



SCICOM (MSC) BERHAD
 (Company No. 597426-H)
 (Incorporated in Malaysia under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 31 DECEMBER 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 second quarter ended 31 December 2009.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current Year Quarter 31.12.2009 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31.12.2008 (Unaudited) RM'000	Current Year To Date 31.12.2009 (Unaudited) RM'000	Preceding Year To Date 31.12.2008 (Unaudited) RM'000
Revenue	29,570	36,965	60,577	70,392
Operating expenses	(27,347)	(34,038)	(56,497)	(65,244)
Operating profit	2,223	2,927	4,080	5,148
Share of profit of jointly controlled entity	96	0	299	0
Gain/ (loss) on foreign exchange	52	213	(101)	951
Other operating income	4	30	23	48
Finance income	18	41	38	90
Finance costs	(3)	(9)	(9)	(14)
Profit before taxation	2,390	3,202	4,330	6,223
Taxation	(172)	(367)	(107)	(568)
Profit for the financial period	2,218	2,835	4,223	5,655
Earnings per share attributable to equity holders of the Company:				
- Basic (sen)	0.84	1.07	1.59	2.13
- Diluted (sen)	0.83	1.07	1.59	2.13

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2009 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)
SECOND QUARTER REPORT ENDED 31 DECEMBER 2009

CONDENSED CONSOLIDATED BALANCE SHEET

	As At Current Period Ended 31.12.2009 (Unaudited) RM'000	As At Preceding Financial Year Ended 30.06.2009 (Audited) RM'000
ASSETS		
Non-Current Assets		
Plant and equipment	14,564	16,948
Investment in jointly controlled entity	336	112
	14,900	17,060
Current Assets		
Trade receivables	29,979	31,367
Deposits, prepayments and other receivables	7,638	7,286
Deposits with a licensed bank	3,410	654
Cash and bank balances	2,748	6,162
	43,775	45,469
TOTAL ASSETS	58,675	62,529
EQUITY AND LIABILITIES		
Capital and reserves attributable to equity holders of the Company		
Share capital	26,529	26,529
Share premium reserve	3,932	3,932
Retained earnings	19,488	19,244
Currency translation reserve	(302)	(237)
TOTAL EQUITY	49,647	49,468
Non-Current Liabilities		
Deferred tax liabilities	909	1,020
Borrowings (secured and interest-bearing)	338	478
	1,247	1,498
Current Liabilities		
Payables and accruals	7,496	11,273
Borrowings (secured and interest-bearing)	285	290
	7,781	11,563
TOTAL LIABILITIES	9,028	13,061
TOTAL EQUITY AND LIABILITIES	58,675	62,529
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM)	0.19	0.19

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 30 June 2009 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)
SECOND QUARTER REPORT ENDED 31 DECEMBER 2009

**CONDENSED CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY**

	Issued and fully paid ordinary shares of RM0.10 each		Non-distributable		Distributable	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
6 months ended 31.12.2008 (Unaudited)						
As at 1 July 2008	265,258	26,526	3,924	(452)	15,849	45,847
Currency translation differences, representing total income and expense recognised directly in equity	0	0	0	239	0	239
Net profit for the financial period	0	0	0	0	5,655	5,655
Total recognised income and expense for the financial period	0	0	0	239	5,655	5,894
Dividends for the financial year ended: - 30 June 2008	0	0	0	0	(2,653)	(2,653)
Issuance of shares pursuant to ESOS *	35	3	7	0	0	10
As at 31 December 2008	265,293	26,529	3,931	(213)	18,851	49,098
6 months ended 31.12.2009 (Unaudited)						
As at 1 July 2009	265,293	26,529	3,932	(237)	19,244	49,468
Currency translation differences, representing total income and expense recognised directly in equity	0	0	0	(65)	0	(65)
Net profit for the financial period	0	0	0	0	4,223	4,223
Total recognised income and expense for the financial period	0	0	0	(65)	4,223	4,158
Dividends for the financial year ended: - 30 June 2009	0	0	0	0	(3,979)	(3,979)
As at 31 December 2009	265,293	26,529	3,932	(302)	19,488	49,647
* 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.						

