scicom
TOTAL CUSTOMER DELIGHT

Beyond

SCICOM ANNUAL REPORT 2007

CONTENTS

ABOUT SCICOM

Scicom (MSC) Berhad is a leading Business Process Outsourcing ("BPO") service provider headquartered in Kuala Lumpur, Malaysia.

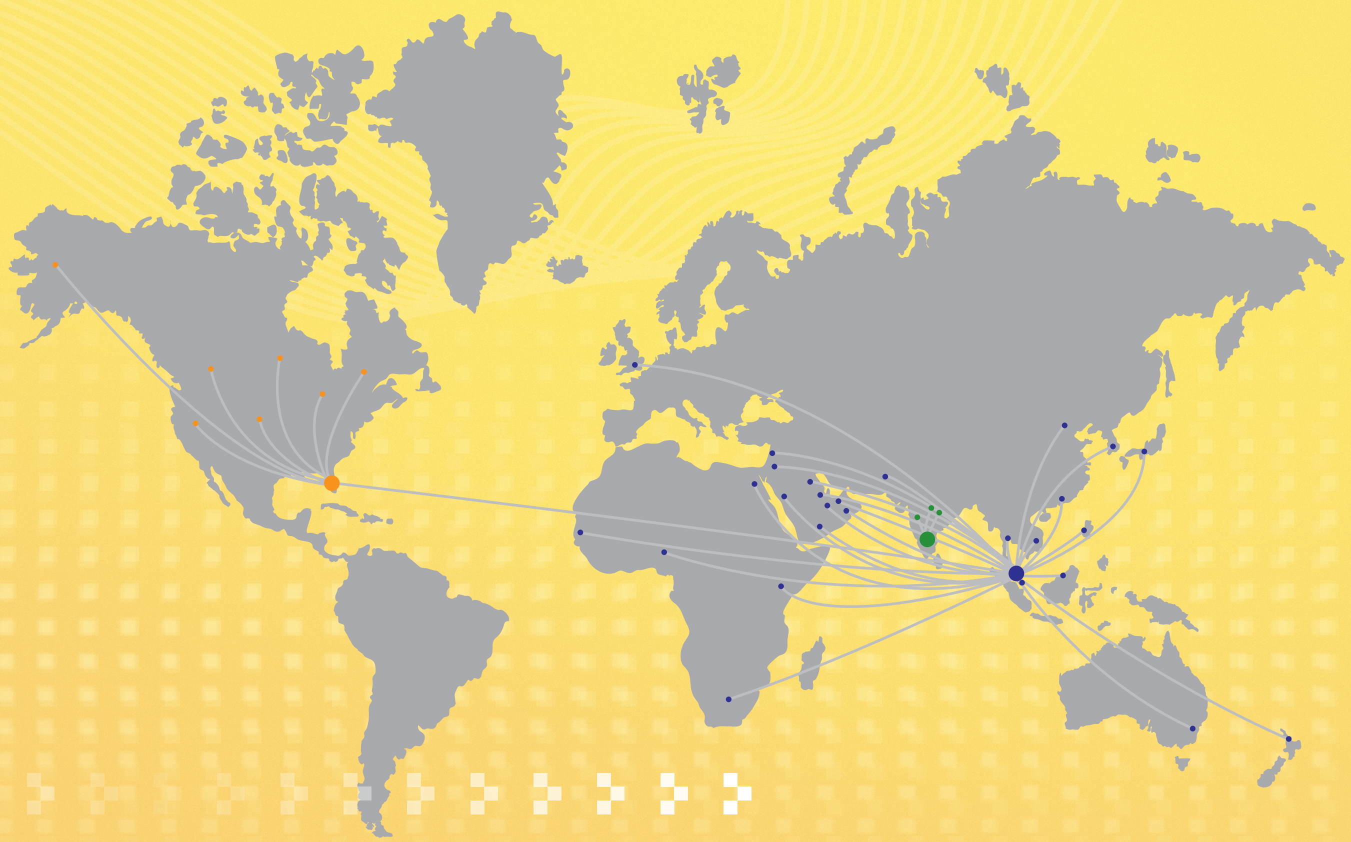
Scicom has operational centres in Kuala Lumpur (Malaysia), Bangalore (India) and Tampa, Florida (United States), providing multi-lingual and multi-channel BPO services in over 40 languages to multinational clients.

Established in April 1997 with only two employees, it now has a global workforce of 1,490 employees.

Scicom is the first Malaysian BPO service provider to be listed on the MESDAQ Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 26 September 2005.

The Company's service mantra is to constantly deliver on its promise of "Total Customer Delight" to its clients.

Scicom's main product offering is scicomsourcing℠, comprising the four distinct modules of scicompartner℠, scicomacademy℠, scicomconsulting℠ and scicommarketing℠.



scicompartner℠

is the outsourced contact centre operations specialising in international multi-lingual, multi-channel outbound and inbound customer care, technical support and associated fulfilment.

scicomacademy℠

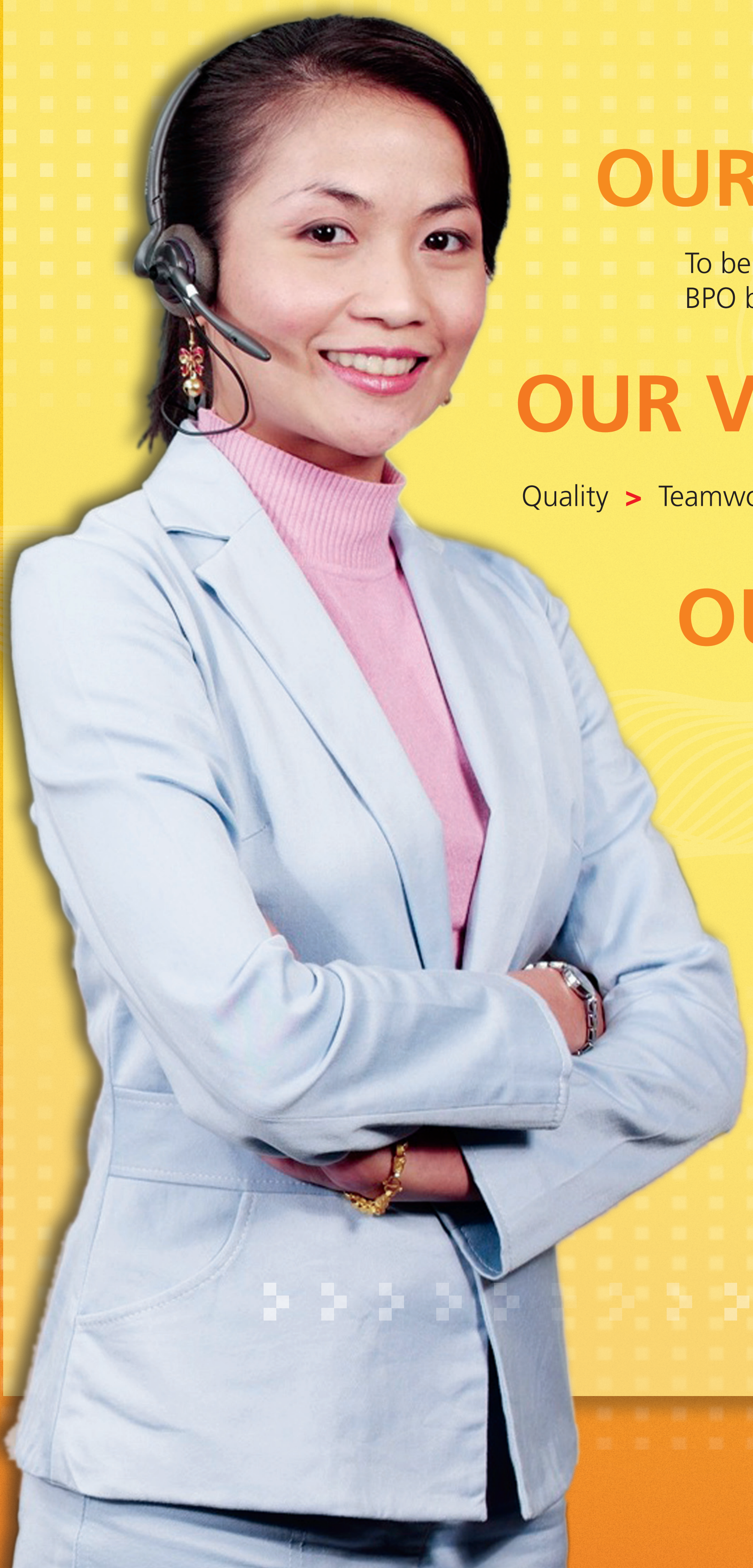
provides for a broad spectrum of training, organisational development and human performance consulting services for customer contact management centres. It also provides Support Center Practices ("SCP") certification services for contact centres in the region that would like to attain international accreditation standards for process and quality to meet world-class performance standards in contact centre operations.

scicomconsulting℠

offers a range of services, from assisting clients in obtaining certification for their contact centres to human capital performance consultation services involving the operations of contact centres. These services employ Scicom's Change Management tools and Cultural Change Programmes which help change employees' perceptions, assist them to adapt to change, and new processes, and improve their performance to achieve business vision and goals.

scicommarketing℠

is an integrated marketing approach that strategically uses the best combination of formula and tools of marketing, to drive positive behaviour towards a brand or product. This service provides Scicom with a key differentiating factor by providing its clients with the ability to use the contact centre to implement integrated marketing activities that will help Scicom's clients to promote customer loyalty, advocacy and retention. scicommarketing℠ focuses on a niche area to provide strategically unique solutions to its clients. These include a wide range of insights to database management, acquisition, retention and loyalty programmes.



OUR VISION

To be a leading global player in the BPO business.

OUR VALUES

Quality > Teamwork > Innovation > Integrity > People

OUR STRATEGY

- To maximise shareholder value through resilient profit growth, prudent expansion and investment.
- To be an employer of choice by investing in staff development, recognising and rewarding excellence.
- To ensure compliance to global standards and ethics of doing business.
- To be the preferred and trusted business partner in the BPO industry.
- To constantly expand our product portfolio to exploit market opportunities.
- To be a responsible corporate citizen in the markets that we operate in.

OUR GOAL

Total Customer Delight

AWARDS AND RECOGNITION

Scicom has won a multitude of major international industry awards, a testimony to its dedication to excellence and quality.

The excellence delivered by Scicom in providing its services has not gone unnoticed. Scicom has won several major international industry awards, a testimony to its dedication to excellence and quality.

Scicom has been awarded the Multimedia Super Corridor ("MSC") status, is ISO certified and has a globally recognised industry specific accreditation with a United States body, namely the Services and Support Professionals Association ("SSPA").

YEAR	AWARDS / RECOGNITION	DESCRIPTION
2007	**Frost & Sullivan**	Contact Centre Service Provider of the Year, Malaysia Telecoms Award.
2007	**Global Services Magazine and neoIT**	Listed in the "Top 10 Companies to Watch in Emerging Asian Markets" as well as among the Top 10 nominees for "Specialty Application Development Providers".
2007	**Global Services Magazine and neoIT**	Listed within the "Global Outsourcing 100".

Kindly refer to the 2006 Annual Report for the list of awards and recognition awarded to Scicom prior to the 2007 financial year.

Fast Facts

- We offer 24 X 7 X 365 operations
- We support customers from 34 countries from our centres
- We support our customers in over 40 languages
- We have over 40 nationalities working for us
- We have over 12 Million customer contacts annually
- We service blue-chip clients
- Over 96% of our revenues are derived from outside Malaysia
- We have over 10 years of experience and track record
- We are listed in the Global Services Top 100 Companies
- We received the Frost & Sullivan "Contact Centre Service Provider of the Year" Award for 2005 and 2007

CORPORATE DIRECTORY AND GROUP STRUCTURE

BOARD OF DIRECTORS

YBhg Dato' Ahmad Kabeer bin Mohamed Nagoor
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR/CHAIRMAN

Leo Ariyanayakam
NON-INDEPENDENT EXECUTIVE DIRECTOR/ CHIEF EXECUTIVE OFFICER/ GROUP EXECUTIVE DIRECTOR

Loh Lee Soon
INDEPENDENT NON-EXECUTIVE DIRECTOR

Krishnan Menon
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

YBhg Dato' Mohd Salleh bin Hj Harun
INDEPENDENT NON-EXECUTIVE DIRECTOR

Dr. Nikolai Dobberstein
INDEPENDENT NON-EXECUTIVE DIRECTOR

AUDIT COMMITTEE

YBhg Dato' Mohd Salleh bin Hj Harun
CHAIRMAN

Krishnan Menon

Dr. Nikolai Dobberstein

Loh Lee Soon

COMPANY SECRETARY

Ng Yen Hoong
(LS No.008016)

Lim Poh Yen
(MAICSA No.7009745)

REGISTERED OFFICE
Scicom (MSC) Berhad
(Company No. 597426-H)
Level 14, Uptown 1
No.1, Jalan SS 21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : 603 7718 6188
Fax : 603 7725 7991

BUSINESS OFFICE
25th Floor
Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur
Malaysia
Tel : 603 2162 1088
Fax : 603 2164 9820

SHARE REGISTRAR
PFA Registration Services Sdn Bhd
Level 13, Uptown 1
No.1, Jalan SS 21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : 603 7718 6000
Fax : 603 7722 2311

AUDITORS
PricewaterhouseCoopers
11th Floor, Wisma Sime Darby
Jalan Raja Laut
50706 Kuala Lumpur
Malaysia
Tel : 603 2693 1077
Fax : 603 2693 0997

SPONSOR
Kenanga Investment Bank Berhad (formerly known as K&N Kenanga Bhd)
Suite 17.06, 17th Floor
Kenanga International
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia
Tel : 603 2164 6689

PRINCIPAL BANKER
HSBC Bank Malaysia Berhad
Main Branch, No.2 Leboh Ampang
50100 Kuala Lumpur
Malaysia

STOCK EXCHANGE LISTING
MESDAQ Market
Bursa Malaysia Securities Berhad
(Listed since 26 September 2005)
Stock Name: SCICOM
Stock Code: 0099

WEB
URL : www.scicom-intl.com
E-mail : corpinfo@scicom-intl.com

scicom GROUP STRUCTURE

Scicom (MSC) Berhad
Kuala Lumpur and Cyberjaya, Malaysia

- **Scicom (Academy) Sdn Bhd** — 100% owned — (Kuala Lumpur, Malaysia)
- **Scicom International (UK) Limited** — 100% owned — (UK)
  - **Scicom Inc** — 100% owned — (Tampa, USA)
- **Scicom Contact Centre Services Private Limited** — 100% owned — (Bangalore, India)
- **Jade Apple Marketing Sdn Bhd** — 70% owned — (Kuala Lumpur, Malaysia)
  - **Jade Apple Marketing Pte Ltd (formerly known as Scicom Teleservices Pte Ltd)** — 100% owned — (Singapore)

PROFILES

YBhg Dato' Ahmad Kabeer bin Mohamed Nagoor

Non-Independent Non-Executive Director

YBhg Dato' Ahmad Kabeer bin Mohamed Nagoor, 50, a Malaysian, was appointed to the Board on 22 August 2005. He is also the Chairman of the Group.

In 1986, he was with the Bank of Nova Scotia in its foreign exchange division, before becoming a lecturer at the School of Management, Universiti Sains Malaysia between 1988 and 1994. He was the founder of AKN Industries Sdn Bhd, a wholly-owned subsidiary of AKN Technology Berhad.

His other directorships include AKN Technology Berhad (of which he is currently Executive Chairman of the Board), AKN Messaging Technologies Berhad, MEMS Technology Berhad (of which he is currently Chairman of the Board) and AWC Facility Solutions Berhad (of which he is currently the Deputy Chairman of the Board).

He holds a Master's Degree in Finance.

He does not have any family relationship with any director and/or major shareholder of Scicom and is not aware of any conflict of interest with Scicom.

Leo Ariyanayakam

Non-Independent Executive Director

Mr. Leo Ariyanayakam, 43, a Sri Lankan, was appointed to the Board on 30 October 2002. He is also the Chief Executive Officer and Group Executive Director. His main responsibilities as the Chief Executive Officer and Group Executive Director, are to maximise shareholder a value, making high-level decisions in terms of the Group's business development, finance, technology, human capital, culture, operations and strategies, and charting the future growth and direction of the Group globally.

Under his guidance, Scicom has won several major international industry awards, including the "Contact Centre Service Provider of the Year", as conferred at the recently held 2007 Frost & Sullivan Malaysia Telecoms Awards in May 2007.

On 7 October 2006, he was appointed the President of the Customer Relationship Management and Contact Centre Association of Malaysia (CCAM).

In March 2007, the Association of the Computer and Multimedia Industry of Malaysia (PIKOM) honoured him as a "Key Industry Leader", for his efforts and contributions in developing the BPO industry.

In June, he was selected as one of Malaysia's Outstanding Entrepreneurs at the 2007 Asia Pacific Entrepreneurship Awards.

He holds a Bachelor's Degree in Biochemistry.

He does not have any family relationship with any director and/or major shareholder of Scicom and is not aware of any conflict of interest with Scicom.

YBhg Dato' Mohd Salleh bin Hj Harun

Independent Non-Executive Director

YBhg Dato' Mohd Salleh bin Hj Harun, 63, a Malaysian, was appointed to the Board on 22 August 2005. He is the Chairman of the Audit Committee.

He is a Fellow of the Institute of Bankers and a member of the Malaysian Institute of Certified Public Accountants.

He started his career in government service in 1971, before moving on to the banking and financial sector in 1974. He has 32 years of experience, having held various senior positions in Aseambankers Malaysia Berhad and Malayan Banking Berhad respectively between 1994 and 2000, and then as a Deputy Governor of Bank Negara Malaysia between 2000 and 2004.

His other directorships include RHB Capital Berhad, RHB Bank Berhad, RHB Insurance Berhad, RHB Islamic Bank Berhad and Titan Chemical Corp. Bhd.

From left to right
- Krishnan Menon
- Dr. Nikolai Dobberstein
- YBhg Dato' Ahmad Kabeer bin Mohamed Nagoor
- Leo Ariyanayakam
- YBhg Dato' Mohd Salleh bin Hj Harun
- Loh Lee Soon

He does not have any family relationship with any director and/or major shareholder of Scicom and is not aware of any conflict of interest with Scicom.

Krishnan Menon

Non-Independent Non-Executive Director

Mr. Krishnan Menon, 57, a Malaysian, was appointed to the Board on 10 March 2004. He is also a member of the Audit Committee.

He is a Fellow of the Institute of Chartered Accountants in England and Wales, and also a member of both the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants.

He spent 13 years in public practice at Hanafiah, Raslan and Mohamed, seven of those years as a Partner. He then joined Public Bank Berhad as a General Manager, and was subsequently promoted to Executive Vice-President. After working with two public-listed companies, he joined Putrajaya Holdings Sdn Bhd between 1997 and 2000 as its Chief Operating Officer.

His other directorships include MISC, AWC Facility Solutions Berhad, SPK-Sentosa Corporation Berhad, AKN Messaging Technologies Berhad, Putrajaya Perdana Berhad (of which he is currently the Chairman of the Board) and Putrajaya Holdings Sdn Bhd.

He does not have any family relationship with any director and/or major shareholder of Scicom and is not aware of any conflict of interest with Scicom.

Dr. Nikolai Dobberstein

Independent Non-Executive Director

Dr. Nikolai Dobberstein, 41, a German, was appointed to the Board on 22 August 2005. He is also a member of the Audit Committee.

He holds a Ph.D. in Technology and Innovation Management.

He is currently the Head of the Products & New Businesses Division of Maxis Communications Berhad, where he is responsible for product development and marketing as well as building Maxis' infotainment and broadband businesses. He joined Maxis Communications Berhad in December 2004 to drive the development of Maxis' 3G and broadband businesses.

Before joining Maxis in December 2004, he spent 12 years in McKinsey & Company, three of those years as the Managing Partner of their Kuala Lumpur Office. He had also earlier worked in the German, Italian and Indian Offices of McKinsey & Company.

He has been extensively involved in telecommunications and high-tech work across Asia, including issues of national technology strategy development, and research and development commercialisation.

He does not have any family relationship with any director and/or major shareholder of Scicom and is not aware of any conflict of interest with Scicom.

Loh Lee Soon

Independent Non-Executive Director

Mr. Loh Lee Soon, 52, a Malaysian, was appointed to the Board of Directors on 25 April 2007. He is also a member of the Audit Committee.

Mr. Loh is a member of the Malaysian Institute of Accountants and the Institute of Chartered Accountants in England and Wales. He spent nearly 24 years in the professional accounting, finance and management consulting fields, including six years as a Practice Director of a Big Four firm in Malaysia. He has also held senior finance, general management, and sales positions with multinational corporations including Tupperware International, KPMG Asia-Pacific, and Oracle Corporation, and a number of Malaysian companies.

Mr. Loh is currently the Principal of his own consulting firm which provides services primarily in business process optimisation, information technology ("IT") enablement, management skills training, and organisational alignment. His clients span industries as diverse as gaming, IT manufacturing and distribution, and property management. He also works with technology-based start-up companies to develop their go-to-market capabilities.

He does not have any family relationship with any director and/or major shareholder of Scicom and is not aware of any conflict of interest with Scicom.

PROFILES

Willie Lim
Senior Vice-President – Operations

Willie joined Scicom in October 2000, and carries with him over 20 years of industry experience in relation to general management, including sales and operations. In his capacity as the Senior Vice-President – Operations, he manages Scicom's day-to-day operations of its global contact centres and manages the client's expectations.

Prior to joining Scicom, he was an Executive Director in Abric Berhad, which is listed on the Second Board of Bursa Securities. He was also previously the Country Manager of United Parcel Service (M) Sdn Bhd, as well as the General Manager of Electrolux Home Centres.

Willie has a Bachelor's Degree in Business Administration.

Guy Anthony Cary
Senior Vice-President – Operations

Guy originally joined Scicom in January 2000 as its Director of Operations, where he set up the Asia-Pacific Contact Centre for a key client and delivered operational consultancy services to various organisations in both Malaysia and Singapore.

He subsequently joined a major telecommunications group in Singapore as their Director of Customer Service.

He rejoined Scicom in October 2006 as one of the Senior Vice-President – Operations, his primary role being to oversee all of the Group's contact centre operations in Malaysia, as well as to ensure all operation processes, activities, functions, performances and results are in line with the objectives of the Group and its portfolio of high-profile clients.

Prior to his emigration from the United Kingdom, he was the Global Operations Manager for a major European airline group's contact centre. His role involved the restructuring of the existing operations of both the airline and its partners, as well as selecting the design, system and contact centres' locations to be integrated on a world-wide basis.

