an issue price of RM0.60 per ordinary share, which was completed on 20 September 2005 in conjunction with Scicom's listing on the MESDAQ Market of Bursa Securities on 26 September 2005.

7. DIVIDENDS

On 18 August 2005, a final tax exempt dividend of approximately 2.7 sen per ordinary share amounting to RM2,040,000 was paid in respect of the financial year ended 30 June 2005.

8. SEGMENT RESULTS AND REPORTING

The Group operates in a single line of business, namely the provision of customer contact centre within the Business Process Outsourcing space. In determining the geographical segments of the Group, segmental revenue and profit from operations is based on the country in which the customer is located. There is no inter-segment transaction during the period under review. Total assets and capital expenditure are determined based on where the assets are located.

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The Group derives revenue from customers in the following geographical areas:

	Current Year Quarter 30.9.2005	Current Year To Date 30.9.2005
	RM'000	RM'000
Revenue		
Malaysia	1,171	1,171
Singapore	9,796	9,796
United Kingdom	2,311	2,311
Finland	1,025	1,025
	14,303	14,303
Results		
Malaysia	143	143
Singapore	3,587	3,587
United Kingdom	825	825
Finland	347	347
	4,902	4,902
Shared services cost	(3,394)	(3,394)
Other income	8	8
Profit from operations	1,516	1,516

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The Group maintains assets in the following countries:

	As At End Of Current Quarter 30.9.2005	As At Preceding Financial Year Ended 30.6.2005
	RM'000	RM'000
Total assets		
Malaysia	38,377	19,144
Singapore	1	3
United Kingdom	18	18
India	2,547	2,565
	40,943	21,730
Capital expenditure		
Malaysia	858	5,118
Singapore	0	0
United Kingdom	0	0
India	36	407
	894	5,525

9. VALUATION OF PLANT AND EQUIPMENT

There were no revaluation of plant and equipment during the quarter ended 30 September 2005. As at 30 September 2005, all plant and equipment were stated at cost less accumulated depreciation.

10. SUBSEQUENT MATERIAL EVENTS

There were no material events subsequent to the end of the quarter that have not been reflected in the financial statements for the quarter.



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11. 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 current financial year to date.

12. CONTINGENT LIABILITY

The amount of the contingent liability in relation to the following case is not disclosed as it is still a subject to be determined by the Court and such disclosure may be prejudicial to the Group's dispute on the subject matter. In the event that the relevant Court was to rule against the Company's subsidiary, such ruling is not expected to have a materially adverse effect on the Group's or subsidiary's operations or financial condition.

- (a) An ex-employee had made a claim against a subsidiary of the Company for wrongful dismissal. This case has been referred to the Industrial Court.

There have been no material changes in contingent liability since the last audited balance sheet date as at 30 June 2005 up to 21 November 2005 other than an out of court settlement made to an ex-contractor who had made a claim against a subsidiary of the Company for payments of services rendered. This case was settled out of court on a mutually agreed settlement cost of RM15,000.

13. COMMITMENTS

- (a) Capital commitments

Capital expenditure of the Group approved by the Directors but not provided for in the condensed financial statements are as follows:

Authorised and contracted
 - Plant and equipment

Current Year To Date 30.9.2005
RM'000
380



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(b) Non-cancelable operating leases

The future minimum lease payments under non-cancelable operating leases for the Group are as follows:

- not later than 1 year
- later than 1 year and not later than 5 years

Current Year To Date 30.9.2005
RM'000
3,760
2,262
6,022

14 SIGNIFICANT RELATED PARTY TRANSACTION

There were no significant related party transactions as at the date of this announcement.

15. REVIEW OF PERFORMANCE

The Group recorded a profit after taxation of RM1.5 million on the back of revenue of RM14.3 million for the quarter under review. The profit after taxation margin of 10.5% for the quarter under review is lower than forecast due to set up costs incurred for a new project which only commenced operations in late October 2005. However, the Group's performance for the quarter is in line with the Board's expectation in meeting its forecasted net profit of RM8.539 million. (see Current Year Prospects below).

16. COMPARISON WITH PRECEDING QUARTER'S RESULTS

There is no preceding quarter comparative as this is the Group's first quarterly report as a public company listed on Bursa Securities on 26 September 2005.

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17. CURRENT YEAR PROSPECTS

As disclosed in the Prospectus dated 7 September 2005, the Board forecasted a profit after taxation of RM8.539 million for the financial year ending 30 June 2006. The Board is confident of achieving the forecasted result as the Group is expecting an increase in profit for the remaining quarters of the financial year due to the following factors:

- a. Increase in headcount from the recurring half yearly review of the billing budget for existing major customers / projects which will take effect from January 2006 onwards.
- b. Contribution from new major secured projects.

18. TAXATION

	Current Year Quarter 30.9.2005 RM '000	Current Year To Date 30.9.2005 RM '000
<u>Group</u>		
Current tax	1	1
Deferred tax	(23)	(23)
	(22)	(22)

The Group's effective tax rate is lower than the Malaysian statutory tax rate of 28%. This is primarily due to the Company's Multimedia Super Corridor pioneer status which accords the Company with five years of income tax exemption on the Company's statutory income and the utilisation of carried forward losses by a subsidiary of the Company.

19. PROFIT/(LOSS) ON SALES OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no sales of unquoted investments and/or properties during the current financial year to date.

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20. PURCHASES AND SALES OF QUOTED SECURITIES

Scicom does not hold any investments in quoted securities as at 30 September 2005. There was no acquisition or disposal of quoted securities during the current financial year to date.

21. STATUS OF CORPORATE PROPOSALS ANNOUNCED

Save for the below, there were no corporate proposals announced but not completed as at 21 November 2005 :-

The status of utilisation of proceeds raised from the Initial Public Offering is as follows:

	Proposed utilisation of IPO proceeds *	Amount utilised as at 21.11.2005	Amount outstanding	Expected timeframe for utilisation *
	RM'000	RM'000	RM'000	
Working Capital	13,060	8,776	4,284	12 months from listing date
Capital Expenditure	5,000	587	4,413	24 months from listing date
Estimated share issue expenses	1,500	1,365	135	3 months from listing date
	19,560	10,728	8,832	

* As set out in Scicom's Prospectus dated 7 September 2005.

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22. GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 30 September 2005 is as follows:

	Current liabilities	Long term liabilities	Total
	RM'000	RM'000	RM'000
Secured			
Finance Lease	1,217	1,217	2,434

23. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no outstanding off balance sheet financial instruments as at 21 November 2005.

24. CHANGES IN MATERIAL LITIGATION

There were no material litigation matters dealt with during the period under review or pending as at 21 November 2005.

25. EARNINGS PER SHARE

The basic and diluted earnings per share for the quarter under review are computed as follows:

Basic earnings per share

	Current Year Quarter 30.9. 2005	Current Year To Date 30.9.2005
Net profit for the financial period (RM'000)	1,502	1,502
Weighted average number of ordinary shares in issue ('000)	95,857	95,857
Basic earnings per share (sen)	1.57	1.57



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Diluted earnings per share

	Current Year Quarter 30.9.2005	Current Year To Date 30.9.2005
Net profit for the financial period (RM'000)	1,502	1,502
Weighted average number of ordinary shares in issue for diluted EPS ('000)	95,857	95,857
Adjusted for share options granted ('000)	246	246
Adjusted weighted average number of ordinary shares ('000)	96,103	96,103
Diluted earnings per share (sen)	1.56	1.56

By order of the Board of Directors

LEO SURESH ARIYANAYAKAM
 DIRECTOR
 25 November 2005