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 31 DECEMBER 2009

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Year To Date 31.12.2009 (Unaudited) RM'000	Preceding Year To Date 31.12.2008 (Unaudited) RM'000
Operating Activities		
Profit attributable to the equity holders of the Company	4,223	5,655
Adjustments:		
Depreciation of plant and equipment	3,416	3,351
Unrealised foreign exchange loss	240	333
Taxation	107	568
Interest expense	9	14
Plant and equipment written off	7	0
Interest income	(38)	(90)
Gain on disposal of plant and equipment	(64)	0
Share of profit of jointly controlled entity	(299)	0
Operating profit before changes in working capital	7,601	9,831
Receivables	572	(3,610)
Payables	(3,777)	(2,595)
Cash flow from operations	4,396	3,626
Taxation refund / (paid)	81	(121)
Interest received	38	90
Net cash flow generated from operating activities	4,515	3,595
Investing Activities		
Purchase of plant and equipment	(1,256)	(4,178)
Proceed from disposal of plant and equipment	64	0
Net cash flow used in investing activities	(1,192)	(4,178)
Financing Activities		
Interest paid	(9)	(14)
Payment of dividends	(3,979)	(2,653)
Proceeds from issuance of shares	0	10
Repayment of finance lease principal	(145)	(131)
Net cash flow used in financing activities	(4,133)	(2,788)
Net decrease in cash and cash equivalents	(809)	(3,371)
Effect of foreign exchange on cash and cash equivalents	151	81
Cash and cash equivalents at beginning of financial period	6,816	10,458
Cash and cash equivalents at end of financial period	6,158	7,168

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2009 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)
SECOND QUARTER REPORT ENDED 31 DECEMBER 2009

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 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The interim financial report should be read in conjunction with the Group's most recent audited financial statements for the year ended 30 June 2009.

2. AUDITORS' REPORT OF PRECEDING AUDITED ANNUAL FINANCIAL STATEMENTS

The auditor's report on the financial statements for the financial year ended 30 June 2009 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.

6. MOVEMENT IN DEBT AND EQUITY SECURITIES

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



SCICOM (MSC) BERHAD
 (Company No. 597426-H)
 (Incorporated in Malaysia under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 31 DECEMBER 2009

UNAUDITED NOTES TO THE INTERIM FINANCIAL REPORT

7. DIVIDENDS PAID

On 16 November 2009, a final tax exempt dividend of 1.5 sen per ordinary share amounting to RM3,979,395 was paid in respect of the financial year ended 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.

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

	Current Year Quarter 31.12.2009 (Unaudited) RM'000	Current Year To Date 31.12.2009 (Unaudited) RM'000
Revenue		
Malaysia	10,596	19,585
Singapore	16,093	30,824
United States of America	1,168	6,583
United Kingdom	1,261	2,693
Other countries	452	892
	29,570	60,577



SCICOM (MSC) BERHAD
 (Company No. 597426-H)
 (Incorporated in Malaysia under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 31 DECEMBER 2009

UNAUDITED NOTES TO THE INTERIM FINANCIAL REPORT

8. SEGMENT RESULTS AND REPORTING (cont'd)

The Group maintains assets in the following countries:

	As At Current Financial Period Ended 31.12.2009 (Unaudited) RM'000	As At Preceding Financial Period Ended 31.12.2008 (Unaudited) RM'000
Total assets		
Malaysia	46,972	43,638
United States of America	7,673	12,723
Other countries	4,030	1,491
	58,675	57,852
Capital expenditure		
Malaysia	1,029	2,975
United States of America	0	1,147
Other countries	227	56
	1,256	4,178

9. VALUATION OF PLANT AND EQUIPMENT

There was no revaluation of plant and equipment during the quarter ended 31 December 2009. As at 31 December 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

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.



SCICOM (MSC) BERHAD
 (Company No. 597426-H)
 (Incorporated in Malaysia under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 31 DECEMBER 2009

UNAUDITED NOTES TO THE INTERIM FINANCIAL REPORT

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 2009.

13. COMMITMENTS

Commitments for the Group not provided for as of 31 December 2009 are as follows:

(a) Capital commitments

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

Current Period To Date 31.12.2009
RM'000
1,374
11
1,385

(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 Period To Date 31.12.2009
RM'000
7,794
8,789
16,583

14. SIGNIFICANT RELATED PARTY TRANSACTIONS

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



SCICOM (MSC) BERHAD
 (Company No. 597426-H)
 (Incorporated in Malaysia under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 31 DECEMBER 2009

UNAUDITED NOTES TO THE INTERIM FINANCIAL REPORT

15. REVIEW OF PERFORMANCE

For the current quarter, the Group recorded revenue and profit before taxation of RM29.6 million and RM2.4 million respectively. The Group's revenue and profit before taxation decreased by 20.0% and 25.3% respectively as compared to the preceding year corresponding quarter's result. The decrease in profit before taxation is mainly due to the reduction in billings contribution from the Group's US subsidiary and lower forex gain recognized in the current quarter due to the weak US Dollar.

16. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	Q2 2010	Q1 2010	Variance
	RM'000	RM'000	RM'000
Revenue	29,570	31,007	(1,437)
Operating profit	2,223	1,857	366
Profit before taxation	2,390	1,940	450

For the current quarter, the Group has registered a decrease in revenue of 4.6% and an increase in profit before taxation of 23.2% as compared to the preceding quarter's result. The decrease in revenue is mainly due to lower billings for the Group's US subsidiary. The increase in profit before taxation is due to an increase in contribution from other outsourcing projects and from the Group's education business.

17. CURRENT YEAR PROSPECTS

Our suite of products and services continues to contribute to a satisfactory prospects pipeline for the financial year 2010. Our education subsidiary, Scicom (Academy) Sdn Bhd continues to contribute positively to the Group's FY2010 revenue and earnings. We expect to maintain growth in earnings in this financial year. The economic challenges in the United States continue to persist which has resulted in business for our US subsidiary to be adversely impacted. However, this reduction in business in the United States has been mitigated in part by an increase in business from Asia. The Group continues to garner local and international interest from our target MNC and local conglomerate client base respectively.



SCICOM (MSC) BERHAD
 (Company No. 597426-H)
 (Incorporated in Malaysia under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 31 DECEMBER 2009

UNAUDITED NOTES TO THE INTERIM FINANCIAL REPORT

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 ending 30 June 2010.

19. TAXATION

	Current Year Quarter 30.12.2009 RM '000	Current Period To Date 31.12.2009 RM '000
<u>Group</u>		
Current tax	222	222
Deferred tax	(50)	(115)
	172	107

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%.

20. DIVIDENDS

The following dividend is payable / was paid during the current and previous corresponding quarter:

	31.12.2009	31.12.2008
Interim dividend for the financial year ending / ended 30 June	2010	2009
Approved and declared on	3 February 2010	3 February 2009
Date paid / payable	12 March 2010	6 March 2009
Based on register of members dated	24 February 2010	23 February 2009
Amount per share	1 sen tax exempt	1 sen tax exempt
Net dividend paid / to be paid (RM)	2,652,930	2,652,930



SCICOM (MSC) BERHAD
 (Company No. 597426-H)
 (Incorporated in Malaysia under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 31 DECEMBER 2009

UNAUDITED NOTES TO THE INTERIM FINANCIAL REPORT

	31.12.2009	31.12.2008
Final dividend for the financial year ended 30 June	2009	2008
Approved and declared on	26 October 2009	6 October 2008
Date paid	16 November 2009	24 November 2008
Based on register of members dated	2 November 2009	7 November 2008
Amount per share	1.5 sen tax exempt	1 sen tax exempt
Net dividend paid / to be paid (RM)	3,979,395	2,652,930

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.

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 31 December 2009.

23. STATUS OF CORPORATE PROPOSALS ANNOUNCED

There were no other corporate proposals announced but not completed as at 3 February 2010.

24. GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 31 December 2009 is as follows:

	Current liabilities	Non-current liabilities	Total
	RM'000	RM'000	RM'000
Secured			
Finance lease liabilities	285	338	623



SCICOM (MSC) BERHAD
 (Company No. 597426-H)
 (Incorporated in Malaysia under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 31 DECEMBER 2009

Finance lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

UNAUDITED NOTES TO THE INTERIM FINANCIAL REPORT

25. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments entered into by the Group as at 3 February 2010 being the date of this report.

26. CHANGES IN MATERIAL LITIGATION

There were no material litigation matters dealt with during the period under review or pending as at 3 February 2010 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 31.12.2009	Current Period To Date 31.12.2009
Profit attributable to the equity holders of the Company for the financial period (RM'000)	2,218	4,223
Weighted average number of ordinary shares in issue ('000)	265,293	265,293
Basic earnings per share (sen)	0.84	1.59



SCICOM (MSC) BERHAD
 (Company No. 597426-H)
 (Incorporated in Malaysia under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 31 DECEMBER 2009

UNAUDITED NOTES TO THE INTERIM FINANCIAL REPORT

Diluted earnings per share

	Current Year Quarter 31.12.2009	Current Period To Date 31.12.2009
Profit attributable to the equity holders of the Company for the financial period (RM'000)	2,218	4,223
Weighted average number of ordinary shares in issue for diluted EPS ('000)	265,293	265,293
Adjusted for share options granted ('000)	921	491
Adjusted weighted average number of ordinary shares ('000)	266,214	265,784
Diluted earnings per share (sen)	0.83	1.59*

* The dilution is not significant

By order of the Board of Directors

LEO SURESH ARIYANAYAKAM
 DIRECTOR
 3 February 2010