Guy has been working in contact centres (both in-house and out-sourced) since 1982, with previous employments in various industries including airline, travel, insurance and telecommunications.

Jayakumar Narayana Pillai Sreedharan Nair
Senior Vice-President – Finance

Jayakumar is one of the pioneer management staff of Scicom since its incorporation in 1997. His portfolio of responsibilities includes accounting and financial management activities, as well as the Group's corporate finance, risk management, administration, corporate secretarial, budgeting and treasury activities.

He has over 24 years of experience in financial management and corporate services. Prior to joining Scicom, he had previously worked in large conglomerates such as Sime Darby Berhad and the Halim Rasip Group (now known as Integrax Berhad).

Jayakumar is an associate of both the Chartered Association of Chartered Accountants and Institute of Chartered Secretaries and Administrators.

Benny Philip
Senior Vice-President – Projects and Planning

Benny joined Scicom in 2004, where his main responsibilities include developing the Group's human resource strategic plan and management of the human resource function of the Group, which includes its operations in India, United States and Singapore.

He brings with him to Scicom experience in both human resource-related generalist and specialist roles, having established and headed the human resource function for HSBC's 2,000-seat customer contact centres in both India and Malaysia.

He began his career in 1991 with Intercraft South Exports, and has up to 2000, worked with companies such as Unilever, Indo Matsushita and Ford. Between 2000 and mid-2004, he was HSBC's Head of the Human Resource Group Service Centre in India, and was later promoted to Vice-President – Human Resource for their group service centre in Cyberjaya.

Benny has a Master's Degree in Human Resources Management and a Bachelor's Degree in Mathematics.

Radah Krishnan Vijaya Gopal
Senior Vice-President – Corporate Planning

Radah has over 14 years of working experience in the areas of consulting, accounting and finance, strategic planning and business development. As the Senior Vice-President – Corporate Planning, he has the primary responsibility for the strategic planning and managing of Scicom's business development initiatives.

He joined Scicom in 2002 as a Consultant – Corporate Planning and was later promoted to Vice-President – Corporate Planning in early-2004 where he assisted in the Group's formulation of strategic plans, execution of business development initiatives for strategic clients, management of projects and liaison with key government authorities in Malaysia and India respectively.

He then moved on to be in charge of the Group's Indian operations, as the Country Manager and Vice-President – Operations, where he was primarily responsible for executing the Group's strategic direction and operations in India.

Prior to joining Scicom he was a Consultant in Corporate Finance and Investment Banking Services in PricewaterhouseCoopers Consulting Sdn Bhd.

Radah, graduated with a professional accounting qualification from the Association of Chartered Certified Accountants in 1997.

From left to right
• Radah Krishnan Vijaya Gopal • Gerry Pereira • Shanti Jacqueline Jeya Raj • Benny Philip • Leo Ariyanayakam • Willie Lim
• Jayakumar Narayana Pillai Sreedharan Nair • Guy Anthony Cary • Brenda Marshall • Francis Meganathan • Viji Rajasundram
• Anthony Jerard Rajendram

Viji Rajasundram
Senior Vice-President – Technology

Viji joined Scicom in 2005 as the Group's Senior Vice-President – Technology, with primary responsibilities over Scicom's technology implementations at all Scicom locations around the world. He also works closely with the Chief Executive Officer in reviewing and recommending strategic and tactical technology-related acquisitions for the Group.

He has over 18 years of experience in the technology arena, having worked in various multinational companies in Malaysia, Singapore, the United States and Philippines. His industry experience includes oil and gas, gaming (lottery), satellite data and television broadcasting, mobile telecommunications and finance.

Prior to his joining Scicom, he was the Director of International Marketing for ICO Global Communications Limited, a data over satellite communications service provider.

Viji has a MBA from Boston University and Bachelor's Degree in Computer Science.

Anthony Jerard Rajendram
Vice-President – Scicommarketing

Jerry joined Scicom in January 2003. In his capacity as the Vice-President – Scicommarketing, he is responsible for the corporate re-branding of Scicom and its intellectual properties to a global approach, with the intention of formulating an integrated marketing arm to further promote the Group's existing service offerings. He is also responsible for the Group's internal and external marketing communications and public relations initiatives.

Prior to joining Scicom, he was the Regional Managing Director, and the first-ever Malaysian to be elected to the Board of DraftWorldwide.

He has 14 years of practical experience in advertising, having previously hailed from J.Walter Thompson ("JWT"), Dentsu, Young & Rubicam and DraftWorldwide. During his seven years at JWT, Jerry managed a list of global and regional brands, with the last two years being additionally involved in the setting up of the firm's integrated marketing arm, specialising in relationship management.

Over his 14-year working experience prior to joining Scicom, Jerry had managed major and respectable brands including ASTRO, Philip Morries, HSBC, DiGi, Singapore Airlines, Burger King, Citibank, Salem, Nestle, Ericsson, just to name a few.

Jerry holds both a Master of Science Degree and Honour's Degree respectively in Behavioural Science.

Shanti Jacqueline Jeya Raj
Vice-President – Total Quality Management

Shanti joined Scicom in 2000 as a Customer Relationship Executive, and within one year, was spearheading the Group's Training Department in terms of its training and development programmes both for internal and external clients. She was subsequently appointed Head of the Customer Experience Teams, where she developed service quality standards for Scicom's operations.

Her next portfolio was a promotion as an Operations and Training Consultant in Scicom (Academy) Sdn Bhd, where she was involved in numerous projects across the Group. Shanti's dedication and a comprehensive grasp of the contact centre business have now led to her current position of Vice-President – Total Quality Management.

In her current capacity, she is responsible for ensuring that the Group's quality initiatives including its processes, compliance with ISO and SCP, and their respective accreditations are constantly reviewed, monitored and enhanced. In a nutshell, she is entrusted with the task of continuously enhancing operational effectiveness and efficiencies across the Group's operations.

Prior to joining Scicom, she had worked in various multinational corporations over a 12-year period, with her areas of expertise covering marketing communications, training development and client services.

Shanti holds a Bachelor's Degree in Business Studies and a Diploma in Public Relations. On top of that, she is also a certified trainer of the SSPA in the United States, for its Certified Support Professional programme.

Brenda Marshall
Vice-President – Scicom (Academy) Sdn Bhd

Brenda joined Scicom in April 2006, and is responsible for spear-heading the subsidiary's business initiatives, as well as the development of customised training solutions together with the expansion of its respectable repertoire of products and services, for both internal and external clients. As Vice-President – Scicom (Academy) Sdn Bhd, she also oversees the subsidiary's marketing and operational strategies.

She has extensive experience in the areas of marketing, advertising and management, thanks to 25 years of service with the New Straits Times Press (Malaysia) Berhad, where she held the position of Senior Manager, Marketing Support.

Brenda holds a LLB from the University of London, a LLM as well as a Bachelor's Degree in Mass Communication.

Gerry Pereira
Managing Director – Jade Apple Marketing

Gerry joined Scicom in October 2006, to spear-head the Group's initiatives in the management of customer loyalty programmes. With over 20 years of experience in the advertising and marketing industry, Gerry has developed a unique perspective of the marketing business across the Asia Pacific.

Gerry started his marketing career as an Account Manager at Ogilvy Direct in Singapore. He was the first Asian Managing Director of JWT Singapore, rising to become the Chief Executive Officer and Chairman of JWT South-East Asia, where he managed and developed strategies for a variety of brands including Citibank, Unilever, Nestle, Saab, Ford and Burger King. Gerry was a key contributor to the launch of Citibank's credit cards and Saab respectively, in Singapore, as well as Burger King's entry into Singapore.

Gerry has spent many years working in markets across Asia including the Philippines, Indonesia, Melbourne and Malaysia. Furthermore, his regional role at JWT South-East Asia gave him insights into consumers across Asia Pacific including China, India, Thailand, Korea, Japan and Australia.

More recently, Gerry was the Carlson Marketing Group's President for the Asia Pacific region, where he spent six years expanding the group from its initial four offices in Asia to 13 offices across Asia Pacific and the Middle-East. In addition to building the business, Gerry developed a keen understanding of the customer relationship business, and how best practices in the western world needed "asianising" before they could be considered as best practice in this part of the world.

Francis Meganathan
Principal Consultant – Project Management Office

Francis joined Scicom in March 2007, his core responsibilities being to facilitate transition management and implementation of new projects using Scicom's Service Delivery Model, application of project management methodologies to continual process improvement, and to provide a repository for all project management tools needed in order for the Group to provide integrated business solutions to its outstanding portfolio of clients, ranging from national companies to large conglomerates.

Prior to joining Scicom, he had implemented large enterprise-wide systems for some of the Fortune 500 companies. He was also previously attached to Accenture in Malaysia as their Senior Manager, as well as being part of the Resources Market Unit Leadership team in Asia.

He has been in the IT industry for more than 20 years, having worked 10 of those years in Europe. He is familiar with the global information technology industry, and has significant experience in working in both multi-cultural and multi-language environments. He also specialises in managing large business integration projects, coupled with skills in the implementation of IT infrastructures to support large multinational companies.

Francis holds a Master of Science Degree in Information Systems, a Post-graduate Diploma in Microprocessor Application, and a Bachelor of Science Degree in Combined Sciences (Physics and Computing).

October 2006

Scicom completes a bonus issue of 129,433,000 new ordinary shares of RM0.10 each on the basis of one new share for every one existing share held by its shareholders.

Scicom sets up a newly incorporated subsidiary, Jade Apple Marketing Sdn Bhd, which in turn owns 100% of Jade Apple Marketing Pte Ltd (formerly known as Scicom Teleservices Pte Ltd).

November 2006

Scicom commences services in Malaysia for a Finnish based conglomerate providing Businesss to Business (B2B) contact services for its enterprise customers across Asia.

January 2007

Scicom becomes one of four Malaysian companies to be listed in the prestigious "Global Services" listing for 2007, as featured in the January 2007 issue of "Global Services" magazine. Scicom was also among the four Malaysian outsourcing companies to be listed in the "Top 10 Companies to Watch in Emerging Asian Markets" category, and among the top 10 nominees for "Specialty Application Development Providers". These awards were conferred at the 2007 Global Services Conference in New York on 31 January 2007.

Scicom commences services in Malaysia for an Australian based telecommunications company, providing B2B contact centre services for its customers in Australia.

April 2007

Scicom celebrates its tenth anniversary.

Scicom appoints Mr. Loh Lee Soon as an Independent Non-Executive Director.

Scicom secures an award for "Service Excellence for 2007" from the Indonesian Contact Centre Association, having received a similar award in 2006.

Scicom commences services in Malaysia for a Hong Kong based company, providing contact centre services for its customers in China.

May 2007

Scicom (Academy) Sdn Bhd launches its Internationally accredited Certification, Post-graduate Certification and Post-graduate Diploma programmes in Contact Centre Management, a global first.

Scicom was awarded "Contact Centre Service Provider of the Year" by Frost & Sullivan for the second time, the first being in August 2005.

June 2007

Scicom commences services in Malaysia for a well-established United States-based financial solutions service provider, to provide both data entry and contact centre support services for its customers in Singapore.

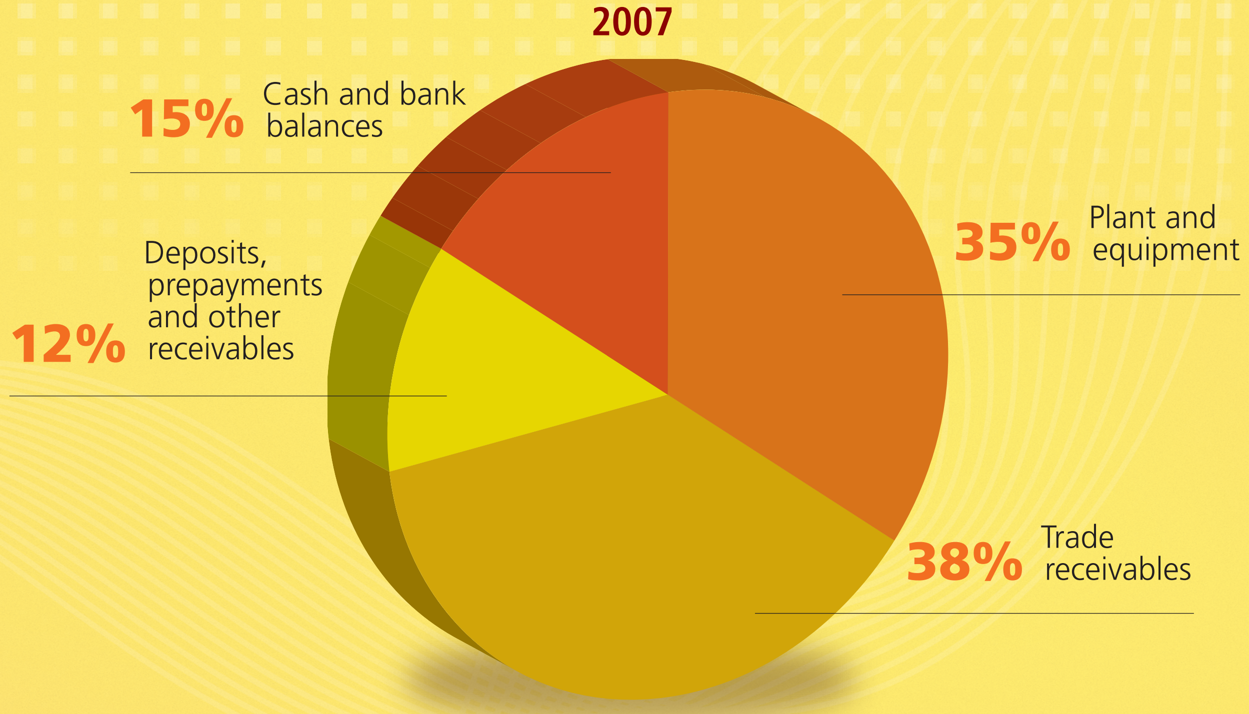
Scicom commences services in Malaysia for a United States computer-based testing professional centre, to provide both customer service and technical support services for its customers in the Asia Pacific region.

Scicom (MSC) Berhad

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
PROFITABILITY (RM'000)				
Operating revenue	109,003	77,905	77,958	61,627
Profit before taxation ("PBT")	11,280	10,761	10,650	6,740
Net profit for the financial year:				
- Attributable to equity holders of the Company	11,315	9,091	10,633	6,683
- Minority interest	(4)	0	0	0
	11,311	9,091	10,633	6,683
KEY BALANCE SHEET DATA (RM '000)				
Total assets	52,704	49,189	49,220	43,061
Total liabilities	7,867	12,193	5,635	6,819
Capital and reserves attributable to equity holders of the Company	44,811	36,996	43,585	36,242
Minority interest	26	0	0	0
FINANCIAL RATIOS				
Profitability:				
- Revenue growth (%)	39.9%	44.4%	26.5%	17.3%
- PBT growth (%)	4.8%	99.0%	58.0%	12.8%
- Net profit growth (%)	24.5%	68.1%	13.6%	12.5%
- Basic earnings per share (sen)	4.33	3.86	N/A	N/A
- Diluted earnings per share (sen)	4.25	3.79	N/A	N/A
- Asset turnover (times)	2.07	1.58	1.58	1.43
- Net return on equity (times)	0.25	0.25	0.24	0.18
Liquidity				
- Current (times)	4.47	3.05	7.08	5.74
- Cash over total assets (%)	13.6%	44.7%	13.8%	39.7%
- Trade receivables turnover (months)	2	1	2	1
Financing:				
- Debt over equity (times)	0.04	0.07	0.04	0.06
- Gearing (times)	0.04	0.06	0.04	0.06

TOTAL ASSETS

The Group's total assets amounted to RM52.7 million as at 30 June 2007, a growth of 7% from the previous financial year-end. This is due to an increase in the Group's capital expenditure during the 2007 financial year in line with the Group's business expansion.



Cash and bank balances (including fixed deposits with a financial institution)

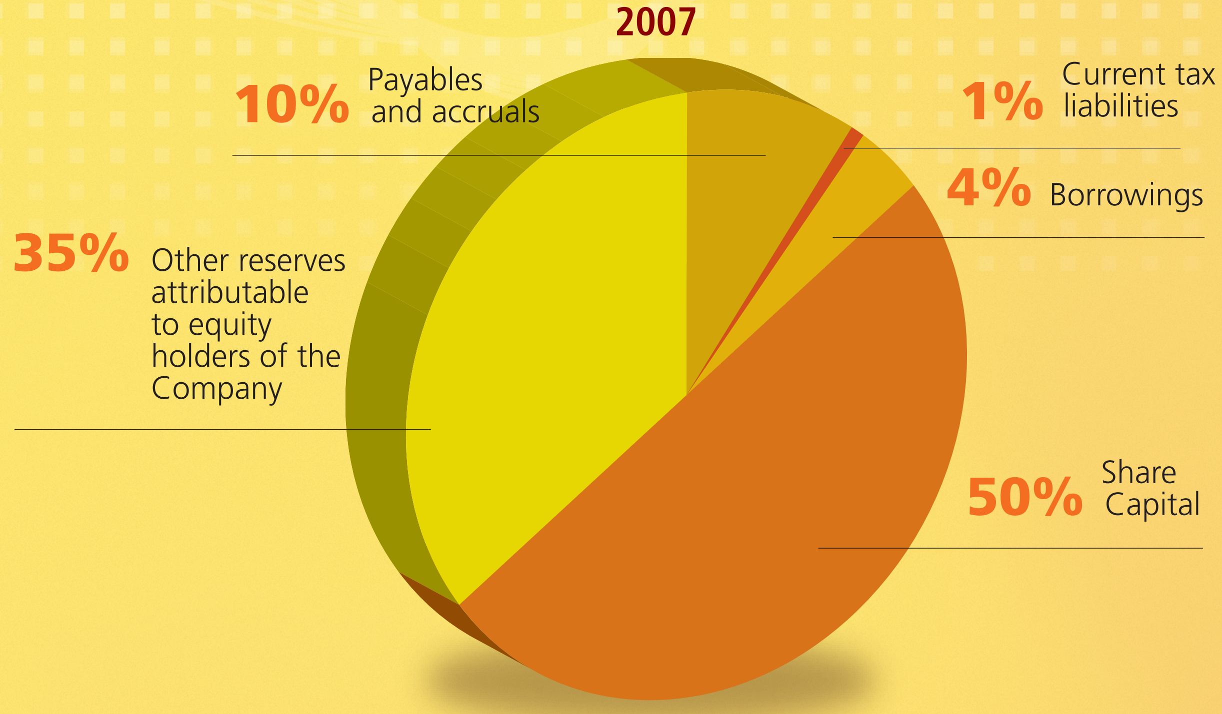
The Group's cash and bank balances inclusive of fixed deposits is RM14.2 million, representing15% of the total assets as at 30 June 2007 of which approximately RM7.6 million is placed with financial institutions. Proceeds from Scicom's IPO have been fully utilised, details of which are provided on page 103 of this annual report. The slow collection of trade receivables has also contributed to a 64% decrease in cash and bank balances as compared to the previous financial year.

Trade receivables

The Group's trade receivables has increased by RM11.5 million to RM19.8 million, an increase of 137% from the previous financial year. The increase in trade receivables is attributed to the higher revenue achieved in the current financial year, as well as an increase in the receivables turnover period by a major client.

TOTAL LIABILITIES, CAPITAL AND RESERVES

Total liabilities, capital and reserves of the Group have increased by 7% as at 30 June 2007. The increase is mainly due to an increase in the Group's distributable reserves, i.e. retained earnings which increased in line with increased net profits during the 2007 financial year.



Share capital

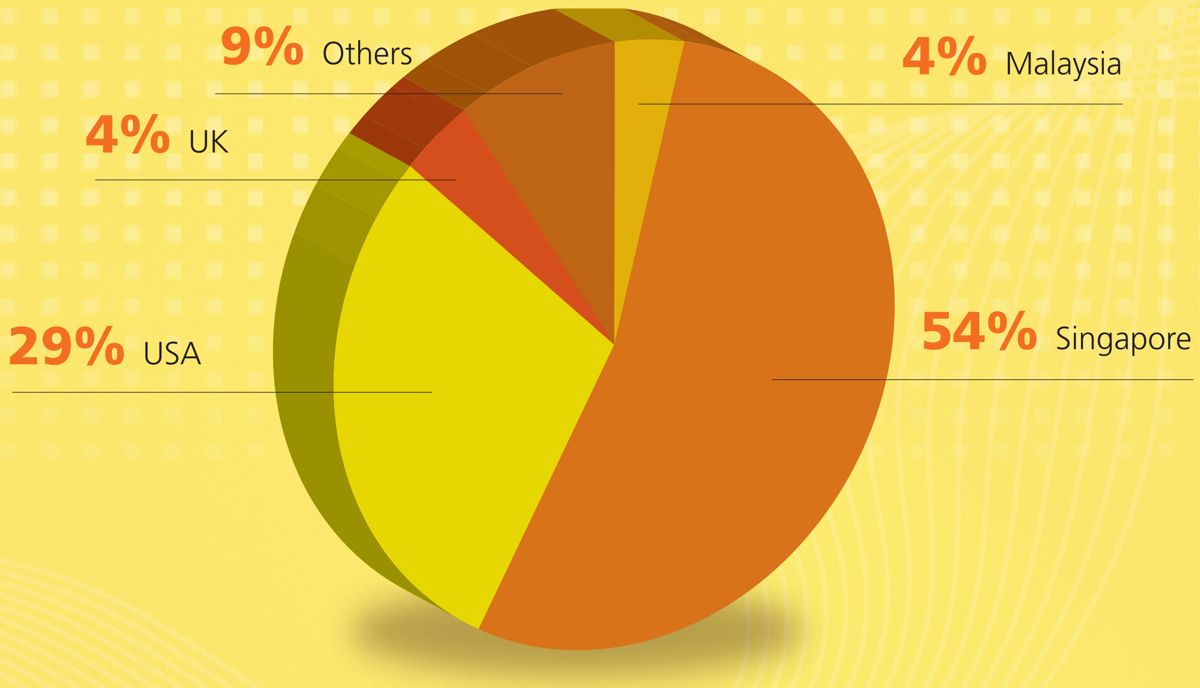
The increase in the share capital of 105% is due to the allotment of bonus issue of 129,433,000 new ordinary shares of RM0.10 each in October 2006, on the basis of one new ordinary share for each existing ordinary share held and secondly by ESOS options excercised by eligible employees of the Group during the financial year.

Other reserves attributable to equity holders of the Company

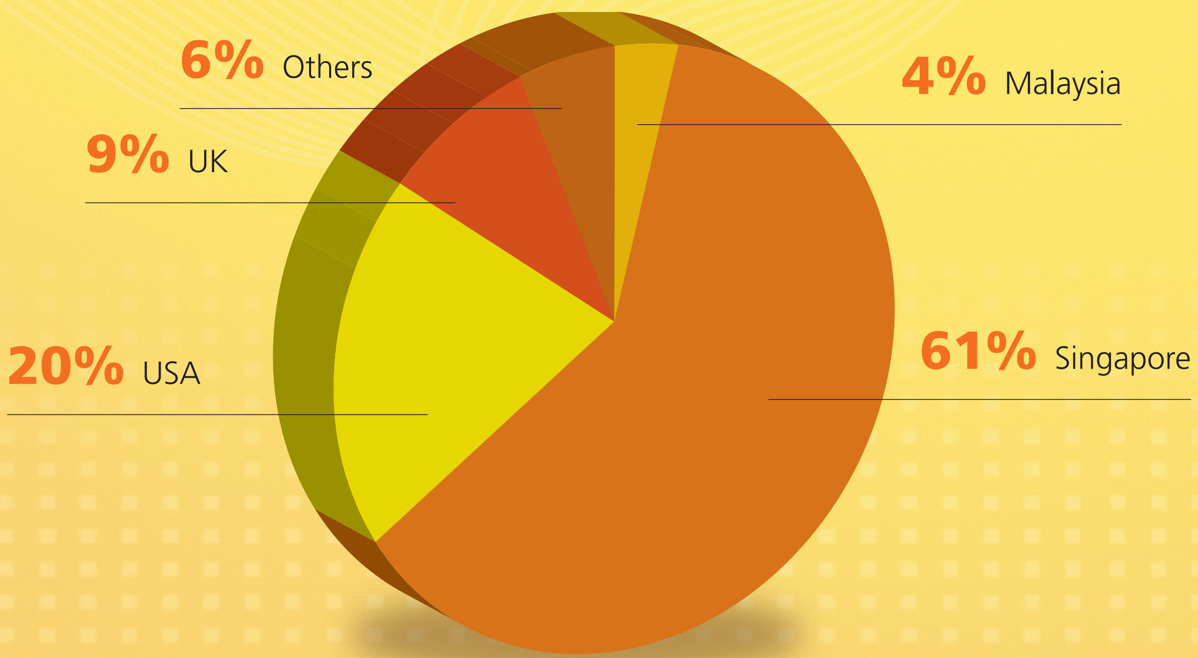
The other reserves attributable to equity holders of the Company decreased as a result of the share premium reserve being utilised for the bonus shares allotment in October 2006. This decrease was however, off-set by the positive net results for the Group.

REVENUE BY LOCATION

2007

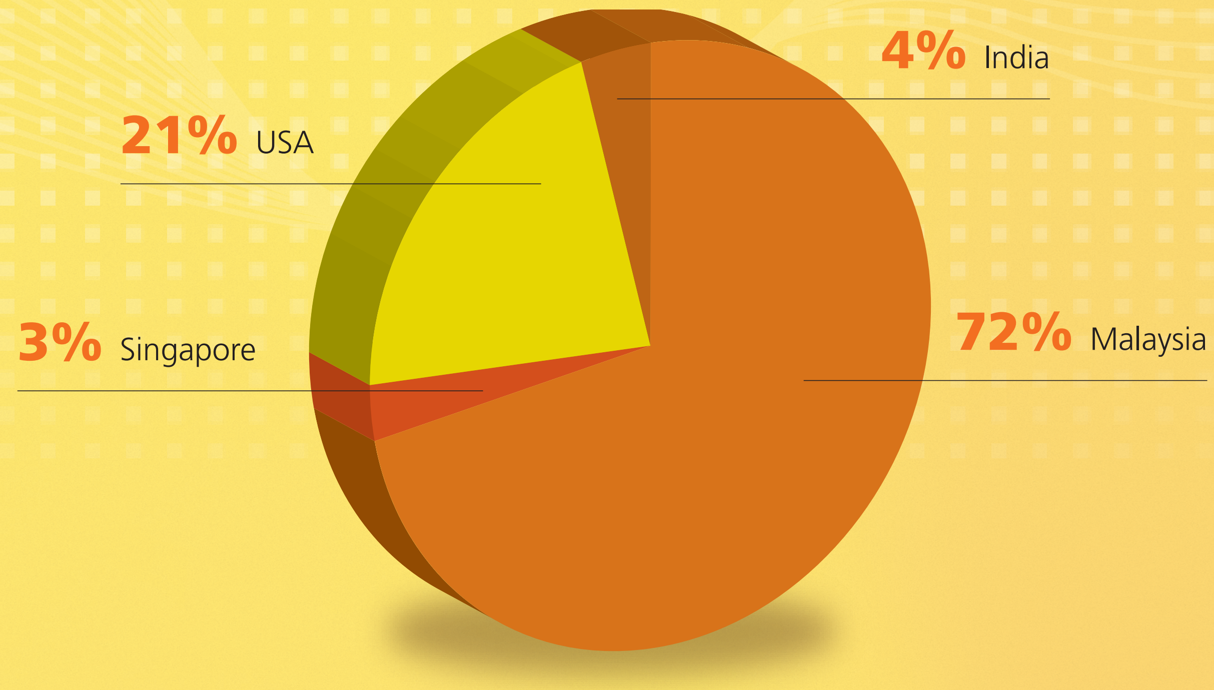


2006

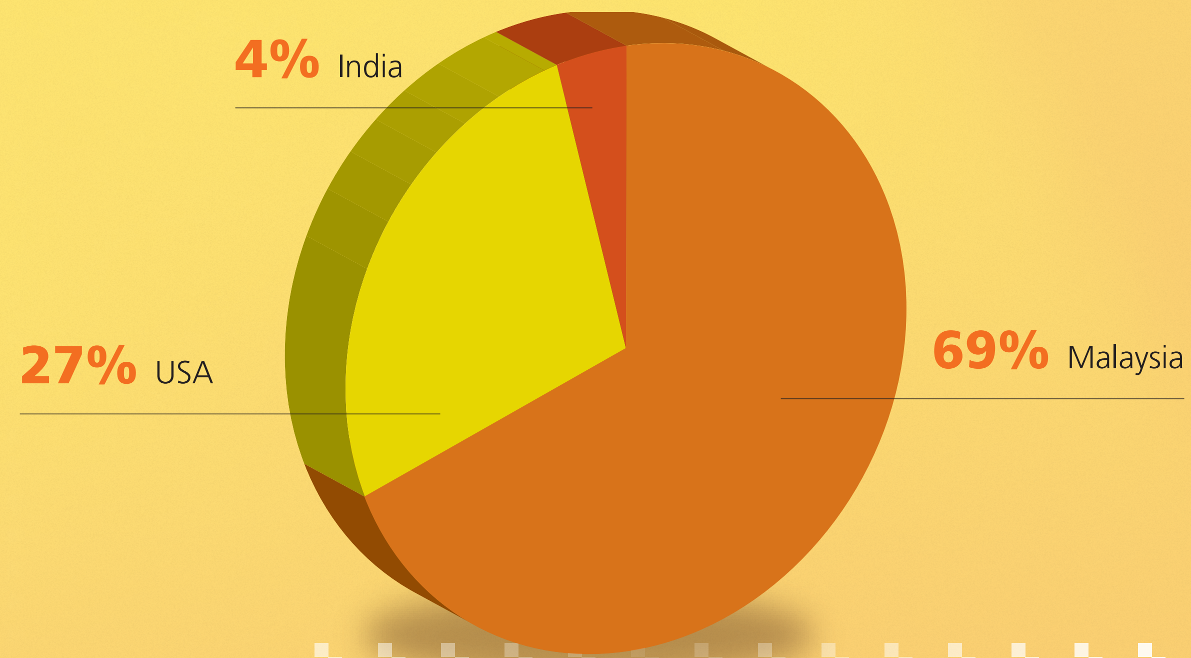


TOTAL ASSETS BY LOCATION

2007

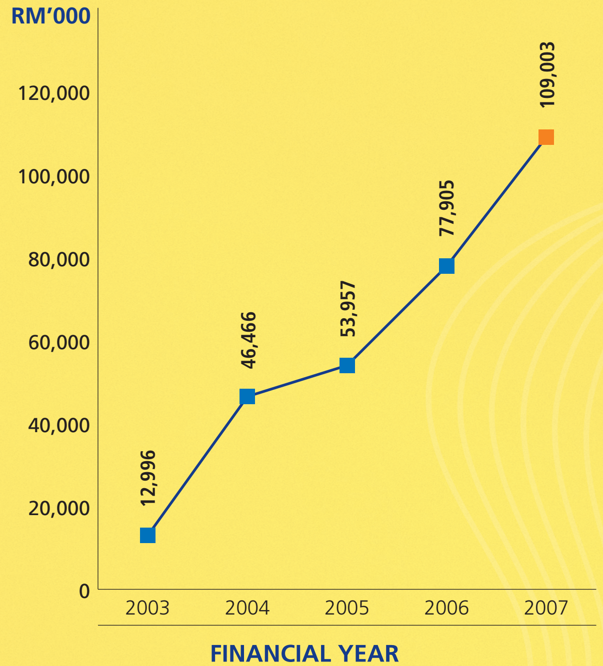


2006

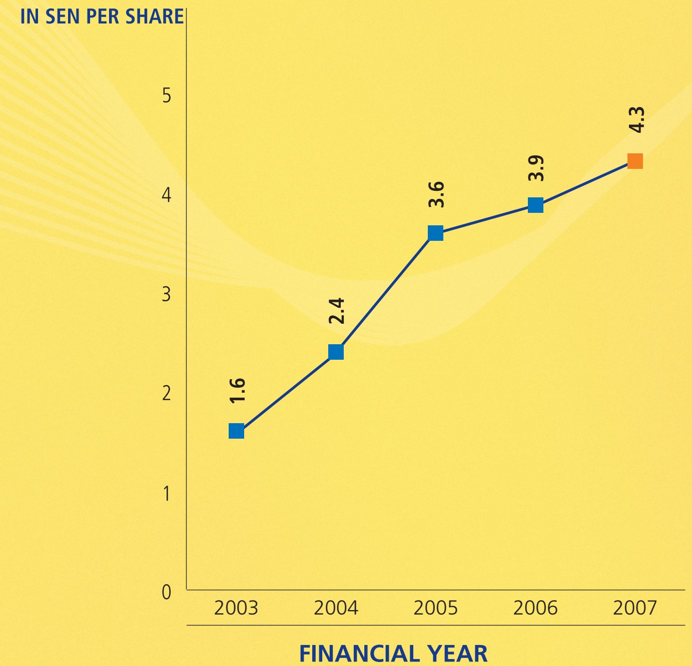


GROUP FINANCIAL HIGHLIGHTS
SUMMARY OF GROUP'S 5-YEAR GROWTH

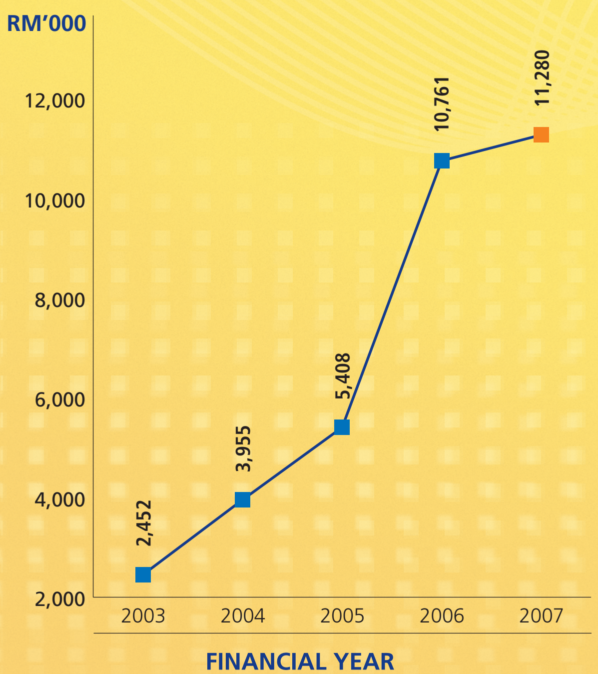
REVENUE



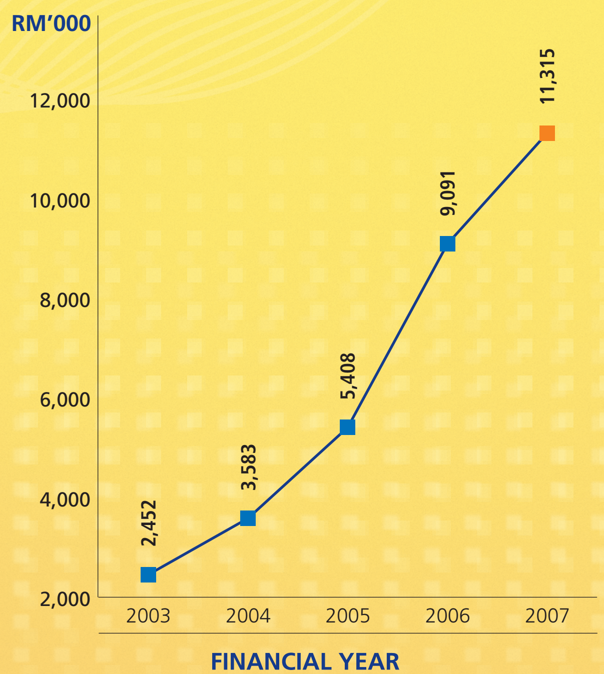
BASIC EARNINGS PER SHARE AFTER ADJUSTMENT FOR BONUS ISSUE



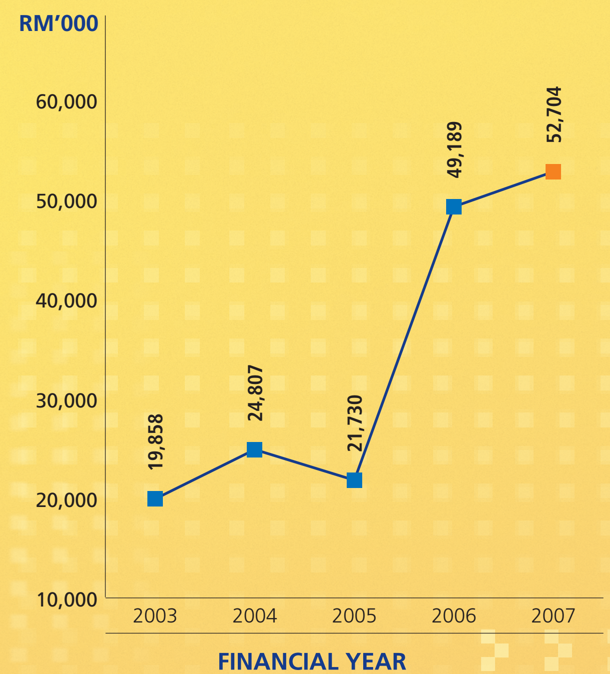
PROFIT BEFORE TAXATION



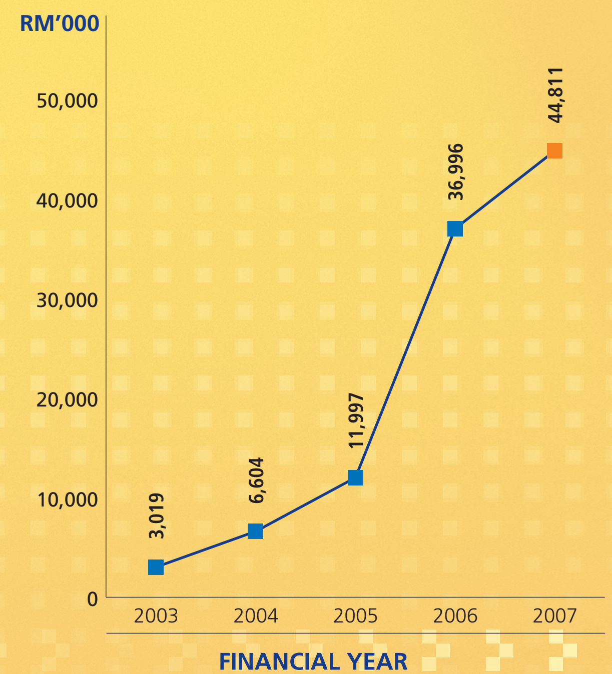
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY



TOTAL ASSETS



CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY



On behalf of the Board of Directors ("the Board"), I am pleased to present the Annual Report of Scicom (MSC) Berhad for the financial year ended 30 June 2007. I am also pleased to report satisfactory growth and performance during our second year of listing on the MESDAQ Market of Bursa Malaysia Securities Berhad.

Financial Performance
We are pleased to announce that Scicom has had another successful year. The Group's revenue for current financial year grew by RM31.1 million to RM109 million, representing a 40% increase from 2006 financial year. Net profit for the 2007 financial year increased by RM2.2 million to RM11.3 million, representing an increase of 24% over the preceding financial year.

Utilisation of IPO proceeds
As at the date of this Annual Report, the proceeds from Scicom's IPO has been fully utilised.

Bonus Issue
As approved in the Extraordinary General Meeting held in September 2006, a bonus issue of 129,433,000 new ordinary shares of RM0.10 each was made to the shareholders on the basis of one new ordinary share for each existing ordinary share held.

Dividends
As a result of our sound financial performance, the Board is recommending a final dividend payment of 1 sen per ordinary share, tax exempt, in respect of the financial year ended 30 June 2007. This payment together with the interim dividend of 1 sen per ordinary share, tax exempt, declared and paid in March 2007, will amount to a dividend payout for the financial year of 2 sen per share, tax exempt.

Corporate Developments
Scicom continues to move up the value chain in terms of the provision of value-added services to a multinational client-base. The Group incorporated a new subsidiary known as Jade Apple Marketing Sdn Bhd, during the financial year with offices in Malaysia and Singapore. Jade Apple Marketing provides consultancy and other services in customer relationship management, data analytics, loyalty and relationship marketing. Jade Apple Marketing with its high margin business will provide a healthy bottom-line contribution to the Group's future earnings.

In Indonesia, our efforts have culminated in a Memorandum of Understanding signed with PT Infomedia Nusantara, Indonesia's premier and largest contact centre and outsourcing company. We expect to conclude negotiations and enter into a formal agreement by the end of the second quarter of financial year 2008 and we expect profit contributions to our Group's earnings in the second half of financial year 2008.

Future Outlook
The outlook for Scicom in its tenth year of operations remains bright. The Global BPO Industry continues to be the fastest growing industry in the world today and is also evolving at a similar pace with challenges in the form of increased customer awareness and expectation, greater competition and the need for innovative value-added solutions.

The Group's operations in Malaysia have expanded in terms of capability, service offerings and scalability. The Group continues to increase its domestic client-base in line with its growth strategies. Operations in India and the United States of America ("USA") continue to provide the Group with substantial revenue streams. Our global positioning vis-a-vis our brand has been enhanced both globally and domestically.

Scicom has invested in management resources in India and is poised to offer services to international clients that would allow us to capitalise on India's considerable ability to scale, superb IT resources and labour wage arbitrage.

In the USA, our strategy remains on track and our on-the-ground presence is garnering results in terms of our brand recognition and operational capabilities.

Board Changes
I have the pleasure to announce that Mr. Loh Lee Soon joined the Board on 25 April 2007, and I wish to record our sincerest thanks and appreciation for his services rendered thus far.

Appreciation
I wish to thank the governments, the regulators, our shareholders and other stakeholders, our loyal clients, suppliers, and more importantly, our dedicated staff spanning the many jurisdictions which we operate in, for their valuable support in making our Group's business a resounding success.

Finally, I would like to express my gratitude to my fellow Board members for their continuous support, dedication and prudent governance in shaping the Group's direction to ensure our continuous growth and success.

YBHG DATO' AHMAD KABEER BIN MOHAMED NAGOOR
Chairman

The year in review saw Scicom operating in an increasingly challenging client environment, driven by global pressures to reduce cost. Scicom nevertheless, was able to rise to the challenge and deliver satisfactory financial and operational results. This was driven primarily by prudent cost mitigation, new client acquisitions, an organisational restructuring exercise and enhanced revenues through a series of evolving and innovative service offerings to our multinational client-base.

Consolidated revenue for the financial year ended 30 June 2007 rose significantly by 40% to RM109 million. New contracts secured during the 2007 financial year include contracts with clients based in Australia, Singapore, Hong Kong and Malaysia worth approximately RM60 million over a three-year period.

The Group's profit after taxation for the year was 24.4% higher at RM11.3 million from the Group's preceding year's profit of RM9.1 million. The Group's total asset base has increased by 7.1% to RM52.7 million as at 30 June 2007 over the preceding year's asset base of RM49.2 million.

Our operations are centred in Malaysia with full service offerings also available in India and the USA. Malaysia continues to be our global headquarters with 1,182 staff followed by 168 staff in India and 140 staff in the USA. Our global headcount stands at 1,490 staff as of 30 June 2007.

Scicom's brand is increasingly well regarded as a reputable force in the Outsourcing industry. During the financial year, Scicom was named the "Malaysian Contact Centre Service Provider of the Year" by Frost & Sullivan. This is the second time that Scicom has won this prestigious award. Scicom was also placed in the "Top Global 100 Services Providers" listing for 2007, based on the survey as conducted by "Global Services" Magazine and neoIT, a distinction which we also earned in 2006. For 2007, "Global Services" magazine listed Scicom amongst the "Top 10 Companies to Watch in Emerging Asian Markets" category, and named Scicom within the Top 10 nominees for "Specialty Application Development Providers". Scicom continues to be at the fore-front of the industry in Malaysia delivering world-class services to multinational clients. For the financial year ended 30 June 2007, foreign currency earnings constituted 96% of the Group's total revenue.

Financial year 2007 has been a challenging year for Scicom. Our clients have requested reductions in cost to commensurate with their own global cost and market challenges which have resulted in reduced margins for the Group. Consolidations taking place in our competitor environment both in India and the Philippines have also contributed to the Group providing increasingly competitive prices to compete in a globalised service delivery environment. Additionally, the strengthening of the Ringgit Malaysia has resulted in an increase in cost to our multinational client-base.

In part to mitigate global cost and margin pressures as described herein, Scicom has expanded beyond its core service offerings of the provision of complex premier customer care solutions, technical helpdesk support and associated fulfilment activities, to encompass new services in data analytics, customer relationship management consultancy, relationship marketing, software development, educational and training services, primarily focussing on our core activity within the Business Process Outsourcing/Shared Services Outsourcing ("BPO/SSO") industry.

In line with our expanded service offerings, Scicom has invested and continues to invest in its human capital, systems and resources in order to cater for rapid scalability and be globally competitive in terms of attracting our targeted MNC client-base. The creation of a dedicated Project Management Office, improved management information systems and quality initiatives has resulted in the Group having a clear competitive advantage vis-a-vis the competition in Malaysia and the region.

The Group's wholly owned subsidiary – Scicom (Academy) Sdn Bhd, is the Group's integrated training arm. External training in relation to soft skills and hard skills for a contact centre environment has been very successful and has resulted in a client-base across Asia Pacific and the Middle-East. A formal approach to the business in terms of skill-based education has been completed with the creation of internationally accredited certifications and diplomas. The Group through affiliations with Universities in the United Kingdom ("UK"), USA and professional bodies, has set up an internationally recognised accredited Customer Relationship Management ("CRM") diploma and degree course specially tailored for the BPO/SSO industry, with the aim of improving the quality of work force (at both entry and management level) in the contact centre and the BPO/SSO industries.

The Group has set up a subsidiary – Jade Apple Marketing Sdn Bhd ("JAMSB"), with offices in Malaysia and Singapore to tap into the lucrative CRM-Loyalty-Relationship marketing opportunities in the region. This is a natural progression in terms of value-added services in respect of the Group's customer care BPO/SSO proposition. Greater margins and an expanded MNC client-base are a result of the synergistic association of Scicom Group and JAMSB.

The Group expects growth to continue organically from existing projects and from new projects secured, along with our new lines of business as described above. Furthermore, negotiations are currently in place with overseas business prospects that would pave the way for expansion in terms of new business wins within the Group's BPO/SSO space. The Group is also focused in increasing revenues and contribution to bottom line earnings through potential joint-ventures, which would accelerate the growth of the Company.

Scicom has entered into a Memorandum of Understanding ("MOU") with PT Infomedia Nusantara ("Infomedia") in order to enhance Infomedia's outsourcing business proposition to its existing clients and to provide the necessary expertise in the pursuit of further development of the business in Indonesia. This new business arrangement once concluded will also allow Scicom to venture into the growing BPO industry in the Republic of Indonesia and Infomedia will provide long-term synergistic benefits to the core business offering of Scicom. It would also provide an avenue for Scicom to strengthen its client-base, extend its service product offerings and enhance its linguistic offerings.

The global outlook for the BPO/SSO while bright in terms of size and growth is now less about labour arbitrage but more about performance and return on investment. Large MNCs increasingly look to locations and companies that can offer a cost, value return, scalability and quality proposition. India continues to be the preferred choice for the USA and UK-based clients, and is accelerating its higher value BPO/SSO proposition in terms of offering services such as bio-technology outsourcing, software development, and financial and data analytics. Philippines has shown tremendous growth in the BPO/SSO space and provides English voice support primarily to clients in the USA, UK and Australia. IDC Market Research estimates the BPO contract base value in Asia Pacific (excluding Japan) at approximately USD7 billion in 2006 rising to USD15 billion in 2011.

We believe that our focus in providing increasingly complex solutions to our clients and consistently striving to move up the value chain in terms of services will result in the Group obtaining better margins, longer contract tenure and provide a higher barrier to exit for our clients. We are then able to offer our young professionals longer employment tenure, relevant training, a challenging work environment and market competitive compensation and benefits.

Malaysia with its natural strengths of good infrastructure, multi-lingual capabilities, skilled workforce and industry centric government policies continues to be the location of choice for a centralised hub for multinational clients with a customer-base in Asia Pacific. With its excellent English skills, Malaysia also figures well for servicing customers for the UK and USA markets. Scicom with over ten years of experience, value-added services, multi-lingual capability (over 40 languages), a proven management team and an excellent track record in servicing multinational clients is well positioned to continue to grow substantially for the foreseeable future.

I would like to thank our clients for their trust and continued support. Our friends in the media industry and business partners for their confidence in us. Our regulators for their support and assistance, our Board of Directors for their guidance and finally, my sincere gratitude goes to the employees of the Scicom Group for their loyalty, dedication and professionalism.

LEO ARIYANAYAKAM
Chief Executive Officer

"Over the last ten years, we are proud to say that we have achieved significant milestones in terms of increasing the Group's client portfolio and achieving our financial and operational targets. We have achieved these milestones bearing in mind our corporate social responsibilities and ethical values." – Leo Ariyanayakam

Our "Total Customer Delight" tagline is not only directed at our clients, but encapsulates many other stakeholders as well, including our employees and shareholders.

Our Group's Corporate Social Responsibility ("CSR") programme focuses on three areas. Our community, our workplace and the marketplace

THE COMMUNITY

Since incorporation, we had played a key role in providing significant employment opportunities to Malaysians, comprising both fresh graduates and experienced hires. This is evidenced from our 1,100 strong human capital work force in Malaysia alone, of which newly-hired fresh graduates make up approximately 62% of employees.

We have leveraged on our subsidiary - Scicom (Academy) Sdn Bhd's training capabilities, to provide technical training and relevant updates to our customer contact centre service agents. This not only enhances our employees' skills and capabilities, but is also integral for their personal and professional career development. Now, with the recently launched Certification, Post-graduate Certification and Post-graduate Diploma programmes in Contact Centre Management, by our subsidiary, our employees are able to attain certifications at a subsidised cost, by virtue of Scicom's sponsorship.

THE WORKPLACE

Scicom provides a conducive environment at the work place. A work-life balance is constantly promoted together with human capital development, workplace diversity and a values-based culture.

We continually reward and recognise employees for their outstanding contribution and performance during the financial year.

Apart from training and developing our service delivery work force, we are also committed to career development of our management and support staff, by sponsoring key personnel for training and seminars. Scicom has enhanced its ability to identify the bench strengths of its employees and develop interventions that closes the gap between current and desired employee capability. Scicom's Talent Assessment, Recognition and Development ("STAR") program has been developed to:

- Assess all employee's current level of capabilities against the desired level;
- Create a list of high potential employees for career advancements;
- Develop employees for future organisational roles; and
- Create a common framework of behaviour.

In line with our current ability to provide contact centre services in multiple languages, we have, a human capital which is diverse in both race and culture, including Malaysians, Indians, Chinese, Americans, British, Singaporeans, Australians, Sri Lankans, Japanese, Vietnamese, Filipinos, Indonesians, Cambodians, Moroccans, Iranians and a host of Arab and African nationals amongst others.

THE MARKETPLACE

Scicom has been the first BPO service provider to introduce Certification, Post-graduate Certification and Post-graduate Diploma programmes in Contact Centre Management, aimed at BPO/SSO professionals (including our own), school leavers, diploma holders and graduates who aspire to have professional qualifications in the BPO industry. Today CSR is inherent in Scicom's management and leadership principles and Scicom is looking at creating long-term educational benefits for its staff, and the Company sees this as a key element to its business strategy.

Scicom's objectives are on building a meaningful relationship with its various stakeholders, setting standards based on its values and maintaining quality for its service delivery and business offerings. To achieve this, Scicom is committed to staff training and development and the retention of talent of socially conscious individuals. Scicom's success depends on its ability to build a sustainable people culture. Scicom is convinced that socially responsible activities are the best possible way to ensure the long-term success of the Company.

The Board of Scicom fully recognises and subscribes to the importance of the Principles and Best Practices set out in the Malaysian Code of Corporate Governance as a key factor towards achieving the optimal governance framework and process in managing Scicom's business and operational activities.

The Board subscribes to, and supports the belief that good corporate governance practices are pivotal in enhancing the shareholders' value. Hence, the Board is fully dedicated to continuously evaluating the Group's corporate governance practices and procedures, in order to ensure that the principles and best practices in corporate governance are applied and adhered to in the stakeholders' best interests.

The Board is pleased to set below the Statement on how the Group has applied the Principles of the Malaysian Code of Corporate Governance, and the extent of compliance with the Principles and Best Practices advocated there-in.

A. THE BOARD

1. Responsibilities of the Board

Scicom is headed by an effective Board, comprising competent individuals with specialised skills and knowledge. The Board is responsible for charting the strategic direction of the Group as well as over-seeing the conduct, performance and internal controls of the Group's business activities. In order to ensure a constantly well-balanced Board, careful consideration is given when selecting and balancing between the composition of Independent and Non-Independent Directors.

The Board has a formal schedule of matters requiring its decision, as detailed below:

> Reviewing and adopting the Group's strategic direction, as proposed by the Senior Management Team ("SMT"). All approved strategies will then be communicated down to the respective Heads of Department for implementation;

> Assessing and evaluating the Group's business and operational performance, to ensure that Scicom is on track with the strategic direction as set-out by the Board;

> Approving significant policies that may have a material impact on the Group's business activities;

> Approving the Group's annual budget, which includes all major capital expenditure;

> Reviewing the Group's financial performance and position on a quarterly basis; and

> Reviewing other significant matters that may have a material impact on the Group.

2. Board composition and balance

The Board currently has six members, comprising two Non-Independent Non-Executive Directors, one Non-Independent Executive Director, and three Independent Non-Executive Directors. As such, the current Board composition satisfactorily fulfills the prescribed requirements for one-third of the Board membership to consist of Independent Board members.

A brief profile of the Directors is included in the Board of Directors – Profiles as set out on pages 12 and 13 . The Board is well-balanced and comprises highly respected professionals of various backgrounds and industries which are relevant to the Group's business activities. The Directors' wide ranging experience and expertise provide the Group with the strategic thinking which is vital for Scicom's success. None of the Non-Executive Directors participate in the Group's day-to-day management activities. The Independent Non-Executive Directors not only play a pivotal role in ensuring corporate accountability, but rather provide an essential source of impartial and professional advice, and judgement, in order to safeguard the interests of the Group and its stakeholders.

In order to maintain a balance of power and authority, there is a clear division of responsibility between the Chairman of the Board and Chief Executive Officer ("CEO"), via the appointment of separate Board members to hold these respective positions.

The Chairman is primarily responsible for ensuring the Board's effectiveness, along with other areas as detailed in the following page:

- Ensuring proper balance in the Board's membership, subject to the approval of the shareholders and other members of the Board;
- Ensuring that all relevant issues are included in the Board meeting agendas;
- Ensuring that all Directors, both Executive and Non-Executive, are enabled and constantly motivated to play their role to the fullest of their abilities. This includes ensuring that the Board members, particularly the Non-Executive Directors, continuously receive timely and relevant information tailored to their needs, and are properly briefed on issues arising, if any, during the Board meetings; and
- Ensuring that the Executive Director constantly looks above and beyond his management function, and fully accepts his responsibilities in the area of corporate governance.

The CEO is responsible for the day-to-day running of the Group's business, and ensuring that Scicom's policies and strategies as approved and adopted by the Board are implemented with the assistance of the SMT.

3. Board meetings

The Board meets at least four times a year on a quarterly basis, with additional meetings being convened as and when necessary for urgent and important matters, such as to approve the quarterly announcements to Bursa Securities, statutory financial statements, the Group's business plans, and also to review the Group's financial performance and standing.

During the current financial year, four Board meetings were held of which the details of each Director's attendance are shown below:

Director	Designation	Number of meetings attended during the financial year	Percentage
Dato' Ahmad Kabeer bin Mohamed Nagoor	Chairman/Non-Independent Non-Executive Director	4 of 4 meetings	100%
Leo Ariyanayakam	Chief Executive Officer/Group Executive Director/Non-Independent Executive Director	4 of 4 meetings	100%
YBhg Dato' Mohd Salleh bin Hj Harun	Independent Non-Executive Director	3 of 4 meetings	75%
Krishnan Menon	Non-Independent Non-Executive Director	4 of 4 meetings	100%
Dr. Nikolai Dobberstein	Independent Non-Executive Director	4 of 4 meetings	100%
Loh Lee Soon (appointed on 25 April 2007)	Independent Non-Executive Director	Not applicable	Not applicable

4. Appointments to the Board

Due to the relatively small size of the Board, there is no Nomination Committee being set-up, but rather, the nomination process for potential new Director appointments, has been entrusted to the full Board.

5. Retirement and Re-election of Directors

The Company's Articles of Association require at least one-third of the Board members to retire by rotation at the Annual General Meeting ("AGM"), and also for all the Directors to retire once every three years, of which the Directors will then be eligible to offer themselves for re-election.

6. Directors' Training

All the Directors have attended and successfully completed the Mandatory Accreditation Programme as prescribed by Bursa Securities. The Directors are also encouraged to, and have attended various conferences and seminars which are conducted both in-house and by external parties, in order to enable them to effectively discharge their duties, as well as keep abreast of the industry, regulatory and other related developments.

7. Supply of Information

The Directors have full, unrestricted and timely access to all information necessary for the discharge of their responsibilities. The Board is provided with the meeting agenda and Board papers, which enable the Directors to consider any matters arising and facilitate their decision-making process. The Board papers include, among others, the following documents and/or information:

- The Group's operational performance for the quarter and year-to-date, as compared to the pre-set budget and operational targets, including a detailed explanation of material variances between the actual and budgeted results. Performances are analysed at project and individual company-levels;
- A revised profitability and cash flow budget based on latest events and changes in assumptions due to the prevailing environment;
- The Group's profitability, liquidity, financing and market-based ratios for the financial period;
- The listing of significant planned capital expenditure and their appropriate justifications, to be tabled for approval by the Board; and
- Any other important matters to be brought to the attention of the Board, including the utilisation of IPO-related funds to-date.

All the Directors, whether collectively as a Board or in their individual capacity, have access to advice and services of the Group's company secretaries. The Group-practice also permits an individual Director or the Board as a whole, who wishes to seek independent professional advice in carrying out his or their duties respectively, to do so at the Group's expense.

8. Committees

In order to enhance the Board's effectiveness as well as to comply with certain fiduciary duties, the Board has delegated the following responsibilities to standing committees, which operate within clearly defined terms of reference. The respective committees are detailed below:

- Audit Committee

  The Audit Committee's composition, terms of reference and summary of activities is included in the Audit Committee Report as set out on pages 42 to 45.

- Option Committee

  The Option Committee was set-up to administer the implementation of the Scicom Employee Share Option Scheme ("ESOS") and ensure that it was administered fairly in accordance with the Company's By-Laws thereof as approved by the shareholders. The Option Committee comprises seven members, and had met four times during the financial year, with the meetings being attended by all of the Committee members, except for two members who had attended three out of the four meetings..

B. DIRECTORS' REMUNERATION

The full Board is responsible for determining the remuneration scheme for its individual members. The annual fees payable to Non-Executive Directors are presented to the shareholders at the AGM for their approval. The Executive Director however, does not participate in any way when determining his remuneration package.

A summary of the Directors' remuneration for the financial year ended 30 June 2007, distinguishing between the Executive and Non-Executive Directors in aggregate, with categorisation into appropriate components and the number of Directors whose remuneration falling into each successive band of RM50,000, is as shown in the following page:

	Executive RM	Non-Executive RM	Total RM
Salary	607,992	0	607,992
Benefits-in-kind	17,700	0	17,700
	625,692	0	625,692
Fees	0	106,000	106,000
Total	625,692	106,000	731,692

	Executive RM	Non-Executive RM	Total RM
Below RM50,000	0	5	5
RM600,001 - RM650,000	1	0	1
Total	1	5	6

C. SHAREHOLDERS AND OTHER STAKEHOLDERS

1. Communication between the Company and its Investors and Other Stakeholders

The Board recognises the need for clear and effective communication with its stakeholders on information pertaining to the Group's business activities and financial performance. These information are related through press releases, press conferences, announcements made via Bursa Securities' website, including the quarterly announcements and annual reports. Scicom also maintains a website at www.scicom-intl.com, as accessible by all its stakeholders and the general public, which provides pertinent and updated information on the corporate and business aspects of the Group.

Any queries or concerns regarding the Group may be conveyed to Mr. Loh Lee Soon, the Non-Executive Independent Director via e-mail at corpinfo@scicom.com.my.

2. AGM

The AGM is the principal forum for dialogue and communications, and also offers an opportunity for the Board and the SMT to interact with the shareholders. During the AGM, the Chairman, other Board members, SMT and Group's external auditors are available to respond to the any questions and queries as raised by the shareholders. Where appropriate, the Chairman will endeavour to provide the shareholders with written answers to any significant questions which cannot be readily answered during the AGM.

Shareholders are encouraged to participate in the proceedings and pose questions about the resolutions proposed and the Group's business operations.

D. ACCOUNTIBILITY AND AUDIT

1. Financial Reporting

The Board aims to convey a balanced and understandable assessment of the Group's performance and prospects in its quarterly announcements, annual report and other public reports to the shareholders. The Board retains the responsibility for the preparation of the Group's and Company's financial statements. The Directors are required by the Companies Act 1965 to prepare the Group and the Company's statutory financial statements with all material disclosures, to ensure the accuracy and completeness, in compliance with MASB approved accounting standards in Malaysia for Entities other than Private Entities, as well as the rules and regulations under the said Act. In order to properly achieve this, the Audit Committee assists the Board in over-seeing the Group's financial reporting process.

The Statement by Directors pursuant to Section 169(15) of the Companies Act 1965, in relation to the preparation of the financial statements is set out on page 101.

2. Internal Controls

In discharging its duties in ensuring the effectiveness of the Group's internal control systems, the Board has entrusted this responsibility to the Audit Committee. The scope and results of the Audit Committee's review are detailed in the Internal Control Statement as set out on pages 38 to 41.

3. Relationship with auditors

The Group, through the Audit Committee, has a professional and transparent relationship with both the Group's internal auditors. The internal auditors attend all Audit Committee meetings as held on a quarterly basis whereas the external auditors attend them once annually, which is at the beginning of the new financial year-end. Disclosure of non-audit fees is included under Additional Compliance Information as set out on pages 103 to 104. Other facets of the relationship between the Audit Committee and both the internal and external auditors are elaborated in the Audit Committee Report as set out on pages 42 to 45.

Introduction

The Board of Scicom in discharging its responsibilities, has established procedures of internal control that are in accordance with the guidelines for Directors – Statement on Internal Control: Guidance for Directors of Public Listed Companies, as issued by Bursa Securities, and is pleased to provide the following Directors' Statement on Internal Control ("Statement"), which outlines the nature and features of internal controls within the Group to safeguard our shareholders' investment and assets for the financial year ended 30 June 2007.

The external auditors have reviewed this Statement as required under Paragraph 15.24 of Bursa Securities' Listing Requirements, and in accordance with the Recommended Practice Guide 5 – Guidance for Auditors on the Review of Directors' Statement on Internal Control ("RPG 5"), as issued by the Malaysian Institute of Accountants. The external auditors have reported to the Board that based on their review, nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process which the Board has adopted in the review of the adequacy and integrity of the Group's internal controls. RPG 5 however, does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures.

Board Responsibility

The Board is ultimately responsible for the Group's system of internal controls, and for reviewing its effectiveness in providing its shareholders with a return on their investments that is consistent with a responsible assessment and management of risks. The Board recognises the importance of maintaining a sound and effective system of internal controls, which includes the establishment of an appropriate control environment and framework, covering risk management, financial, organisational, operational and compliance controls.

> Identification of principal risks and over-sight over the implementation of appropriate control measures in order to manage risks; and

> Review of the adequacy and integrity of the internal control system and management information systems, as well as systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The SMT is responsible for implementing the Board's policies on risks and controls and has the responsibility over internal controls as part of its accountability in achieving the Group's overall objectives.

As a result of the limitations that are inherent in any system of internal control, this system is designed to manage, rather than eliminate risks that may impede the achievement of the Group's business objectives. Accordingly, the internal control systems in place can only provide reasonable, but not absolute assurance against material misstatement or losses.

The Board recognises that the Group is growing, and thus the system of internal control will continue to be enhanced to suit the needs and requirements of the expanding Group.

Risk Management Framework

The Board regards risk management as an integral part of the Group's operations. The SMT has established an ongoing process for identifying, analysing, measuring, monitoring and reporting of significant risks that may impact the achievement the Group's business operations, and evaluating the adequacy and effectiveness of controls in place to mitigate these risks.

The SMT is responsible for creating a risk awareness culture amongst the Group's employees, via a readily-accessible knowledge framework for risk management. The SMT, in conjunction with the respective Heads of Departments within the Group, conduct periodic reviews of existing significant risks and also identify new risks, if any, and their impact on the Group's business operations.

Risk management awareness sessions are also conducted at the operational level in order to help sustain a risk awareness culture and understanding on the importance of risk management across the Group.

Control Environment and Structure

As mentioned above, both the Board and SMT have established numerous processes for identifying, evaluating and managing the significant risks faced by the Group. These processes include constantly updating the system of internal controls when there are changes to the business environment or regulatory guidelines. The key elements of the Group's control environment include the following:

> **Organisational structure**

The Board is adequately supported by established Audit and Option Committees in the execution of some of the Group's fiduciary responsibilities, of which their clearly defined terms of reference are set out in the Corporate Governance Statement and Audit Committee Report on pages 32 to 37, and 42 to 45 respectively.

The daily implementation of the Group's strategies is delegated to the SMT, which has established well-structured management reporting procedures for effective supervision of the Group's operations by the Board. The respective Heads of Departments, for both operations and support services, report on any deviations in corporate strategy and monitor the Group's progress towards the attainment of its business objectives.

> **Audit Committee**

The Audit Committee members comprise Non-Executive Directors, of which three of the four members are Independent Directors. The Board has empowered the Audit Committee, which meets on four occasions each year, to review the adequacy and integrity of the Group's internal control systems. The Audit Committee assumes the overall duties of reviewing the external auditors' annual audit plan, audit report, as well as findings and recommendations on internal controls, governance and efficiency matters, if any, as highlighted annually in their internal control memorandum ("ICM"). In addition, the Audit Committee also reviews and approves the adequacy of the scope as per the internal auditors' audit plan for the financial year. The Audit Committee, as part of its terms of reference, obtains assurance on the Group's system of internal controls via quarterly updates from the CEO, Finance Department and internal auditors respectively.

The details of responsibilities carried out by the Audit Committee are set out in the Audit Committee Report on pages 42 to 45.

> **Policies and procedures and Total Quality Management ("TQM")**

The Group's policies, processes and procedures are continuously reviewed and further enhanced, where possible, on a periodical basis in order to raise the standards of the Group's current system of internal controls. The SMT has in place extensive and properly documented policies, procedures, guidelines and departmental service-level agreements, which are made readily available to the Group's employees via written manuals and also via the Group's intranet website – SCINET. The TQM Department has been given the task of reviewing and ensuring that the Group's policies and procedures are constantly kept up-to-date and remain relevant to the business operations and the Group's employees at all times.

The Board of Directors and Audit Committee respectively, communicate their views on control procedures to the SMT in the following manner:

a) on an ad-hoc basis during the Board of Directors and Audit Committee meetings respectively; and/or

b) as and when updates to both the Code or current internal control policies and procedures are tabled to both the Board of Directors and the Audit Committee, for their approval.

> **Code of Business Conduct and fraud management**

The Group has in place a written Code of Business Conduct ("the Code") as available on SCINET (as accessible by all the Group's employees), which summarises many of the laws that the Group and all its employees are required to work by. All of the Group's respective managers are responsible for identifying and reporting indications of unethical or illegal conduct (including fraudulent activities), and in the event of such occurrences being noted, to inform either their Line Managers or the Human Resource Department.

> **Limits of Authority ("LOA")**

LOA manuals set out the authorisation limits for the senior management of the Group and the Board to ensure accountability, segregation of duties and control of the Group's financial and operational commitments. The LOA is reviewed and updated when necessary with the approval of the Board.

> **Internal audit**

The Group's internal audit function has been out-sourced to a professional third-party – Audex Governance Sdn Bhd, which remains independent of the SMT and the Group's business operations. The internal auditors perform independent reviews on the state of the internal control system of the various operating units within the Group, and the extent of compliance by these units with regards to the Group's established policies and procedures and the relevant statutory requirements. Audits are carried out by the internal auditors over the course of the financial year in accordance with the Internal Audit Plan, which is tabled to and approved by the Audit Committee at the beginning of the financial year.

> **Financial and operational information**

The SMT currently has in place a comprehensive budgeting and reporting process, whereby the annual budget is driven by the Finance Department via inputs from the respective Heads of operations and other support services. The annual budgets are tabled to the Board for their approval, and reviewed each quarter of the financial year, to account for changes in the Group's business and/or other relevant regulatory environments, if any. All revisions made to the initial budgets are tabled to the Board for their knowledge and approval. The Group's financial performance is constantly measured against the approved budget by the Finance Department, with explanations of significant variances being highlighted to the attention of the CEO and Heads of Department. The Board reviews the Group's quarterly results, as announced to Bursa Securities, and the quarterly management reports, to enable them to gauge the Group's financial performance, in comparison with the preceding quarters as well as the approved annual budget.

> **Business continuity planning ("BCP")**

The Group's BCP function is headed by the SMT, which is responsible for identifying activities and operations which are critical to the sustenance and continuity of business operations in the event of a disaster or other adverse circumstances. The SMT's BCP-related activities include facilitating the building of additional redundancies in network infrastructure and the establishment of an alternate site where key operational activities can be resumed. The SMT has employed a risk-based approach in identifying the key initiatives and their respective levels of importance, via the review of the Group's critical systems, single point failures and their impact on the Group's overall business. This is an on-going project which will require continuous updating and testing.

Monitoring and Review

> **TQM**

The Group's operations are monitored, reviewed and evaluated by the TQM Department, which reports directly to the CEO. The TQM Department is also responsible for measuring compliance and adherence to the Group's policies and standard operating procedures. The TQM Department, together with the help of an out-sourced professional company - Moody International Certification (Malaysia) Sdn Bhd, audits the Group's processes on an annual basis, in order to maintain both its ISO 9001 and SCP accreditation status.

> **Internal audit**

The internal auditors present their findings and recommendations for improvement, if any, to the Audit Committee on a quarterly basis. Follow-up visits are subsequently carried out by the internal auditors to ensure proper implementation of committed action plans by the respective process owners.

> **External audit**

As part of the annual statutory audit of the Group, the external auditors are required under International Standards on Auditing, to obtain an understanding of the accounting and internal control systems sufficient to plan their audit and develop an effective audit approach. In doing so, the external auditors will carry-out a review of certain internal control systems as significant to the Group, and all issues and internal control deficiencies, together with their respective recommendations for improvement, if any, will be highlighted to the Audit Committee in the form of an ICM.

Conclusion

The Board is satisfied that the Group's system of internal controls is adequate and effective. No material losses, contingencies or uncertainties have arisen from any inadequacy or failure in the Group's system of internal control, which would require separate disclosure in the Annual Report. Notwithstanding this, the Board believes that the development of the system of internal controls is an on-going process, and has taken steps throughout the financial year to improve on the existing internal control processes and procedures, and will continue to do so on an on-going basis. This highlights the Board's commitment in ensuring the adequacy and effectiveness of the system in protecting the shareholders' investment and the Group's assets.

This Statement is made in accordance with a resolution adopted by the Board at its meeting held on 30 July 2007.

The Audit Committee was established on 30 August 2005 in compliance with the Listing Requirements of Bursa Securities. Since the previous financial year, the Audit Committee had worked with management to establish an internal audit function for the Group, which has been outsourced to a reputable external professional firm which reports directly to the Audit Committee. The Audit Committee's review of the Group's internal controls and risk management systems is an on-going process.

A. Audit committee composition and meetings

During the financial year ended 30 June 2007, the Audit Committee met four times, and the details of the Audit Committee members' attendances are set our below:

Director	Designation	Number of meetings attended during the financial year
YBhg Dato' Mohd Salleh bin Hj Harun	Audit Committee Chairman Independent Non-Executive Director	3 of 3 meetings *
Krishnan Menon	Member Non-Independent Non-Executive Director	3 of 3 meetings *
Dr. Nikolai Dobberstein	Member Independent Non-Executive Director	3 of 3 meetings *
Loh Lee Soon (appointed on 18 May 2007)	Member Independent Non-Executive Director	Not applicable

* A sufficient quorum was not present during one Audit Committee Meeting. Members passed matters arising through a Circular Resolution in writing.

A brief profile of the individual members comprising the Audit Committee is included in the Board of Directors – Profiles as set out on pages 12 to 13.

B. TERMS OF REFERENCE

The Audit Committee is governed by the following terms of reference:

1. Composition

The Audit Committee shall be appointed by the Board from amongst their members and shall consist of at least three members, the majority of who are Independent Directors.

At least one member of the Audit Committee shall be a member of the Malaysian Institute of Accountants, or possess at least three years' working experience and has passed the examinations set out in Part II of the First Schedule of the Accountants Act 1967 respectively.

No alternate Director/s shall be appointed to be member/s of the Audit Committee.

The members of the Audit Committee shall elect a Chairman from amongst its members who shall be an Independent Non-Executive Director.

The Board must ensure that the CEO shall not be a member of the Audit Committee.

The Board must review the terms of office and performance of the Audit Committee and each of its members at least once every three years, to determine whether such Committee and its members have carried out their duties in accordance with their terms of reference.

2. Meetings

a) Frequency

The Audit Committee shall meet no less than four times a year and as many times as the Audit Committee deems necessary with due notice of issues to be discussed.

b) Proceedings

Four meetings are held in a year. However, meetings are also held as and when required upon the request of the external auditors to consider any matter that the external auditors believe should be brought to the attention of the Director/s and/or shareholders.

The quorum for each Audit Committee meeting shall be two members, of which the majority of the members present must be Independent Non-Executive Directors.

The agenda of the Audit Committee meetings shall be circulated to the members of the Audit Committee before each meeting. The Audit Committee may require the external auditors and any officer of the Company to attend any of its meetings as it determines.

If, at any meeting, the Chairman of the Audit Committee is not present within 15 minutes of the time appointed for holding the same, the members of the Audit Committee shall choose another member, who shall be an Independent Non-Executive Director, to be the Chairman of such meeting.

The Company Secretary shall be the Secretary of the Audit Committee.

Questions arising at any meting shall be decided by a majority of votes. In case of an equality of votes, the Chairman of the Audit Committee shall have a second or casting vote.

c) Attendance

The presence of the external and internal auditors (if any) respectively at any Audit Committee meeting, can be requested if required by the Audit Committee.

Other members of the Board and officers of the Company and its Group may attend the meeting (specific to the relevant meeting) upon the invitation of the Audit Committee.

d) Keeping and inspection of minutes

The Company shall cause the minutes of all proceedings of the Audit Committee meetings to be entered in books kept for that purposes within 14 days of the date upon when the relevant meeting was held.

Those minutes to be signed by the Chairman of the Audit Committee meeting at which the proceedings were held, or by the Chairman of the next succeeding meeting, shall be evidence of the proceedings to which it relates.

The books containing the minutes of proceedings of the Audit Committee meeting shall be kept by the Company at the place to be determined by the Board, and shall be open to the inspection of any members of the Board or Audit Committee respectively, without any charge.

The minutes of the Audit Committee meeting shall be circulated to the members of the Board for notation.

3. Authority

The Audit Committee shall in accordance with the procedure determined by the Board and at the cost of the Company:

a) have the authority to appoint the internal auditor of the Company;

b) have explicit authority to investigate any matter within the terms of reference;

c) have the resources which the Audit Committee requires to perform the duties;

d) have full access to any information which the Audit Committee requires in the course of performing the duties;

e) have unrestricted access to the CEO of the Company;

f) have direct communication channels with the external auditors and person carrying out the internal audit function (if any);

g) be able to obtain independent professional or other advice in the performance of its duties at the cost of the Company;

h) be able to invite others with relevant experience to attend its meetings, if necessary; and

i) be able to convene meetings with the external auditors, excluding the attendance of the Executive Board members, whenever deemed necessary.

4. Duties and responsibilities

The duties and responsibilities of the Audit Committee shall include the following:

a) Matters relating to external audit:

> To review the nomination of external auditors and the external audit fee;

> To review the nature, scope and quality of the external audit plan/arrangements;

> To review the quarterly and annual audited financial statements of the Company before submission to the Board, focusing in particular on the going-concern assumption, compliance with accounting standards and regulatory requirements, any changes in accounting policies and practices, significant issues arising from the audit and major judgement;

> To review external auditors' audit report on the financial statements;

> To review any management letter sent by the external auditors to the Company and management's response to such letter;

> To review any letter of resignation from the external auditors;

> To consider and review whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment;

> To review the assistance given by the Company's officers to the external auditors; and

> To discuss problems and reservation arising from the interim and final audits on any significant audit findings, reservations, difficulties encountered or material weakness reported.

b) Matters relating to the internal audit function (if any):

> To review the effectiveness of the internal audit function (if any);

> To review the internal audit programme and results of the internal audit process;

> To review the follow-up actions by the management on the weakness of internal accounting procedures and controls;

> To review all areas of significant financial risk and the arrangements in place to contain those risks to acceptable levels;

> To review the assistance and co-operation given by the Company and its officers to the internal auditors;

> To review any appraisal or assessment of the performance of staff of the internal audit function, compliance with accounting standards and regulatory requirements, any change in accounting policies and practices, significant issues arising from the audit and major judgement issues; and

> To review any letter of resignation from internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

c) Roles and rights of the Audit Committee:

> To consider and review any significant transactions which are not within the normal course of the business and any related party transactions that may arise within the Company and the Group;

> To report to Bursa Securities on any matter reported by the Board of the Company which has not been satisfactorily resolved resulting in a breach of Bursa Securities' Listing Requirements; and

> To carry out any other function that may be mutually agreed upon by the Audit Committee and the Board, which would be beneficial to the Company, and ensure the effective discharge of the Audit Committee's duties and responsibilities.

d) Retirement and resignation of Audit Committee Member:

> Retirement/Resignation

A member of the Audit Committee who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he leaves.

> Vacancy

In the event of any vacancy in the Audit Committee, the Company shall fill the vacancy within two months, but in any case, not later than three months.

C. SUMMARY OF ACTIVITIES

During the financial year under review, the activities undertaken by the Audit Committee included the following:

a) Reviewing and approving the internal audit plan for the Group;

b) Reviewing the internal audit reports for the Group, and their quarterly updates;

c) Reviewing the external auditors' audit planning memorandum of the Group, for the financial year ended 30 June 2007;

d) Reviewing the audit report from the external auditors of the Group, with regards to the audited financial statements of the Group and the Company; and

e) Reviewing and discussing the quarterly announcement of the Group, and subsequently recommending to the Board to approve and release it to Bursa Securities, for announcement purposes.

D. INTERNAL AUDIT FUNCTION

The Group's internal audit function is carried out by a third party professional company, which is independent of the activities and operations of the Group. The internal auditors are empowered by the Audit Committee to audit the Group's business operations and internal control processes and procedures, to ensure a sound system of internal controls. The internal auditors' report will then be presented to the Audit Committee on a quarterly basis.

E. REVIEW OF THE SHARE OPTION SCHEME

The Audit Committee has reviewed the allocation of options pursuant to the ESOS in conjunction with the Company's IPO.

The Directors are responsible for ensuring that the financial statements of the Group and the Company are drawn up in accordance with MASB approved accounting standards in Malaysia for Entities Other than Private Entities, the provisions of the Companies Act 1965 and the Listing Requirements of Bursa Securities, so as to give a true and fair view of the state of affairs of the Group and the Company as at 30 June 2007.

In preparing the financial statements for the financial year ended 30 June 2007, the Directors have:

> Adopted suitable accounting policies and applied them consistently;

> Made judgement, estimates and assumptions based on their best knowledge of current events and actions;

> Ensured adoption of MASB approved accounting standards in Malaysia for Entities Other than Private Entities and the provisions of the Companies Act 1965; and

> Prepared the financial statements on a going-concern basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at all times the financial position of the Group and the Company to enable them to ensure that the financial statements comply with the Companies Act 1965.

The Directors are also responsible for safeguarding the assets of the Group and the Company and, hence, for taking reasonable steps in the prevention and detection of fraud and other irregularities.

2007 Financial Statements

SCICOM (MSC) BERHAD
(Incorporated in Malaysia)

CONTENTS

The Directors are pleased to submit their Report to the members together with the audited financial statements of the Group and the Company for the financial year ended 30 June 2007.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of an investment holding company and the provision of customer contact centre within the Business Process Outsourcing space. The Group provides customer contact centre outsourcing services, customer services training products as well as contact centre consulting and marketing services. The details of the principal activities of the subsidiaries are shown in Note 15 to the financial statements.

There has been no significant change in the principal activities of the Company and the Group during the financial year other than that of a subsidiary, Jade Apple Marketing Pte Ltd (formerly known as Scicom Teleservices Pte Ltd) and the incorporation of a new subsidiary, Jade Apple Marketing Sdn Bhd, respectively as disclosed in Note 15 to the financial statements.

FINANCIAL RESULTS

	Group RM	Company RM
Net profit for the financial year	11,310,624	10,633,050
Attributable to:		
- Equity holders of the Company	11,315,112	10,633,050
- Minority interest	(4,488)	0
	11,310,624	10,633,050

DIVIDENDS

	RM
The dividends on ordinary shares paid or declared by the Company since 30 June 2006 were as follows:	
In respect of the financial year ended 30 June 2006, a final gross dividend of 2 sen, tax exempt, per ordinary share, paid on 29 September 2006	2,588,660
In respect of the financial year ended 30 June 2007, an interim gross dividend of 1 sen, tax exempt, per ordinary share, paid on 8 March 2007	2,630,220
	5,218,880

The Directors now recommend the payment of a final gross dividend of 1 sen per ordinary share, tax exempt, in respect of the financial year ended 30 June 2007 amounting to RM2,636,030. The dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year have been disclosed in the financial statements.

SHARE CAPITAL

During the financial year, 135,122,000 new ordinary shares of RM0.10 each were issued by the Company. The details of the new ordinary shares issued are as follows:

Number of shares	Purpose of issue	Class of issue	Term of issue
129,433,000	Bonus issue	Ordinary	One ordinary share for each existing ordinary share held via capitalisation of the share premium reserve
952,000	Exercise of Employee Share Option Scheme ("ESOS")	Ordinary	At premium of RM0.50 per share
4,737,000	Exercise of ESOS	Ordinary	At premium of RM0.20 per share

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing issued shares of the Company.

EMPLOYEE SHARE OPTION SCHEME

The ESOS was implemented on 23 September 2005 for the benefit of eligible employees and Directors of the Group and the Company. The ESOS is to be in force for a period of five years for which it is governed by the ESOS By-Laws.

The ESOS Committee comprising appointed members of the Board was set up to administer the ESOS, may from time to time offer share options to eligible employees and Directors of the Group and the Company to subscribe for new ordinary shares of RM0.10 each in the Company.

Details of the ESOS By Laws are set out in Note 24(b) to the financial statements.

The Company made an adjustment to the number and subscription price of the existing share options in accordance with the requirements of Articles 15.1 and 15.3 respectively of the ESOS By-Laws, which requires the share options to be adjusted if the Company alters its capital structure by way of bonus issue. The adjustment resulted in the subscription price for the options being revised to RM0.30 per ordinary share, and the total number of share options were adjusted based on any unexercised options as at the date of the bonus shares issued. There were no share options granted during the financial year.

EMPLOYEE SHARE OPTION SCHEME (CONTINUED)

The Company has been exempted by the Companies Commission of Malaysia from having to disclose in this Report the names of employees who have options in aggregate of less than 550,000. The names of employees who have options in aggregate of 550,000 options or more are as follows:

Name of employee	Number of options '000
Willie Lim	1,000
Radah Krishnan A/L Vijaya Gopal	800
Benny Phillip	700
Anthony Jerard Rajendram	700
Jayakumar A/L Narayana Pillai Sreedharan Nair	650
Shanti Jacqueline A/P K Jeya Raj	625

DIRECTORS

The Directors who have held office during the period since the date of the last report are as follows:

YBhg Dato' Ahmad Kabeer bin Mohamed Nagoor
YBhg Dato' Mohd Salleh bin Hj. Harun
Krishnan Menon
Nikolai Dobberstein
Leo Suresh Ariyanayakam
Loh Lee Soon (appointed on 25 April 2007)

In accordance with Article 84 of the Company's Articles of Association, Leo Suresh Ariyanayakam and YBhg Dato' Mohd Salleh bin Hj. Harun are required to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. In accordance with Article 91 of the Company's Articles of Association, Loh Lee Soon who was appointed during the financial year retires at the forthcoming Annual General Meeting and, being eligible, offers himself for election.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company and the Group is a party, with the object or objects of enabling Directors of the Company and the Group to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the Company's ESOS.

Since the end of the previous financial period, no Director has received or become entitled to receive a benefit (other than as disclosed in Notes 8 and 9 to the financial statements respectively) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the register of Directors' shareholdings, particulars of interests of Directors who held office at the end of the financial year in shares and options over shares of the Company are as follows:

	Number of ordinary shares of RM0.10 each in the Company				
	At 1 July 2006/date of appointment '000	Bought '000	Bonus issue '000	Disposed '000	At 30 June 2007 '000
Direct interest in shareholdings					
YBhg Dato' Mohd Salleh bin Hj. Harun	220	0	220	0	440
Krishnan Menon	7,024	0	7,024	0	14,048
Leo Suresh Ariyanayakam	18,680	0	18,680	0	37,360
Nikolai Dobberstein	470	30	500	0	1,000
Loh Lee Soon	317	0	0	0	317
	26,711	30	26,424	0	53,165
Deemed interest in shareholdings					
Krishnan Menon[1]	21,409	0	21,409	0	42,818
YBhg Dato' Ahmad Kabeer bin Mohamed Nagoor[2]	19,000	0	19,000	(25,333)	12,667
	40,409	0	40,409	(25,333)	55,485

[1]Deemed interested by virtue of his shareholdings in Netinsat Asia Sdn Bhd, pursuant to Section 6A of the Companies Act 1965.

[2]Deemed interested by virtue of his shareholdings in AKN Capital Sdn Bhd, pursuant to Section 6A of the Companies Act 1965.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONTINUED)

	Number of options over ordinary shares of RM0.10 each in the Company			
	At 1 July 2006 '000	Adjusted '000	Exercised '000	At 30 June 2007 '000
Leo Suresh Ariyanayakam	1,000	1,000	0	2,000

Other than as disclosed above, according to the register of Directors' shareholdings, none of the Directors in office at the end of the financial year held any interest in shares of the Company, options over shares and debentures of the Company and shares of its related corporations during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements and balance sheets were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and the Company had been written down to an amount which they might be expected so to realise.

At the date of this Report, the Directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of 12 months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or the Company to meet their obligations when they fall due.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

At the date of this Report, there does not exist:

(a) any charge on the assets of the Group or the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group or the Company which has arisen since the end of the financial year.

At the date of this Report, the Directors are not aware of any circumstances not otherwise dealt with in this Report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

(a) the results of the Group's and the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the income statements and the related Notes to the financial statements; and

(b) there has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or the Company for the financial year in which this Report is made.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 9 August 2007.

LEO SURESH ARIYANAYAKAM
DIRECTOR

KRISHNAN MENON
DIRECTOR

Kuala Lumpur

INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

	Note	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
REVENUE	6	**109,002,736**	77,904,664	**77,957,839**	61,627,296
OTHER OPERATING INCOME		**45,111**	67,073	**44,961**	50,832
		109,047,847	77,971,737	**78,002,800**	61,678,128
OPERATING EXPENSES					
- Depreciation of plant and equipment		**6,839,420**	4,377,237	**4,165,882**	3,421,006
- Maintenance expenses		**1,191,950**	898,690	**821,452**	501,222
- Management fees		**0**	0	**8,323,487**	6,633,594
- Rental expenses	7	**4,874,019**	4,084,868	**3,576,509**	2,847,143
- Employee benefits costs	8	**74,777,055**	48,560,618	**45,131,666**	34,557,799
- Staff welfare expenses		**889,971**	1,313,999	**317,466**	35,239
- Travelling expenses		**2,344,888**	1,889,654	**1,294,866**	1,165,781
- Telecommunication and utilities expenses		**3,005,229**	2,037,001	**1,883,867**	1,757,278
- Other operating expenses	9	**4,211,722**	4,246,487	**2,106,601**	4,154,778
		(98,134,254)	(67,408,554)	**(67,621,796)**	(55,073,840)
NET FINANCE INCOME	10	**366,032**	197,436	**269,335**	135,984
PROFIT BEFORE TAXATION	9	**11,279,625**	10,760,619	**10,650,339**	6,740,272
TAXATION	11	**30,999**	(1,669,291)	**(17,289)**	(57,000)
NET PROFIT FOR THE FINANCIAL YEAR		**11,310,624**	9,091,328	**10,633,050**	6,683,272
ATTRIBUTABLE TO:					
- Equity holders of the Company		**11,315,112**	9,091,328	**10,633,050**	6,683,272
- Minority interest		**(4,488)**	0	**0**	0
NET PROFIT FOR THE FINANCIAL YEAR		**11,310,624**	9,091,328	**10,633,050**	6,683,272
Earnings per share:					
- Basic (sen)	12	**4.33**	3.86		
- Diluted (sen)	12	**4.25**	3.79		
Gross dividend per share (sen)	13	**1.0**	4.0	**1.0**	4.0

The summary of significant accounting policies and notes on pages 65 to 101 form an integral part of the financial statements.

BALANCE SHEETS

AS AT 30 JUNE 2007

	Note	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
NON-CURRENT ASSETS					
Plant and equipment	14	**18,339,718**	15,805,525	**10,187,278**	9,491,345
Investment in subsidiaries	15	**0**	0	**645,986**	575,990
Deferred tax assets	23	**197,027**	21,306	**0**	0
		18,536,745	15,826,831	**10,833,264**	10,067,335
CURRENT ASSETS					
Trade receivables	16	**19,861,033**	8,385,594	**16,050,503**	4,515,927
Deposits, prepayments and other receivables	17	**6,397,056**	2,856,092	**2,684,688**	1,917,955
Amounts due from subsidiaries	18	**0**	0	**12,138,195**	9,482,248
Deposits with a licensed bank	19	**7,632,194**	16,334,058	**7,466,153**	16,185,272
Cash and bank balances	20	**277,006**	5,786,402	**47,560**	892,519
		34,167,289	33,362,146	**38,387,099**	32,993,921
LESS: CURRENT LIABILITIES					
Payables and accruals	21	**5,551,248**	7,883,150	**3,737,811**	4,561,427
Current tax liabilities		**417,983**	1,778,316	**0**	14,250
Amount due to a subsidiary	18	**0**	0	**4,052**	0
Borrowings (secured and interest-bearing)	22	**1,678,279**	1,260,472	**1,678,279**	1,174,104
		7,647,510	10,921,938	**5,420,142**	5,749,781
NET CURRENT ASSETS		**26,519,779**	22,440,208	**32,966,957**	27,244,140
NON-CURRENT LIABILITIES					
Payables and accruals	21	**4,774**	34,468	**0**	0
Borrowings (secured and interest-bearing)	22	**214,826**	1,236,317	**214,826**	1,069,664
		219,600	1,270,785	**214,826**	1,069,664
NET ASSETS		**44,836,924**	36,996,254	**43,585,395**	36,241,811

The summary of significant accounting policies and notes on pages 65 to 101 form an integral part of the financial statements.

	Note	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
Share capital	24	**26,360,300**	12,848,100	**26,360,300**	12,848,100
Share premium reserve		**3,594,214**	15,177,000	**3,594,214**	15,177,000
Currency translation reserve		**(239,629)**	(29,141)	**0**	0
Retained earnings	25	**15,096,527**	9,000,295	**13,630,881**	8,216,711
Total shareholders' equity		**44,811,412**	36,996,254	**43,585,395**	36,241,811
Minority interest's equity		**25,512**	0	**0**	0
TOTAL EQUITY		**44,836,924**	36,996,254	**43,585,395**	36,241,811

The summary of significant accounting policies and notes on pages 65 to 101 form an integral part of the financial statements.

		Issued and fully paid ordinary shares of RM0.10 each		Non-distributable		Distributable		
Group	Note	Number of shares unit	Nominal value RM	Share premium reserve RM	Currency translation reserve RM	Retained earnings RM	Attributable to equity holders of the Company RM	Total equity RM
At 1 July 2005		75,000,000	7,500,000	0	(12,610)	4,509,367	11,996,757	11,996,757
Currency translation differences, representing total income and expense recognised directly in equity		0	0	0	(16,531)	0	(16,531)	(16,531)
Net profit for the financial year		0	0	0	0	9,091,328	9,091,328	9,091,328
Total recognised income and expense for the year		0	0	0	(16,531)	9,091,328	9,074,797	9,074,797
Dividend for financial year ended:								
- 30 June 2005	13	0	0	0	0	(2,040,000)	(2,040,000)	(2,040,000)
- 30 June 2006	13	0	0	0	0	(2,560,400)	(2,560,400)	(2,560,400)
Rights issue	24	20,400,000	2,040,000	0	0	0	2,040,000	2,040,000
Issue of ordinary shares:								
- 32,600,000 ordinary shares of RM0.10 each issued pursuant to the Initial Public Offering at an issue price of RM0.60 per ordinary share	24	32,600,000	3,260,000	16,300,000	0	0	19,560,000	19,560,000
- 481,000 ordinary shares of RM0.10 each issued pursuant to the ESOS at an issue price of RM0.60 per ordinary share	24	481,000	48,100	240,500	0	0	288,600	288,600
Share issue expenses in relation to the Initial Public Offering		0	0	(1,363,500)	0	0	(1,363,500)	(1,363,500)
At 30 June 2006		128,481,000	12,848,100	15,177,000	(29,141)	9,000,295	36,996,254	36,996,254

The summary of significant accounting policies and notes on pages 65 to 101 form an integral part of the financial statements.

		Issued and fully paid ordinary shares of RM0.10 each		Non-distributable		Distributable			
	Note	Number of shares	Nominal value	Share premium reserve	Currency translation reserve	Retained earnings	Attributable to equity holders of the Company	Minority interest	Total equity
Group		unit	RM	RM	RM	RM	RM	RM	RM
At 1 July 2006		128,481,000	12,848,100	15,177,000	(29,141)	9,000,295	36,996,254	0	36,996,254
Currency translation differences, representing total income and expense recognised directly in equity		0	0	0	(210,488)	0	(210,488)	0	(210,488)
Net profit for the financial year		0	0	0	0	11,315,112	11,315,112	(4,488)	11,310,624
Total recognised income and expense for the year		0	0	0	(210,488)	11,315,112	11,104,624	(4,488)	11,100,136
Dividend for financial year ended:									
- 30 June 2006	13	0	0	0	0	(2,588,660)	(2,588,660)	0	(2,588,660)
- 30 June 2007	13	0	0	0	0	(2,630,220)	(2,630,220)	0	(2,630,220)
Bonus issue	24	129,433,000	12,943,300	(12,943,300)	0	0	0	0	0
Issue of ordinary shares:									
- 952,000 ordinary shares of RM0.10 each issued pursuant to the ESOS at an issue price of RM0.60 per ordinary share	24	952,000	95,200	476,000	0	0	571,200	0	571,200
- 4,737,000 ordinary shares of RM0.10 each issued pursuant to the ESOS at an issue price of RM0.30 per ordinary share	24	4,737,000	473,700	947,400	0	0	1,421,100	0	1,421,100
Share issue expenses in relation to the bonus issue		0	0	(62,886)	0	0	(62,886)	0	(62,886)
Incorporation of a new subsidiary		0	0	0	0	0	0	30,000	30,000
At 30 June 2007		**263,603,000**	**26,360,300**	**3,594,214**	**(239,629)**	**15,096,527**	**44,811,412**	**25,512**	**44,836,924**

The summary of significant accounting policies and notes on pages 65 to 101 form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007 (CONTINUED)

		Issued and fully paid ordinary shares of RM0.10 each		Non-distributable	Distributable	
	Note	Number of shares	Nominal value	Share premium reserve	Retained earnings	Attributable to equity holders of the Company
		unit	RM	RM	RM	RM
Company						
At 1 July 2005		75,000,000	7,500,000	0	6,133,839	13,633,839
Net profit for the financial year		0	0	0	6,683,272	6,683,272
Dividend for financial year ended:						
- 30 June 2005	13	0	0	0	(2,040,000)	(2,040,000)
- 30 June 2006	13	0	0	0	(2,560,400)	(2,560,400)
Rights issue	24	20,400,000	2,040,000	0	0	2,040,000
Issue of ordinary shares:						
- 32,600,000 ordinary shares of RM0.10 each issued pursuant to the Initial Public Offering at an issue price of RM0.60 per ordinary share	24	32,600,000	3,260,000	16,300,000	0	19,560,000
- 481,000 ordinary shares of RM0.10 each issued pursuant to the ESOS at an issue price of RM0.60 per ordinary share	24	481,000	48,100	240,500	0	288,600
Share issue expenses in relation to the Initial Public Offering		0	0	(1,363,500)	0	(1,363,500)
At 30 June 2006		128,481,000	12,848,100	15,177,000	8,216,711	36,241,811

The summary of significant accounting policies and notes on pages 65 to 101 form an integral part of the financial statements.

	Note	Issued and fully paid ordinary shares of RM0.10 each: Number of shares	Issued and fully paid ordinary shares of RM0.10 each: Nominal value	Non-distributable: Share premium reserve	Distributable: Retained earnings	Attributable to equity holders of the Company
		unit	RM	RM	RM	RM
Company						
At 1 July 2006		128,481,000	12,848,100	15,177,000	8,216,711	36,241,811
Net profit for the financial year		0	0	0	10,633,050	10,633,050
Dividend for financial year ended:						
- 30 June 2006	13	0	0	0	(2,588,660)	(2,588,660)
- 30 June 2007	13	0	0	0	(2,630,220)	(2,630,220)
Bonus issue	24	129,433,000	12,943,300	(12,943,300)	0	0
Issue of ordinary shares:						
- 952,000 ordinary shares of RM0.10 each issued pursuant to the ESOS at an issue price of RM0.60 per ordinary share	24	952,000	95,200	476,000	0	571,200
- 4,737,000 ordinary shares of RM0.10 each issued pursuant to the ESOS at an issue price of RM0.30 per ordinary share	24	4,737,000	473,700	947,400	0	1,421,100
Share issue expenses in relation to the bonus issue		0	0	(62,886)	0	(62,886)
At 30 June 2007		**263,603,000**	**26,360,300**	**3,594,214**	**13,630,881**	**43,585,395**

The summary of significant accounting policies and notes on pages 65 to 101 form an integral part of the financial statements.

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
OPERATING ACTIVITIES				
Net profit attributable to equity holders of the Company	**11,315,112**	9,091,328	**10,633,050**	6,683,272
Adjustments for:				
Allowance for doubtful debts	**0**	1,303	**0**	192,603
Bad debts written off	**0**	0	**9,475**	30,641
Depreciation of plant and equipment	**6,839,420**	4,377,237	**4,165,882**	3,421,006
Gain on disposal of plant and equipment (net)	**(235,772)**	(6,718)	**(238,755)**	0
Interest expense	**168,544**	218,356	**157,947**	252,762
Interest income	**(534,576)**	(415,792)	**(427,282)**	(388,746)
Taxation	**(30,999)**	1,669,291	**17,289**	57,000
Net loss attributable to minority interest	**(4,488)**	0	**0**	0
Unrealised exchange loss	**211,210**	207,864	**0**	0
Write-off of plant and equipment	**0**	172,296	**0**	73,400
Write-off of set up cost	**0**	413,847	**0**	0
Operating profit before changes in working capital	**17,728,451**	15,729,012	**14,317,606**	10,321,938
Changes in working capital:				
Receivables	**(12,310,269)**	(4,006,546)	**(12,278,584)**	(517,608)
Payables	**(2,361,596)**	1,701,240	**(823,616)**	624,054
Intercompany balances	**0**	0	**(2,661,370)**	(6,512,774)
Net cash generated from/(used in) operations	**3,056,586**	13,423,706	**(1,445,964)**	3,915,610
Interest received	**534,576**	415,792	**427,282**	388,746
Taxation paid	**(3,981,990)**	(143,859)	**(54,264)**	(42,750)
Net cash flow (used in)/received from operating activities	**(390,828)**	13,695,639	**(1,072,946)**	4,261,606

	Note	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
INVESTING ACTIVITIES					
Incorporation of a new subsidiary		**0**	0	**(70,000)**	0
Proceeds from disposal of interest in a subsidiary		**30,000**	0	**4**	0
Proceeds from disposal of plant and equipment		**235,772**	132,635	**238,755**	0
Purchase of plant and equipment		**(9,684,363)**	(6,951,040)	**(4,861,815)**	(2,106,247)
Net cash flow used in investing activities		**(9,418,591)**	(6,818,405)	**(4,693,056)**	(2,106,247)
FINANCING ACTIVITIES					
Repayment of Al-Bai Bithaman Ajil Islamic Term Financing		**0**	(298,323)	**0**	0
Repayment of finance lease principal		**(1,336,076)**	(2,065,036)	**(1,083,055)**	(1,566,667)
Interest paid		**(168,544)**	(218,356)	**(157,947)**	(252,762)
Deposits with a licensed bank		**148,786**	1,600,000	**0**	0
Proceeds from issuance of shares		**1,992,300**	21,888,600	**1,992,300**	21,888,600
Payment of dividends		**(5,218,880)**	(4,600,400)	**(5,218,880)**	(4,600,400)
Payment of share issue expenses		**(62,886)**	(1,363,500)	**(62,886)**	(1,363,500)
Net cash flow (used in)/received from financing activities		**(4,645,300)**	14,942,985	**(4,530,468)**	14,105,271
NET (DECREASE)/INCREASE IN CASH AND AND CASH EQUIVALENTS		**(14,454,719)**	21,820,219	**(10,296,470)**	16,260,630
EFFECT OF FOREIGN EXCHANGE ON CASH AND CASH EQUIVALENTS		**(340,147)**	(491,554)	**0**	0
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		**21,971,674**	643,009	**17,077,791**	817,161
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	20	**7,176,808**	21,971,674	**6,781,321**	17,077,791

The summary of significant accounting policies and notes on pages 65 to 101 form an integral part of the financial statements.

1 GENERAL INFORMATION

The principal activities of the Company are that of an investment holding company and the provision of customer contact centre within the Business Process Outsourcing space. The Group provides customer contact centre outsourcing services, customer services training products as well as contact centre consulting and marketing services. The details of the principal activities of the subsidiaries are shown in Note 15 to the financial statements.

There has been no significant change in the principal activities of the Company and the Group during the financial year other than that of a subsidiary, Jade Apple Marketing Pte Ltd (formerly known as Scicom Teleservices Pte Ltd) and the incorporation of a new subsidiary, Jade Apple Marketing Sdn Bhd, respectively as disclosed in Note 15.

The Company is a public limited liability company incorporated and domiciled in Malaysia. The Company is listed on the MESDAQ Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

The address of the registered office of business of the Company is as follows:

Level 14, Uptown 1
No 1, Jalan SS 21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan

The address of the principal place of business is as follows:

25th Floor, Menara TA One
22 Jalan P. Ramlee
50250 Kuala Lumpur

2 BASIS OF PREPARATION

The financial statements of the Group and the Company have been prepared under the historical cost convention. The financial statements comply with Malaysian Accounting Standards Board ("MASB") approved accounting standards in Malaysia for Entities Other than Private Entities and the provisions of the Companies Act 1965.

The preparation of financial statements in conformity with Financial Reporting Standards ("FRS") requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

2 BASIS OF PREPARATION (CONTINUED)

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

(a) Standards, amendments to published standards and interpretations that are effective

The new accounting standards, amendments to published standards and IC Interpretations to existing standards effective for the Group's and Company's financial year beginning on or after 1 July 2006 are as follows:

- FRS 1 First-time Adoption of Financial Reporting Standards
- FRS 2 Share-based Payment
- FRS 3 Business Combinations
- FRS 101 Presentation of Financial Statements
- FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
- FRS 110 Events After the Balance Sheet Date
- FRS 116 Property, Plant and Equipment
- FRS 121 The Effects of Changes in Foreign Exchange Rates
- FRS 127 Consolidated and Separate Financial Statements
- FRS 132 Financial Instruments: Disclosure and Presentation
- FRS 133 Earnings per Share
- FRS 136 Impairment of Assets
- IC Interpretation 115 Operating Leases – Incentives
- IC Interpretation 121 Income Taxes – Recovery of Revalued Non-Depreciable Assets
- IC Interpretation 125 Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
- IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease

All changes in accounting policies have been made in accordance with the transitional provisions in the respective standards, amendments to published standards and interpretations. All standards, amendments and interpretations adopted by the Group require retrospective application other than:

- FRS 2 Retrospective application for all equity instruments granted after 31 December 2004 and not yet vested at 1 January 2006.
- FRS 3 Prospectively for business combinations for which the agreement date is or on after 1 January 2006.
- FRS 116 The exchange of property, plant and equipment is accounted at fair value prospectively.
- FRS 121 and 138 Prospective accounting for goodwill and fair value adjustments as part of foreign operations.
- FRS 136 Applies to goodwill and intangible assets acquired in business combinations for which the agreement date is on or after 1 January 2006, and all other assets prospectively from 1 January 2006.

The adoption of the above standards and interpretations has no significant impact on the accounting policies and the financial statements of the Group and the Company.

2 BASIS OF PREPARATION (CONTINUED)

(b) Standards, amendments to published standards and interpretations to existing standards that are not yet effective and have not been early adopted

The new standards that are mandatory for the Group's and the Company's for the next financial year or later periods, but which the Group has not early adopted, are as follows:

- FRS 117 Leases (effective for accounting periods beginning on or after 1 October 2006)

  Other than the classification of leasehold land as prepaid lease payments, which is not applicable to the Group and Company, this standard also re-emphasizes on the criteria for determining finance leases, and its related disclosure requirements. The Group will apply this standard from financial periods beginning 1 July 2007.

- FRS 124 Related Party Disclosures (effective for accounting periods beginning on or after 1 October 2006)

  This standard will affect the identification of related parties and some other related party disclosures. The Group will apply this standard from financial periods beginning 1 July 2007.

- FRS 139 Financial Instruments: Recognition and Measurement (effective date yet to be determined by the MASB)

  This new standard establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Hedge accounting is permitted only under strict circumstances. The Group will apply this standard when effective.

  In addition, MASB have issued a number of standards and interpretations that are not applicable to the Group. The Directors do not anticipate that the adoption of the said standards will have a material impact on the Group's financial statements in that period.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

(a) Investments in subsidiaries

Investments in subsidiaries are shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(d) on impairment of assets.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged/credited to the income statement.

(b) Subsidiaries

Subsidiaries are those corporations in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiaries acquired or disposed during the financial year are included from the date of acquisition to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' identifiable net assets are determined and the acquisition over the fair value of the Group's share of the subsidiaries' identifiable net assets at the date of acquisition is reflected as goodwill on consolidation.

Minority interest is measured at the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the acquiree. Separate disclosure is made of minority interest.

All intragroup transactions, balances and unrealised gains on intragroup transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of the net assets. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

Intragroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary is recognised in the consolidated income statement.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Plant and equipment

Plant and equipment are initially stated at cost, and subsequently at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Plant and equipment are depreciated on the straight line basis to write off the cost of the assets to their residual values over their estimated useful lives, summarised as follows:

Furniture and fittings	20%
Office equipment and computers	20% - 33 1/3%
Telecommunications equipment	20% - 33 1/3%
Office renovations	33 1/3% - 50%
Motor vehicles	20%

Computer software and development costs with economic benefits exceeding three years are capitalised where material. Computer software costs are amortised on a straight line basis over the estimated useful life of the software, which is between three to five years.

Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date.

All repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

At each balance sheet date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3(d) on impairment of assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Impairment of assets

Plant and equipment and other assets with finite lives (excluding deferred tax assets and prepayments) are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Non-financial assets with indefinite useful lives (such as goodwill) are not subject to amortisation, and are tested annually for impairment. Impairment loss is recognised for the amount by which the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level, for which there is separately identifiable cash flows (cash-generating unit). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

(e) Operating leases

Leases of assets under which a significant portion of risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the lease period.

(f) Finance leases

Leases of plant and equipment where the Group and the Company assumes substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a periodic constant rate of interest on the outstanding balance. The corresponding rental obligations, net of finance charges are included in borrowings. The interest element of the finance charge is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Plant and equipment acquired under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Trade receivables

Trade receivables are carried at invoiced amount less an estimate made for doubtful debts. The allowance is established when there is objective evidence that the Group and the Company will not be able to collect all amounts due according to the original terms of receivables. Bad debts are written off when identified.

(h) Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents comprise cash on hand, bank balances, deposits held at call with banks, bank overdrafts and short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts. Deposits held as pledged securities for bank overdrafts are not included in cash and cash equivalents.

(i) Share capital

(i) Classification

Ordinary shares with discretionary dividends are classified as equity.

Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

(ii) Share issue costs

External costs directly attributable to the issue of new shares are shown as a deduction, net of tax, in equity from the proceeds.

(iii) Dividends to equity holders of the Company

Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

(j) Borrowings

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective yield method, any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings. Interest is reported within finance cost in the income statement.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Income taxes

Current tax expenses are determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based upon the taxable profits, including withholding taxes payable by a foreign subsidiary on distributions of retained earnings to companies in the Group and real property gains taxes payable on disposal of properties (for countries other than Malaysia).

Deferred taxation is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred taxation assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred income tax is recognised on temporary differences arising on investment in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

(l) Employee and post-employment benefits

(i) Short-term employee benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group and the Company.

(ii) Post-employment benefits

<u>Defined contribution plans</u>

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

The Group makes contributions to post-employment funds under local laws and regulations in certain territories. The contributions are charged to the income statement in the period in which they relate. Once the contributions have been paid, the Group has no further payment obligations.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007 (CONTINUED)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Employee and post-employment benefits (continued)

(iii) Share-based compensation

The Group operates an equity-settled, share-based compensation plan for the employees of the Group, whereby employee services received are exchanged for the grant of share options on the Company's ordinary shares. However, the fair value of the Group's share-based compensation is not recognised as expense in the income statement, as the respective share option grants had already vested prior to the effective date of FRS 2, thus rendering the standard not applicable to the Group.

(m) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Group's activities. Revenue is shown net of sales taxes, rebates and discounts.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Sales of services

Revenue from rendering of services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

If circumstances arise that may change the original estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues, or costs and are reflected in income in the period in which the circumstances that give rise to the revision become known by management.

(ii) Other operating income

Other operating income comprises revenue earned on other services.

(iii) Finance income

Interest income is recognised on an accrual basis.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
(c) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale. Fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

(i) Financial instruments recognised on the balance sheet

The particular recognition method adopted for financial instruments recognised on the balance sheet is disclosed in the individual accounting policy notes associated with each item.

(ii) Fair value estimation for disclosure purposes

In assessing the fair value of other financial instruments, the Group and the Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for the specific or similar instruments are used for long-term debt. In particular, the fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

The face values of financial assets (less any estimated credit adjustments) and financial liabilities with a maturity period of less than one year are assumed to approximate their fair values.

(p) Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide services that are subject to risk and returns that are different from those of other business segments. Geographical segments provide services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expenses, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expenses, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other parties.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(i) Deferred tax assets

Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised.

(ii) Depreciation of plant and equipment

Depreciation is based on the Directors' estimates of the future average useful lives and residual values of the Group's plant and equipment. Estimates may change due to technological developments, expected level of usage, competition, market conditions and other factors, and could impact the estimated average useful lives and the residual values of these non-current assets, therefore resulting in future revisions in depreciation charges.

(b) Critical judgement in applying the entity's accounting policies

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy could materially affect the reported results and financial position of the Group. Certain accounting policies as disclosed under Note 3 require subjective judgement, often as a result of the need to make estimates (as highlighted above under Note 4 (a)) about the effect of the matters that are inherently uncertain.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007 (CONTINUED)

5 SEGMENT REPORTING

(a) Business segments

The Group is principally involved in a single line of business, namely the provision of customer contact centre within the Business Process Outsourcing ("BPO") space, and as such the segment disclosure on business segment are as reported in the income statement and balance sheet of the Group. The Group's business segment operates substantially from Malaysia.

(b) Geographical segments

In determining the geographical segments of the Group, revenue is based on the country in which the customer is located. There is no inter-segment revenue. Total assets and capital expenditure are determined based on where the assets are located.

The Group provides services to clients based in the following geographical areas:

	Revenue		Total assets		Capital expenditure	
	2007	**2006**	**2007**	**2006**	**2007**	**2006**
	RM	**RM**	**RM**	**RM**	**RM**	**RM**
Malaysia*	**4,254,784**	3,116,393	**37,806,611**	34,030,790	**4,925,682**	4,001,115
Singapore	**59,288,369**	47,722,368	**1,436,382**	127	**128,256**	0
United Kingdom	**3,945,634**	7,041,056	**19,085**	21,827	**0**	0
United States of America	**32,112,897**	15,289,541	**11,203,371**	13,061,693	**4,466,923**	4,686,506
Others	**9,401,052**	4,735,306	**2,238,585**	2,074,540	**163,502**	153,736
	109,002,736	77,904,664	**52,704,034**	49,188,977	**9,684,363**	8,841,357

* Group's home country

6 REVENUE

Revenue represents the invoiced value of the following types of services rendered:

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM	**RM**	**RM**	RM
Customer services	**106,470,736**	76,886,721	**77,957,839**	61,627,296
Training and consultancy	**1,596,104**	1,017,943	**0**	0
Loyalty programmes	**935,896**	0	**0**	0
	109,002,736	77,904,664	**77,957,839**	61,627,296

7 RENTAL EXPENSES

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Rental:				
- Apartments	**863,357**	591,459	**828,465**	561,203
- Offices	**3,392,571**	2,711,474	**2,733,844**	2,121,767
- Office equipment	**605,022**	747,999	**12,700**	157,698
- Others	**13,069**	33,936	**1,500**	6,475
	4,874,019	4,084,868	**3,576,509**	2,847,143

8 EMPLOYEE BENEFITS COSTS

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Salaries and bonuses	**66,232,902**	43,191,749	**40,014,026**	30,721,294
Defined contribution plans	**5,116,078**	3,213,322	**3,378,760**	2,541,697
Other employee benefits	**2,820,083**	1,547,555	**1,130,888**	686,816
	74,169,063	47,952,626	**44,523,674**	33,949,807
Directors' remuneration:				
- Salaries	**607,992**	607,992	**607,992**	607,992
	74,777,055	48,560,618	**45,131,666**	34,557,799

The estimated monetary value of benefits-in-kind receivable by a Director of the Group during the financial year amounted to RM17,700 (2006: RM20,054).

9 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Auditors' remuneration:				
- PricewaterhouseCoopers, Malaysia	**151,250**	107,000	**88,000**	88,000
- Overseas affiliate of PricewaterhouseCoopers, Malaysia	**17,955**	13,671	**0**	0
- Other auditors	**24,078**	26,076	**0**	0
Directors' fees	**107,744**	109,406	**106,000**	106,000
Other professional fees	**772,016**	951,359	**322,090**	538,313
Office supplies expenses	**841,713**	714,148	**434,201**	543,988
Recruitment expenses	**315,557**	378,260	**115,881**	227,825
Allowance for doubtful debts	**0**	1,303	**0**	192,603
Bad debts written off	**0**	0	**9,475**	30,641
Marketing expenses	**355,809**	327,995	**288,542**	226,546
Entertainment expenses	**133,071**	129,529	**88,981**	123,163
Immigration expenses	**539,060**	381,864	**533,304**	374,080
Software support	**287,076**	0	**0**	0
Realised exchange (gain)/loss	**(103,912)**	155,559	**(168,190)**	157,903
Unrealised exchange loss	**211,210**	207,864	**0**	0
Gain on disposal of plant and equipment (net)	**(235,772)**	(6,718)	**(238,755)**	0
Write-off of plant and equipment	**0**	172,296	**0**	73,400
Write-off of set up cost	**0**	413,847	**0**	0
Other miscellaneous expenses	**794,867**	163,028	**527,072**	1,472,316

The above charges/(credits) are included under other operating expenses.

10 NET FINANCE INCOME

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Fixed deposit interest income	**534,576**	415,792	**427,282**	388,746
Interest expenses:				
- finance lease	**(146,464)**	(200,231)	**(135,867)**	(242,696)
- bank overdraft	**(5,546)**	(13,660)	**(5,546)**	(10,066)
- Al-Bai Bithaman Ajil Islamic Term Financing	**0**	(4,465)	**0**	0
- others	**(16,534)**	0	**(16,534)**	0
	366,032	197,436	**269,335**	135,984

11 TAXATION

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Current taxation:				
- Malaysian tax	**18,073**	57,000	**17,289**	57,000
- foreign tax	**195,133**	1,788,265	**0**	0
Overaccrual in prior year	**(68,484)**	0	**0**	0
Deferred tax (Note 23)	**(175,721)**	(175,974)	**0**	0
	(30,999)	1,669,291	**17,289**	57,000

The taxation charge for the Company is in respect of interest income. The Company was awarded the Multimedia Super Corridor ("MSC") status on 7 November 2002. In association with the MSC status, the Company was awarded pioneer status which accords the Company with five years of income tax exemption on the Company's statutory income which is renewable for a second five-year term.

The Malaysian current income tax is calculated at the statutory tax rate of 27% (2006: 28%) of the estimated assessable profit for the year, effective year of assessment 2007. The domestic statutory tax rate will be further reduced to 26% effective year of assessment 2008. The revisions of the domestic statutory tax rates do not have any deferred tax implication on the Group as at 30 June 2007.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The explanation of the relationship between taxation expense and profit before taxation is as follows:

	Group 2007 %	Group 2006 %	Company 2007 %	Company 2006 %
Numerical reconciliation between the average effective tax rate and the Malaysian tax rate:				
Malaysian tax rate	**27**	28	**27**	28
Tax effects of:				
- Expenses not deductible for tax purposes	**1**	5	**2**	3
- Effect of different tax rate from foreign subsidiaries	**0**	4	**0**	0
- Income not subject to tax	**(28)**	(21)	**(28)**	(30)
- Overaccrual in prior year	**(1)**	0	**0**	0
Average effective tax rate	**(1)**	16	**1**	1

12 EARNINGS PER SHARE

(i) Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the net profit for the financial year by the weighted average number of issued ordinary shares during the financial year. The weighted average number of issued ordinary shares, and the resulting basic earnings per share for the previous financial year has been retrospectively adjusted accordingly to account for the bonus shares issued on 13 October 2006.

	Group 2007	Group 2006
Net profit for the financial year attributable to equity holders of the Company (RM'000)	**11,315**	9,091
Weighted average number of issued ordinary shares ('000)	**261,054**	235,916
Basic earnings per share (sen)	**4.33**	3.86

(ii) Diluted earnings per share

Diluted earnings per share of the Group is calculated by dividing the net profit for the financial year by the adjusted weighted average number of issued ordinary shares during the financial year. The weighted average number of issued ordinary shares has been adjusted assuming conversion of share options which represents the dilutive potential of the shares. There is only one category of dilutive potential ordinary shares, which is share options granted to employees under the ESOS. The weighted average number of issued ordinary shares, and the resulting diluted earnings per share for the previous financial year has been retrospectively adjusted accordingly to account for the bonus shares issued on 13 October 2006.

	2007	2006
Net profit for the financial year attributable to equity holders of the Company (RM'000)	**11,315**	9,091
Weighted average number of issued ordinary shares ('000)	**261,054**	235,916
Adjustment for share options granted ('000)	**4,926**	4,264
Adjusted weighted average number of issued ordinary shares for diluted earnings per share ('000)	**265,980**	240,180
Diluted earnings per share (sen)	**4.25**	3.79

13 DIVIDENDS

	Group and Company			
	2007		2006	
	Gross dividend per share	Amount of dividend	Gross dividend per share	Amount of dividend
	sen	RM	sen	RM
Interim dividend	**1.0**	**2,630,220**	2.0	2,560,400
Final dividend	**0.0**	**0**	2.0	2,588,660
Dividend in respect of the financial year	**1.0**	**2,630,220**	4.0	5,149,060

In addition, the Directors have also proposed a final dividend of 1 sen per ordinary share, tax exempt in respect of the financial year ended 30 June 2007 amounting to RM2,636,030 is subject to the approval of shareholders at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2008.

14 PLANT AND EQUIPMENT

	As at 1.7.2006	Additions	Reclassi-fications	Write-offs	Disposals	Currency translation differences	As at 30.6.2007
	RM	RM	RM	RM	RM	RM	RM
2007							
Group							
At cost							
Furniture and fittings	2,061,919	413,012	(30,590)	0	0	(8)	**2,444,333**
Office equipment and computers	11,008,083	1,461,082	2,178,820	(58,594)	(106,793)	(26,269)	**14,456,329**
Telecommunications equipment	3,736,589	1,669,704	3,728,237	0	0	(193,321)	**8,941,209**
Software	4,488,151	1,078,903	902,751	0	(5,036)	(16,375)	**6,448,394**
Office renovations	2,590,812	559,496	1,238,989	0	0	(42,724)	**4,346,573**
Motor vehicles	1,144,089	0	0	0	0	0	**1,144,089**
Capital work-in-progress	3,654,493	4,502,166	(8,018,207)	0	0	(135,547)	**2,905**
	28,684,136	9,684,363	0	(58,594)	(111,829)	(414,244)	**37,783,832**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007 (CONTINUED)

14 PLANT AND EQUIPMENT (CONTINUED)

	As at 1.7.2006	Charge for the financial year	Reclassi-fications	Write-offs	Disposals	Currency translation differences	As at 30.6.2007
	RM	RM	RM	RM	RM	RM	RM
2007							
Group							
Accumulated depreciation							
Furniture and fittings	1,251,774	403,456	(18,737)	0	0	(8)	**1,636,485**
Office equipment and computers	4,872,980	3,291,760	(842,687)	(58,594)	(106,039)	(29,774)	**7,127,646**
Telecommunications equipment	1,926,650	862,692	0	0	0	(61,793)	**2,727,549**
Software	2,033,964	1,135,442	861,424	0	(2,754)	(1,509)	**4,026,567**
Office renovations	2,113,318	987,550	0	0	0	(13,446)	**3,087,422**
Motor vehicles	679,925	158,520	0	0	0	0	**838,445**
	12,878,611	6,839,420	0	(58,594)	(108,793)	(106,530)	**19,444,114**

	As at 1.7.2005	Additions	Reclassi-fications	Write-offs	Disposals	Currency translation differences	As at 30.6.2006
	RM	RM	RM	RM	RM	RM	RM
2006							
Group							
At cost							
Furniture and fittings	2,003,480	112,350	0	0	0	(53,911)	2,061,919
Office equipment and computers	10,102,567	1,321,674	39,069	(349,045)	0	(106,182)	11,008,083
Telecommunications equipment	2,457,452	1,284,465	0	0	0	(5,328)	3,736,589
Software	3,173,745	1,496,932	0	(146,800)	0	(35,726)	4,488,151
Office renovations	2,054,091	557,606	0	0	0	(20,885)	2,590,812
Motor vehicles	994,089	385,000	0	0	(235,000)	0	1,144,089
Capital work-in-progress	39,069	3,683,330	(39,069)	0	0	(28,837)	3,654,493
	20,824,493	8,841,357	0	(495,845)	(235,000)	(250,869)	28,684,136

14 PLANT AND EQUIPMENT (CONTINUED)

	As at 1.7.2005 RM	Charge for the financial year RM	Reclassi-fications RM	Write-offs RM	Disposals RM	Currency translation differences RM	As at 30.6.2006 RM
2006							
Group							
Accumulated depreciation							
Furniture and fittings	912,089	357,751	0	0	0	(18,066)	1,251,774
Office equipment and computers	3,283,253	1,894,791	0	(250,149)	0	(54,915)	4,872,980
Telecommunications equipment	1,335,959	591,294	0	0	0	(603)	1,926,650
Software	1,261,277	862,512	0	(73,400)	0	(16,425)	2,033,964
Office renovations	1,637,686	494,322	0	0	0	(18,690)	2,113,318
Motor vehicles	612,441	176,567	0	0	(109,083)	0	679,925
	9,042,705	4,377,237	0	(323,549)	(109,083)	(108,699)	12,878,611

	2007 RM	2006 RM
Group		
Net book value		
Furniture and fittings	**807,848**	810,145
Office equipment and computers	**7,328,683**	6,135,103
Telecommunications equipment	**6,213,660**	1,809,939
Software	**2,421,827**	2,454,187
Office renovations	**1,259,151**	477,494
Motor vehicles	**305,644**	464,164
Capital work-in-progress	**2,905**	3,654,493
	18,339,718	15,805,525

14 PLANT AND EQUIPMENT (CONTINUED)

	As at 1.7.2006 RM	Additions RM	Disposals/ Write-offs RM	Reclassi-fications RM	As at 30.6.2007 RM
2007					
Company					
At cost					
Furniture and fittings	935,847	393,796	0	(30,590)	**1,299,053**
Office equipment and computers	6,398,349	1,302,619	(58,594)	(470,092)	**7,172,282**
Telecommunications equipment	2,732,200	1,671,676	0	0	**4,403,876**
Software	3,553,923	968,054	0	500,682	**5,022,659**
Office renovations	1,557,887	525,670	0	0	**2,083,557**
Motor vehicles	387,174	0	0	0	**387,174**
	15,565,380	4,861,815	(58,594)	0	**20,368,601**

	As at 1.7.2006 RM	Charge for the financial year RM	Disposals/ Write-offs RM	Reclassi-fications RM	As at 30.6.2007 RM
Accumulated depreciation					
Furniture and fittings	392,697	301,627	0	(18,737)	**675,587**
Office equipment and computers	1,567,769	2,018,679	(58,594)	(839,107)	**2,688,747**
Telecommunications equipment	1,784,614	234,039	0	0	**2,018,653**
Software	1,177,391	946,706	0	857,844	**2,981,941**
Office renovations	1,080,392	586,325	0	0	**1,666,717**
Motor vehicles	71,172	78,506	0	0	**149,678**
	6,074,035	4,165,882	(58,594)	0	**10,181,323**

14 PLANT AND EQUIPMENT (CONTINUED)

2006 Company At cost	As at 1.7.2005 RM	Additions RM	Disposals/ Write-offs RM	As at 30.6.2006 RM
Furniture and fittings	856,310	79,537	0	935,847
Office equipment and computers	5,212,045	1,186,304	0	6,398,349
Telecommunications equipment	2,404,390	327,810	0	2,732,200
Software	2,240,416	1,460,307	(146,800)	3,553,923
Office renovations	1,000,281	557,606	0	1,557,887
Motor vehicles	2,174	385,000	0	387,174
	11,715,616	3,996,564	(146,800)	15,565,380

Accumulated depreciation	As at 1.7.2005 RM	Charge for the financial year RM	Disposals/ Write-offs RM	As at 30.6.2006 RM
Furniture and fittings	138,895	253,802	0	392,697
Office equipment and computers	234,039	1,333,730	0	1,567,769
Telecommunications equipment	1,334,900	449,714	0	1,784,614
Software	373,657	877,134	(73,400)	1,177,391
Office renovations	644,777	435,615	0	1,080,392
Motor vehicles	161	71,011	0	71,172
	2,726,429	3,421,006	(73,400)	6,074,035

Net book value	2007 RM	2006 RM
Furniture and fittings	**623,466**	543,150
Office equipment and computers	**4,483,535**	4,830,580
Telecommunications equipment	**2,385,223**	947,586
Software	**2,040,718**	2,376,532
Office renovations	**416,840**	477,495
Motor vehicles	**237,496**	316,002
	10,187,278	9,491,345

14 PLANT AND EQUIPMENT (CONTINUED)

Net book values of plant and equipment acquired under finance leases are as follows:

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Office equipment and computers	**711,484**	1,088,129	**711,484**	1,088,129
Telecommunications equipment	**699,822**	1,143,753	**699,822**	1,143,753
Software	**580,907**	773,810	**580,907**	773,810
Motor vehicles	**237,417**	462,579	**237,417**	314,417
	2,229,630	3,468,271	**2,229,630**	3,320,109

15 INVESTMENT IN SUBSIDIARIES

	Company	
	2007 RM	2006 RM
Unquoted shares at cost	**645,986**	575,990

Details of the subsidiaries are as follows:

Name	Group's effective interest 2007 %	2006 %	Principal activities
Incorporated in Malaysia			
Scicom (Academy) Sdn Bhd *	100	100	Provides customer service training products as well as contact centre consulting and marketing services.
Jade Apple Marketing Sdn Bhd * #	70	0	Investment holding.
Incorporated in India			
Scicom Contact Centre Services Private Limited ^	100	100	Provides customer contact centre outsourcing services.
Incorporated in United Kingdom			
Scicom International (UK) Ltd *	100	100	Investment holding.

15 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name	Group's effective interest 2007 %	Group's effective interest 2006 %	Principal activities
Incorporated in Singapore			
Subsidiary of Jade Apple Marketing Sdn Bhd			
Jade Apple Marketing Pte Ltd (formerly known as Scicom Teleservices Pte Ltd) ** ##	70	100	Provides consultancy and training services as well as manage loyalty programmes.
Incorporated in United States of America			
Subsidiary of Scicom International (UK) Ltd			
Scicom Inc *	100	100	Provides customer contact centre outsourcing services.

* Audited by PricewaterhouseCoopers, Malaysia.

** Audited by member firms of PricewaterhouseCoopers International Limited which are separate and independent legal entities from PricewaterhouseCoopers, Malaysia.

^ Audited by a firm other than PricewaterhouseCoopers, Malaysia and its affiliates.

\# On 29 November 2006, the Company paid RM70,000 in cash to subscribe for 70% equity interest in this newly incorporated company.

\## On 29 November 2006, the Company had transferred its 100% interest in Jade Apple Marketing Pte Ltd, to its newly incorporated subsidiary, Jade Apple Marketing Sdn Bhd, in which the Group has a 70% interest, which resulted in the Group's effective interest in Jade Apple Marketing Pte Ltd decreased to 70%.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007 (CONTINUED)

16 TRADE RECEIVABLES

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Trade receivables	**19,861,033**	8,386,897	**16,050,503**	4,517,230
Less: Allowance for doubtful debts	**0**	(1,303)	**0**	(1,303)
	19,861,033	8,385,594	**16,050,503**	4,515,927
The currency exposure profile of trade receivables is as follows:				
- RM	**1,752,930**	1,894,671	**1,192,849**	1,624,010
- United States Dollar ("USD")	**11,733,931**	5,105,987	**9,439,280**	1,553,981
- Singapore Dollar ("SGD")	**3,667,298**	0	**2,711,500**	0
- Euro	**1,960,051**	660,455	**1,960,051**	613,455
- British Pound Sterling ("GBP")	**384,419**	724,481	**384,419**	724,481
- Australian Dollar ("AUD")	**362,404**	0	**362,404**	0
	19,861,033	8,385,594	**16,050,503**	4,515,927

Credit terms of trade receivables range from 60 to 90 days (2006: 30 to 90 days).

17 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Deposits	**2,026,249**	1,806,429	**1,445,538**	1,238,108
Other receivables	**724,389**	293,030	**672,002**	266,599
Income tax recoverable	**2,469,216**	17,449	**22,725**	0
	5,219,854	2,116,908	**2,140,265**	1,504,707
Prepayments	**1,177,202**	739,184	**544,423**	413,248
	6,397,056	2,856,092	**2,684,688**	1,917,955
The currency exposure profile of deposits and other receivables is as follows:				
- RM	**2,277,948**	1,274,424	**2,125,346**	1,256,975
- USD	**2,354,455**	293,088	**13,688**	247,732
- SGD	**27,874**	0	**1,231**	0
- Indian Rupee ("INR")	**540,594**	531,534	**0**	0
- GBP	**18,983**	17,862	**0**	0
	5,219,854	2,116,908	**2,140,265**	1,504,707

18 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Group	
	2007	**2006**
	RM	**RM**
Amounts due from subsidiaries	**12,654,737**	9,998,790
Less: Allowance for doubtful debts	**(516,542)**	(516,542)
	12,138,195	9,482,248
Amount due to a subsidiary	**(4,052)**	0
The currency exposure profile of intercompany balances is as follows:		
- RM	**11,679,227**	9,482,248
- USD	**454,916**	0
	12,134,143	9,482,248

The amounts due from/(to) subsidiaries are unsecured, interest free and have no fixed terms of repayment.

19 DEPOSITS WITH A LICENCED BANK

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM	**RM**	**RM**	**RM**
Deposits with a licensed bank	**7,632,194**	16,334,058	**7,466,153**	16,185,272

Deposits with a licensed bank of RM148,786 in the previous financial year were pledged for banking facilities granted to subsidiaries of the Company.

The weighted average maturity days of placement of funds with a licensed bank are as follows:

	Group	
	2007	**2006**
	Days	**Days**
Deposits with a licensed bank	**446**	457

20 CASH AND CASH EQUIVALENTS

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM	**RM**	**RM**	**RM**
Cash and bank balances	**277,006**	5,786,402	**47,560**	892,519
Deposits with a licensed bank	**7,632,194**	16,334,058	**7,466,153**	16,185,272
Deposits pledged for banking facilities granted to subsidiaries	**0**	(148,786)	**0**	0
Bank overdraft (Note 22)	**(732,392)**	0	**(732,392)**	0
	7,176,808	21,971,674	**6,781,321**	17,077,791
The currency exposure profile of cash and cash equivalents is as follows:				
- RM	**6,846,806**	16,386,188	**6,753,484**	16,261,503
- USD	**72,917**	5,567,016	**27,837**	0
- INR	**233,683**	18,222	**0**	816,288
- SGD	**23,300**	127	**0**	0
- GBP	**102**	121	**0**	0
	7,176,808	21,971,674	**6,781,321**	17,077,791

The weighted average interest rate of bank balances that was effective at the financial year end is as follows:

	Group	
	2007	**2006**
	%	**%**
Bank balances	**4.46**	4.46

21 PAYABLES AND ACCRUALS

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Current				
Trade payables	**1,776,615**	897,204	**1,754,112**	476,074
Accruals	**890,500**	1,294,531	**369,115**	1,247,141
Performance-related bonus	**1,294,530**	1,836,337	**783,397**	1,225,896
Other payroll-related liabilities	**1,346,569**	2,215,232	**765,109**	574,018
Other payables	**243,034**	1,639,846	**66,078**	1,038,298
	5,551,248	7,883,150	**3,737,811**	4,561,427
Non-current				
Accruals	**4,774**	34,468	**0**	0
	5,556,022	7,917,618	**3,737,811**	4,561,427
The currency exposure profile of payables and accruals is as follows:				
- RM	**3,361,356**	4,459,657	**3,136,081**	4,183,324
- USD	**1,446,560**	2,540,924	**568,466**	362,302
- INR	**606,842**	824,124	**0**	0
- SGD	**93,018**	61,824	**25,000**	15,801
- GBP	**48,246**	31,089	**8,264**	0
	5,556,022	7,917,618	**3,737,811**	4,561,427

Credit terms of trade payables range from cash-basis to 120 days (2006: 30 to 120 days).

22 BORROWINGS (SECURED AND INTEREST-BEARING)

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Current				
Finance lease liabilities	**945,887**	1,260,472	**945,887**	1,174,104
Bank overdraft (Note 20)	**732,392**	0	**732,392**	0
	1,678,279	1,260,472	**1,678,279**	1,174,104
Non-current				
Finance lease liabilities	**214,826**	1,236,317	**214,826**	1,069,664
	1,893,105	2,496,789	**1,893,105**	2,243,768

22 BORROWINGS (SECURED AND INTEREST-BEARING) (CONTINUED)

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Maturity profile of borrowings:				
- not later than one year	**1,678,279**	1,260,472	**1,678,279**	1,174,104
- later than one year and not later than five years	**214,826**	1,236,317	**214,826**	1,069,664
	1,893,105	2,496,789	**1,893,105**	2,243,768

All borrowings are denominated in RM, which also represents the Company's functional currency.

Bank overdraft

The Company was granted a bank overdraft facility amounting to RM2.6million on 4 August 2005. The bank overdraft is to be utilised for working capital purposes.

(a) The bank overdraft is secured by debentures over all fixed and floating assets of the Company in respect of general banking facilities owing from time to time including future advances with unlimited covenant to pay on the part of the Company up-stamped at ad valorem duty to secure RM2,600,000.

(b) The covenants underlying this facility are:

- The Company maximum gearing ratio at 2:1 at any one time;
- The Company must not provide advances to directors/shareholders without the bank's consent in writing; and
- The Company's Tangible Networth must be at least RM10,000,000 at all time.

The effective interest rate of the bank overdraft as at the balance sheet date is 9.25% (2006: 8.75%) per annum.

Finance lease liabilities

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

The effective interest rates of the finance lease liabilities as at the balance sheet date ranged from 4.37% to 14.96% (2006: 4.37%to 14.96%).

22 BORROWINGS (SECURED AND INTEREST-BEARING) (CONTINUED)

The minimum lease payments to the Group and the Company at the balance sheet date are as follows:

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Minimum lease payments:				
- not later than one year	**1,043,724**	1,473,941	**1,043,724**	1,373,121
- later than one year and not later than five years	**225,413**	1,357,823	**225,413**	1,176,981
	1,269,137	2,831,764	**1,269,137**	2,550,102
Future finance charges on finance leases	**(63,283)**	(251,939)	**(63,283)**	(223,298)
Future maintenance charges on finance leases	**(45,141)**	(83,036)	**(45,141)**	(83,036)
Present value of finance lease liabilities	**1,160,713**	2,496,789	**1,160,713**	2,243,768

23 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	Group	
	2007 RM	2006 RM
Deferred tax assets	**197,027**	21,306
At beginning of financial year	**21,306**	(154,668)
Credited/(charged) to income statement (Note 11):		
- plant and equipment and intangible assets	**(322,222)**	(51,505)
- tax losses	**496,758**	0
- provisions	**1,185**	227,479
	175,721	175,974
At end of financial year	**197,027**	21,306

23 DEFERRED TAXATION (CONTINUED)

	Group	
	2007 RM	2006 RM
Deferred tax assets (before offsetting)		
- tax losses	**496,758**	0
- provisions	**161,934**	250,579
	658,692	250,579
Offsetting	**(461,665)**	(229,273)
Deferred tax assets (after offsetting)	**197,027**	21,306
Deferred tax liabilities (before offsetting)		
- plant and equipment and intangible assets	**(461,665)**	(229,273)
Offsetting	**461,665**	229,273
Deferred tax liabilities (after offsetting)	**0**	0

24 SHARE CAPITAL

(a) Share capital

	Company	
	2007 RM	2006 RM
Authorised ordinary shares of RM0.10 each:		
At beginning of financial year	**25,000,000**	25,000,000
Created during the financial year	**75,000,000**	0
At end of financial year	**100,000,000**	25,000,000
Issued and fully paid ordinary shares of RM0.10 each:		
At beginning of financial year	**12,848,100**	7,500,000
Bonus shares issued during the financial year	**12,943,300**	0
Issued during the financial year:		
- Rights issue of shares	**0**	2,040,000
- Initial Public Offering	**0**	3,260,000
- ESOS	**568,900**	48,100
At end of financial year	**26,360,300**	12,848,100

On 13 October 2006 ("the bonus issue date"), the Company completed a bonus issue of 129,433,000 new ordinary shares of RM0.10 each on the basis of one new ordinary share for every existing ordinary share held in the Company, by way of capitalisation of the share premium reserve.

24 SHARE CAPITAL (CONTINUED)

(a) Share capital (continued)

During the year, the following new ordinary shares were issued by the Company for cash by virtue of the exercise of options pursuant to the Company's ESOS:

- 952,000 new ordinary shares of RM0.10 each at an exercise price of RM0.60; and
- 4,737,000 new ordinary shares of RM0.10 each at an exercise price of RM0.30.

(b) Employee Share Option Scheme

The ESOS was implemented on 23 September 2005 for the benefit of eligible employees and Directors of the Group and of the Company.

The ESOS Committee comprising certain appointed Directors was set up to administer the ESOS, who may from time to time offer share options to eligible employees and Directors of the Group and the Company to subscribe for new ordinary shares of RM0.10 each in the Company.

The salient features of the ESOS are as follows:

- The total number of ordinary shares to be issued by the Company under the ESOS shall not exceed 10% of the total issued and paid-up ordinary shares of the Company, such that not more than 50% of the shares available under the ESOS is allocated, in aggregate, to directors and senior management;
- Not more than 10% of the total shares available under the ESOS is allocated to any eligible employee of the Group who either singly or collectively through persons connected with the Executive Director or employee concerned holds 20% or more of the issued and paid-up share capital of the Company;
- Only Employees confirmed in service at the Date of Offer which fall under one of the categories of Eligible Employees listed in By-Law 6.1, shall be eligible to participate in the Scheme;
- The Subscription Price of each share comprised in any Offer made in conjunction with the Company's listing on the MESDAQ Market of Bursa Securities shall be at the initial public offer price of RM0.60 per ordinary share. In respect of any Offer made subsequently to the Company's listing, the Subscription Price of each share will be at a discount of not more than ten per centum (10%) to the weighted average market price of the shares for the five Market Days immediately preceding the Date of Offer and the price so determined shall not be less than the par value of the shares;
- The shares to be allotted upon the exercise of any Options will, upon allotment and issue, rank pari passu in all respects with the existing issued and paid-up ordinary shares of the Company, except that the new shares will not be entitled to any dividends, rights, allotments or other distributions, the Entitlement Date of which is prior to the date of allotment of the said shares. The new shares will be subject to all the provisions of the Articles of Association of the Company;

24 SHARE CAPITAL (CONTINUED)

(b) Employee Share Option Scheme (continued)

- The options granted are exercisable at the end of each quarter beginning from the first quarter after grant date and have a contractual option term between two to five years dependent on the employees' banding. The employees' entitlements to the options are vested as soon as they are granted; and
- In the event of any alteration in the capital structure of the Company during the Option period, whether by way of rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of Scicom Shares or reduction of capital or otherwise howsoever, the Company shall cause such adjustment to be made to:

  a) the number of Options granted to each Grantee (excluding Options already exercised); and/or

  b) the subscription price

  for purposes of ensuring that the capital outlay to be incurred by a Grantee in subscribing for the same proportion of the issued capital of the Company as that to which he was entitled prior to the event giving rise to such adjustment (not taking into account Options already exercised) shall remain unaffected.

The movements during the financial year in the number of options over the ordinary shares of RM0.10 each in the Company are as follows:

		Number of options over ordinary shares of RM0.10 each in the Company				
Grant date	Expiry date	As at 1 June 2006 '000	Adjust-ment * '000	Exercised '000	Retired '000	As at 30 June 2007 '000
2007						
23.9.2005	22.9.2010	4,960	4,099	(3,331)	(178)	**5,550**
23.9.2005	22.9.2008	2,717	2,191	(2,208)	(511)	**2,189**
23.9.2005	22.9.2007	205	215	(150)	(20)	**250**
		7,882	6,505	(5,689)	(709)	**7,989**

* The Company made an adjustment to the number and subscription price of the existing share options in accordance with the requirements of Articles 15.1 and 15.3 respectively of the ESOS By-Laws, which requires the share options to be adjusted if the Company alters its capital structure by way of bonus issue. The adjustment resulted in the subscription price for the options being revised to RM0.30 per ordinary share, and the total number of share options were adjusted based on any unexercised options as at the date of the bonus shares issued. There were no share options granted during the financial year.

	2007	2006
Number of share options vested as at the balance sheet date ('000)	**8,698**	8,363

24 SHARE CAPITAL (CONTINUED)

(b) Employee Share Option Scheme (continued)

Details relating to options over ordinary shares of RM0.10 each exercised during the financial year were as follows:

Exercise date	Fair value of shares RM per share	Number of Exercise price RM per share	Number of share issued '000
31 July 2006	0.92	0.60	952
31 October 2006	0.66	0.30	1,867
31 January 2007	0.62	0.30	2,289
4 May 2007	0.55	0.30	581
			5,689

The share options over ordinary shares of RM0.10 each exercised during the year and the fair value, at exercise date, of shares issued are as follows:

	Group and Company 2007 RM
Ordinary share capital at par	**568,900**
Share premium	**1,423,400**
Proceeds received on exercise of share options	**1,992,300**
Fair value at exercise date of shares issued	**3,846,790**

25 RETAINED EARNINGS

Subject to agreement by the tax authorities, the Company has tax exempt income under the Promotion of Investments Act, 1986 and tax credit under Section 108 of the Malaysian Income Tax Act 1967 of RM21,202,331 (2006: RM14,936,306) and RM97,014 (2006: RM42,750) respectively, to frank dividends out of its entire retained earnings.

26 COMMITMENTS

(a) Capital expenditure

Capital expenditure authorised by the Directors not provided for in the financial statements are as follows:

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Authorised and contracted:				
- Plant and equipment	**674,606**	4,719,210	**616,627**	1,512,002
Authorised but not contracted:				
- Plant and equipment	**11,364**	497,412	**0**	0

(b) Non-cancellable operating lease commitments

The future minimum lease payments under non-cancellable operating leases are as follows:

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
- not later than one year	**3,705,563**	3,583,658	**3,262,541**	2,734,246
- later than one year and not later than five years	**1,047,112**	1,112,431	**1,022,206**	929,979
	4,752,675	4,696,089	**4,284,747**	3,664,225

27 POST BALANCE SHEET EVENT

On 17 July 2007, the Company had entered into a Memorandum of Understanding ("MOU") with PT Infomedia Nusantara ("Infomedia"), a company incorporated in Republic of Indonesia, whereby Infomedia wishes to further develop its call centre business and has identified the Company as a party which can provide the necessary operational, technical and strategic input to further develop its business. The MOU is valid for one year from the date of signing.

The Board of Directors is of the opinion that that the MOU provides the Group an opportunity to participate in Indonesia's growing BPO industry. The MOU does not require approvals from the Company's shareholders and/or other authorities.

The above event does not have any material effect on the Group's and the Company's financial statements for the financial year.

28 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group's and the Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk, foreign exchange risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to minimise any potential adverse effects on the financial performance of the Group and the Company.

(a) Credit risk

Credit risk arises from sales made on deferred credit terms. The Group and the Company manage this risk by monitoring credit ratings and limiting the aggregate financial exposure to any individual company within the Group. The Group and the Company extend credit to customers based on evaluation of the customer's financial position or creditworthiness. The Group and the Company do not expect any third parties to fail to meet their obligations.

Concentrations of credit risk with respect to trade receivables are to a few customers. The Group and the Company's historical experience in collection of trade receivables falls within recorded allowances, where needed. Management believes that no additional credit risk beyond amounts provided for doubtful debts is inherent in the Group's and the Company's trade receivables.

(b) Liquidity risk

The Group and the Company practise prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient funding requirements for working capital purposes. The Group and the Company aims to maintain flexibility in funding by keeping a committed overdraft facility available (see Note 22).

(c) Currency risk

The Group and the Company operate internationally and are exposed to fluctuation in various currencies, mainly the USD, SGD, INR, GBP, Euro and AUD. The Group has potential foreign exchange exposure in net investments in its foreign subsidiaries and in those financial instruments denominated in foreign currencies.

The Group and the Company are also exposed to foreign exchange risk on sales and purchases that are denominated in a currency other than RM. The Group and the Company manage this risk by pegging most material contracts with its customers to the RM.

The currency exposure of unhedged financial assets and financial liabilities of the Group and the Company that are not denominated in the functional currency of the respective companies is set out under their respective Notes.

28 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(d) Interest rate risk

Fair value interest rate risk

The Group's exposure to risk that the value of a financial instrument will fluctuate due to changes in market interest rates can be seen in Note 28(e).

Cash flow interest rate risk

The Group's and the Company's exposure to interest rate risk is limited to its financing through finance lease facilities. It is the Group's policy to source for the most favourable interest rate available.

The Group's surplus funds are deposited with licensed financial institutions at the most favourable interest rate.

(e) Fair values

The carrying amounts of financial assets and liabilities of the Group and the Company at the balance sheet date approximated their fair values except as set out below:

	Group and Company	
	Carrying amount RM	Fair value RM
Finance lease liabilities (non-current portion)	**1,176,981**	1,048,572

In assessing the fair values of finance lease liabilities, the discounted cash flow method was applied using their prevailing effective interest rates.

29 NON-CASH TRANSACTIONS

The principal non-cash transactions of the Group and the Company is that certain plant and equipment amounting to RM1,890,317 were purchased in the previous financial year by way of finance lease facilities.

30 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 9 August 2007.

STATUTORY DECLARATION
SECTION 169(15) OF THE COMPANIES ACT 1965

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT 1965

We, Leo Suresh Ariyanayakam and Krishnan Menon, being the Directors of Scicom (MSC) Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 56 to 101 are drawn up so as to give a true and fair view of the state of affairs of the Group and the Company as at 30 June 2007 and of its results and cash flows of the Group and the Company for the financial year ended on that date in accordance with MASB approved accounting standards in Malaysia for Entities Other than Private Entities and the provisions of the Companies Act 1965.

Signed on behalf of the Board of Directors in accordance with their resolution dated 9 August 2007.

LEO SURESH ARIYANAYAKAM
DIRECTOR

KRISHNAN MENON
DIRECTOR

Kuala Lumpur

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT 1965

I, Jayakumar A/L Narayana Pillai Sreedharan Nair, the Officer primarily responsible for the financial management of Scicom (MSC) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 56 to 101 are, to the best of my knowledge and behalf, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

JAYAKUMAR A/L NARAYANA PILLAI SREEDHARAN NAIR
OFFICER

Subscribed and solemnly declared by the above named Jayakumar A/L Narayana Pillai Sreedharan Nair at Kuala Lumpur in Malaysia on 9 August 2007, before me.

ROBERT LIM HOCK KEE (No. W092)
COMMISSIONER FOR OATHS

REPORT OF THE AUDITORS TO THE MEMBERS
OF SCICOM (MSC) BERHAD (Company No. 597426-H)

We have audited the financial statements set out on pages 56 to 101. These financial statements are the responsibility of the Company's Directors. It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act 1965 and for no other purpose.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been prepared in accordance with the provisions of the Companies Act 1965 and MASB approved accounting standards in Malaysia for Entities Other than Private Entities so as to give a true and fair view of:

(i) the matters required by Section 169 of the Companies Act 1965 to be dealt with in the financial statements; and

(ii) the state of affairs of the Group and the Company as at 30 June 2007 and of its results and cash flows of the Group and the Company for the financial year ended on that date;

and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries of which we acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' report of the subsidiaries of which we have not acted as auditors, which are indicated in Note 15 to the financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection 3 of Section 174 of the Act.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

ERIC OOI LIP AUN
(No. 1517/06/08 (J))
Partner of the firm

Kuala Lumpur
9 August 2007

The information set out below is disclosed in compliance with the Listing Requirements of Bursa Securities:

1. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

The IPO proceeds were received on 28 September 2005. The amount of RM19,560,000 was derived from the issuance of 32,600,000 ordinary shares at RM0.60 per share. As at 8 August 2007, the details of the utilisation of the IPO proceeds are as follows:

	Proposed utilisation proceeds*	Amount utilised as at 08.08.2007	Transfer*	Amount outstanding	Expected timeframe for utilisation*
		RM'000	RM'000	RM'000	RM'000
Working capital	13,060	(13,196)	136	0	12 months from listing date
Capital expenditure	5,000	(5,000)	0	0	24 months from listing date
Share issue expenses	1,500	(1,364)	(136)	0	3 months from listing date
	19,560	(19,560)	0	0	

* *Proposed utilisation as set out in Scicom's prospectus dated 7 September 2005.*
** *The unutilised share issue expenses of RM136,000 had been transferred to be utilised for working capital purposes.*

2. SHARE BUY-BACK

The Company does not have a scheme to buy back its own shares.

3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES EXERCISED

The Company does not have any warrants or convertible securities in issue. For the financial year ended 30 June 2007, a total 5,689,000 ordinary shares have been exercised under the Company's ESOS.

4. DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme for the financial year ended 30 June 2007.

5. IMPOSITION OF SANCTIONS AND/OR PENALTIES

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies, during the financial year ended 30 June 2007.

ADDITIONAL COMPLIANCE INFORMATION

6. NON-AUDIT FEES

The amount of non-audit fees paid by the Group and the Company for the financial year ended 30 June 2007, were as follows:

	2007 Group RM	2007 Company RM
Tax compliance	30,489	7,000
Transfer pricing studies	13,671	0
	44,160	7,000

7. VARIATION IN RESULTS

There was no profit estimation, forecast or projection made or released by the Company during or in relation to the financial year ended 30 June 2007. There were no variances of 10% or more in the results between the audited and unaudited results for the current financial year.

8. PROFIT GUARANTEE

There were no profit guarantees given by the Group and the Company during the financial year ended 30 June 2007.

9. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

For the financial year ended 30 June 2007, no contracts of a material nature were entered into or were subsisting between the Group and its Directors, or major shareholders.

10. RECURRENT RELATED PARTY TRANSACTIONS

There were no recurrent related party transactions entered by the Group and the Company during the financial year ended 30 June 2007.

11. CORPORATE SOCIAL RESPONSIBILITY

The Group's corporate social responsibility activities and/or practices undertaken during the financial year ended 30 June 2007 are set out on pages 30 to 31.

SHARE CAPITAL AS AT 8 AUGUST 2007

Authorised Share Capital
1,000,000,000 authorised ordinary shares of RM0.10 each — RM100,000,000

Issued and Fully Paid-up Capital
265,046,000 issued and fully paid-up ordinary shares of RM0.10 each — RM26,504,600

Class of Securities — Ordinary shares of RM0.10 each

Voting Rights — One (1) vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS AS AT 8 AUGUST 2007

No. of Shareholders	%	Size of Shareholdings	Total Shareholdings	%
0	0.00%	Less than 100 shares	0	0.00%
64	5.54%	101 to 1,000 shares	53,000	0.02%
596	51.56%	1,001 to 10,000 shares	3,482,900	1.31%
354	30.62%	10,001 to 100,000 shares	13,536,933	5.11%
139	12.02%	100,001 to less than 5% of issued shares	171,631,834	64.76%
3	0.26%	5% and above of issued shares	76,341,333	28.81%
1,156	**100.00%**		**265,046,000**	**100.00%**

LIST OF 30 LARGEST REGISTERED SHAREHOLDERS AS AT 8 AUGUST 2007
(As shown in the record of Depositors)

No.	Name of Shareholder	No. of Shares Held	%
1	Netinsat Asia Sdn Bhd	42,000,000	15.85%
2	Leo Suresh Ariyanayakam	20,293,333	7.66%
3	Krishnan A/L C K Menon	14,048,000	5.30%
4	AKN Capital Sdn Bhd	12,666,667	4.78%
5	Cartaban Nominees (Asing) Sdn Bhd *(SSBT Fund RNQU for Dubai Investment Group Limited)*	12,600,000	4.75%
6	CIMSEC Nominees (Tempatan) Sdn Bhd *(CIMB Bank Berhad for Seow Lun Hoo @ Seow Wah Chong)*	10,784,000	4.07%
7	Lembaga Tabung Haji	9,901,300	3.74%
8	Ke-Zan Nominees (Asing) Sdn Bhd *(Kim Eng Securities Pte Ltd for the Nassim Fund)*	8,680,000	3.27%
9	Leo Suresh Ariyanayakam	8,066,667	3.04%
10	HSBC Nominees (Asing) Sdn Bhd *(Exempt for JPMorgan Chase Bank, National Association (Jersey))*	7,808,900	2.95%
11	CIMSEC Nominees (Asing) Sdn Bhd *(CIMB Bank for Leo Suresh Ariyanayakam)*	7,000,000	2.64%
12	HSBC Nominees (Tempatan) Sdn Bhd *(HSBC (M) