

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia under the Companies Act, 1965)
FOURTH QUARTER REPORT ENDED 30 JUNE 2009

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 2009.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current Year Quarter 30.6.2009 (Unaudited) RM'000	Preceding Year Corresponding Quarter 30.6.2008 (Unaudited) RM'000	Current Year To Date 30.6.2009 (Unaudited) RM'000	Preceding Year To Date 30.6.2008 (Audited) RM'000
Revenue	37,476	31,858	144,672	118,272
Operating expenses	(33,796)	(28,683)	(132,053)	(111,992)
Operating profit	3,680	3,175	12,619	6,280
Gain / (loss) on foreign exchange	501	(469)	1,711	(287)
Provision for doubtful debts				
- trade	(478)	0	(1,325)	0
- non-trade	0	0	(3,760)	0
Other operating income	10	(22)	61	0
Share of profit of jointly controlled entity	149	0	149	0
(Loss)/ profit from discontinued operations	0	(37)	0	394
Finance income	9	44	116	276
Finance costs	(6)	(63)	(42)	(163)
Profit before taxation	3,865	2,628	9,529	6,500
Taxation	58	(202)	(828)	(444)
Profit for the financial year	3,923	2,426	8,701	6,056
Earnings per share attributable to equity holders of the Company:				
- Basic (sen)	1.48	0.91	3.28	2.28
- Diluted (sen)	1.48	0.91	3.28	2.27

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED BALANCE SHEET

	As At Current Year Ended 30.6.2009 (Unaudited) RM'000	As At Preceding Financial Year Ended 30.06.2008 (Audited) RM'000
ASSETS		
Non-Current Assets		
Plant and equipment	16,948	15,460
Investment in jointly controlled entity	112	0
Non-current receivable	0	2,053
	17,060	17,513
Current Assets		
Trade receivables	31,367	21,224
Deposits, prepayments and other receivables	7,286	7,767
Deposits with a licensed bank	654	4,566
Cash and bank balances	6,162	5,932
	45,469	39,489
TOTAL ASSETS	62,529	57,002
EQUITY AND LIABILITIES		
Capital and reserves attributable to equity holders of the Company		
Share capital	26,529	26,526
Share premium reserve	3,932	3,925
Retained earnings	19,244	15,849
Currency translation reserve	(237)	(451)
TOTAL EQUITY	49,468	45,849
Non-Current Liabilities		
Deferred tax liabilities	1,020	351
Borrowings (secured and interest-bearing)	525	83
	1,545	434
Current Liabilities		
Payables and accruals	11,273	9,805
Current tax liabilities	0	713
Borrowings (secured and interest-bearing)	243	201
	11,516	10,719
TOTAL LIABILITIES	13,061	11,153
TOTAL EQUITY AND LIABILITIES	62,529	57,002
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM)	0.19	0.17

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial report.

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**CONDENSED CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY**

	Issued and fully paid ordinary shares of RM0.10 each		Non-distributable		Distributable	Attributable to equity holders of the Company	Minority 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 30.6.2008 (Audited)								
As at 1 July 2007	263,603	26,361	3,594	(239)	15,096	44,812	26	44,838
Currency translation differences, representing total income and expense recognised directly in equity	0	0	0	(212)	0	(212)		(212)
Net profit for the financial period	0	0	0	0	6,056	6,056		6,056
Disposal of subsidiary							(26)	(26)
Total recognised income and expense for the financial period	0	0	0	(212)	6,056	5,844	(26)	5,818
Dividends for the financial year ended:								
- 30 June 2007	0	0	0	0	(2,650)	(2,650)	0	(2,650)
- 30 June 2008	0	0	0	0	(2,653)	(2,653)	0	(2,653)
Issuance of shares pursuant to ESOS	1,655	165	331	0	0	496	0	496
** Bonus Issue						0	0	0
Expenses incurred pursuant to bonus issue						0	0	0
Bonus issue		0	0	0	0	0	0	0
Bonus issue expenses	0	0		0	0	0	0	0
Incorporation of new subsidiary	0	0	0	0	0	0	0	0
As at 30 June 2008	265,258	26,526	3,925	(451)	15,849	45,849	0	45,849
12 months ended 30.6.2009 (Unaudited)								
As at 1 July 2008	265,258	26,526	3,925	(451)	15,849	45,849	0	45,849
Currency translation differences, representing total income and expense recognised directly in equity	0	0	0	214	0	214	0	214
Net profit for the financial year	0	0	0	0	8,701	8,701	0	8,701
Total recognised income and expense for the financial period	0	0	0	214	8,701	8,915	0	8,915
Dividends for the financial year ended:								
- 30 June 2008	0	0	0	0	(2,653)	(2,653)	0	(2,653)
- 30 June 2009	0	0	0	0	(2,653)	(2,653)	0	(2,653)
Issuance of shares pursuant to ESOS *	35	3	7	0	0	10	0	10
As at 30 June 2009	265,293	26,529	3,932	(237)	19,244	49,468	0	49,468
* Issuance of 35,000 new Scicom shares at an issue price of RM0.30 pursuant to employees exercising their share option under the ESOS on 31 July 2008.								
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 2008 and the accompanying explanatory notes attached to the interim financial report.								

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Year To Date 30.6.2009 (Unaudited) RM'000	Preceding Year To Date 30.6.2008 (Audited) RM'000
Operating Activities		
Profit attributable to the equity holders of the Company	8,701	6,056
Adjustments:		
Allowance for doubtful debts	5,085	0
Depreciation of plant and equipment	6,700	6,881
Gain on disposal of plant and equipment	0	(9)
Interest expense	42	163
Interest income	(116)	(276)
Plant and equipment written off	2	0
Profit from discontinued operations	0	(394)
Unrealised foreign exchange loss/ (gain)	216	(278)
Share of profit of jointly controlled entity	(149)	0
Taxation	828	444
Operating profit before changes in working capital	21,309	12,587
Receivables	(12,506)	(5,558)
Payables	1,468	4,249
Cash flow from operations	10,271	11,278
Interest received	116	276
Taxation (paid)/ refund	(1,241)	1,560
Net cash flow generated from operating activities	9,146	13,114
Investing Activities		
Investment in jointly controlled entity (RM1)	0	0
Purchase of plant and equipment	(7,977)	(4,548)
Proceed from disposal of plant and equipment	0	51
Net cash inflow from disposal of discontinued operations	0	283
Net cash flow used in investing activities	(7,977)	(4,214)
Financing Activities		
Drawdown of finance lease	744	0
Interest paid	(42)	(163)
Payment of dividends	(5,306)	(5,303)
Proceeds from issuance of shares	10	496
Repayment of finance lease principal	(221)	(914)
Net cash flow used in financing activities	(4,815)	(5,884)
Net (decrease)/ increase in cash and cash equivalents	(3,646)	3,016
Effect of foreign exchange on cash and cash equivalents	3	266
Cash and cash equivalents at beginning of financial year	10,459	7,177
Cash and cash equivalents at end of financial year	6,816	10,459

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial report.



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UNAUDITED NOTES TO THE INTERIM FINANCIAL REPORT

1. BASIS OF PREPARATION

The interim financial report has been prepared in accordance with the requirements of Financial Reporting Standards (“FRS”) 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market. The interim financial report should be read in conjunction with the Group's most recent audited financial statements for the year ended 30 June 2008.

FRS 139 Financial Instruments: The Recognition and Measurement has been deferred to 1 January 2010 and has not been adopted by the Group.

2. AUDITORS’ REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditor’s report on the financial statements for the year ended 30 June 2008 was not qualified.

3. SEASONAL / CYCLICAL FACTORS

The operations of the Group were not significantly affected by seasonal 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 were no material 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, there were no issuances, cancellation, repurchases, resale and repayments of debt and equity securities other than the issuance of new ordinary shares of RM0.10 each pursuant to employees exercising their option under the ESOS on the following exercise dates:

Date of exercise	Issue price per ordinary share	Number of shares exercised	Proceeds from the shares issued
31 July 2008	RM0.30	35,000	10,500

7. DIVIDENDS PAID

On 24 November 2008, a final tax exempt dividend of 1 sen per ordinary share amounting to RM2,652,930 was paid in respect of the financial year ended 30 June 2008.

On 6 March 2009, an interim tax exempt dividend of 1 sen per ordinary share amounting to RM2,652,930 was paid in respect of the financial year ending 30 June 2009.

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 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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8. SEGMENT RESULTS AND REPORTING (cont'd)

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

		Current Year Quarter 30.6.2009	Current Year To Date 30.6.2009
		(Unaudited) RM'000	(Unaudited) RM'000
Revenue			
Malaysia		10,624	25,242
Singapore		15,229	67,787
United States of America		8,936	40,063
United Kingdom		1,668	4,772
India		72	196
Other countries		947	6,612
		37,476	144,672

The Group maintains assets in the following countries:

		As At Current Financial Year Ended 30.6.2009	As At Preceding Financial Year Ended 30.6.2008
		(Unaudited) RM'000	(Unaudited) RM'000
Total assets			
Malaysia		45,123	43,752
United States of America		12,968	11,719
Other countries		4,438	1,531
		62,529	57,002
Capital expenditure			
Malaysia		4,252	4,377
United States of America		1,206	164
Other countries		2,519	7
		7,977	4,548



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9. VALUATION OF PLANT AND EQUIPMENT

There was no revaluation of plant and equipment during the quarter ended 30 June 2009. As at 30 June 2009, all plant and equipment were stated at cost less accumulated depreciation.

10. SUBSEQUENT MATERIAL EVENTS

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

11. CHANGES IN THE COMPOSITION OF THE GROUP

On 28 April 2009, Scicom (MSC) Berhad entered into a Joint Venture cum Shareholders Agreement ("JV Agreement") with AirAsia Berhad and Asian Contact Centres Sdn Bhd ("**ACCSB**") and acquired 50% equity interest comprising of one (1) ordinary share of RM1.00 each in ACCSB for a total cash consideration of RM1.00. ACCSB is jointly-owned by Scicom and AirAsia Berhad and commenced operations on 1st May 2009.

Other than the above, 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 period.

12. CONTINGENT LIABILITY OR CONTINGENT ASSET

There was no contingent liability or contingent asset arising since the last audited annual balance sheet date as at 30 June 2008.

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13. COMMITMENTS

Commitments for the Group not provided for as of 30 June 2009 are as follows:

(a) Capital commitments

- In respect of plant and equipment
- Authorised and contracted
- Authorised but not yet contracted

Current Year To Date 30.6.2009
RM'000
753
0

(b) Non-cancelable operating leases

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

Current Year To Date 30.6.2009
RM'000
9,609
10,774
20,383

14. SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no significant related party transactions during the quarter under review up to the date of this announcement.



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15. REVIEW OF PERFORMANCE

For the current quarter, the Group recorded revenue and profit after taxation of RM37.48 million and RM3.92 million respectively. The Group's revenue and profit after taxation increased by 15.0% and 61.7% respectively as compared to the preceding year corresponding quarter's result. The increase in profit after taxation is mainly due to an increase in billings and improved margin from both contact center and educational divisions.

16. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	Q4 2009	Q3 2009	Variance
Revenue	37,476	36,804	672
Operating profit	3,680	3,791	(111)
Profit before taxation	3,865	(559)	4,424

The increase in revenue is due to the higher billings from the educational division. The loss in the preceding quarter was mainly due to the provision for doubtful debts of RM4.6 million.

17. CURRENT YEAR PERFORMANCE AND PROSPECTS FOR FINANCIAL YEAR 2010

The Group's revenue and net profit for the current financial year has increased by 22.3% and 43.7%, respectively as compared to the preceding financial year. The improvement in the Group's financial result is mainly due to the following factors :

- a. The increase in billings from new projects secured during the financial year;
- b. Gain from foreign exchange due to the strengthening of the US Dollar against the Ringgit during the financial year; and
- c. Contribution from the educational division launched during the financial year.

The Group's performance was however affected by the provision for doubtful debts on outstanding receivables deemed to have high recoverability risk in the current economic crisis.



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For the financial year 2010, the Group is expecting a challenging year due to the continued uncertainty of the global economy. The Group has taken action on cost mitigation and restructured its suite of products and services to meet the changing needs of its customers. The Group continues to intensify its business development activities in all of its business divisions and is confident that the Group will have robust growth for 2010.

18. 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 2009.

19. TAXATION

	Current Year Quarter 30.6.2009 RM '000	Current Year To Date 30.6.2009 RM '000
<u>Group</u>		
Current tax	(327)	154
Deferred tax	269	674
	(58)	828

Scicom's Multimedia Super Corridor pioneer status accords the Company with tax exemption on its statutory income. The Group's effective tax rate is thus lower than the Malaysian statutory tax rate of 25%.

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20. DIVIDENDS

The following dividend was paid during the current and previous corresponding year:

	30.6.2009	30.6.2008
Interim dividend for the financial year ended 30 June	2009	2008
Approved and declared on	4 February 2009	28 January 2008
Date paid	6 March 2009	7 March 2008
Based on register of members dated	23 February 2009	25 February 2008
Amount per share	1 sen tax exempt	1 sen tax exempt
Net dividend paid / to be paid (RM)	2,652,930	2,651,680
	30.6.2009	30.6.2008
Final dividend for the financial year ended 30 June	2008	2007
Approved and declared on	6 October 2008	3 September 2007
Date paid	24 November 2008	26 October 2007
Based on register of members dated	7 November 2008	9 October 2007
Amount per share	1 sen tax exempt	1 sen tax exempt
Net dividend paid / to be paid (RM)	2,652,930	2,650,460

The Directors propose a final tax exempt dividend of 1.5 sen per ordinary share, subject to the approval of the shareholders at the forthcoming Annual General Meeting, for the financial year ended 30 June 2009.

21. PROFIT/(LOSS) ON SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no sales of unquoted investments and/or properties during the current quarter and financial period.



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22. PURCHASES AND SALE OF QUOTED SECURITIES

There was no acquisition or disposal of quoted securities during the current financial period. The Group does not hold any investments in quoted securities as at 30 June 2009

23. STATUS OF CORPORATE PROPOSALS ANNOUNCED

There were no other corporate proposals announced but not completed as at 28 August 2009.

24. GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 30 June 2009 is as follows:

	Current liabilities	Non-current liabilities	Total
	RM'000	RM'000	RM'000
Secured			
Finance lease liabilities	243	525	768

The Group's borrowings are denominated in Ringgit Malaysia and Indian Rupee. Finance lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

25. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments entered into by the Group as at 28 August 2009 being the date of this report.



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26. CHANGES IN MATERIAL LITIGATION

There were no material litigation matters dealt with during the period under review or pending as at 28 August 2009 being the date of this report.

27. EARNINGS PER SHARE (“EPS”)

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

Basic earnings per share

	Current Year Quarter 30.6.2009	Current Year To Date 30.6.2009
Profit attributable to the equity holders of the Company for the financial period (RM'000)	3,923	8,701
Weighted average number of ordinary shares in issue ('000)	265,290	265,290
Basic earnings per share (sen)	1.48	3.28

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Diluted earnings per share

	Current Year Quarter 30.6.2009	Current Year To Date 30.6.2009
Profit attributable to the equity holders of the Company for the financial period (RM'000)	3,923	8,701
Weighted average number of ordinary shares in issue for diluted EPS ('000)	265,290	265,290
Adjusted for share options granted ('000)	315	166
Adjusted weighted average number of ordinary shares ('000)	265,605	265,456
Diluted earnings per share (sen)	1.48	3.28

By order of the Board of Directors

LEO SURESH ARIYANAYAKAM
DIRECTOR
28 August 2009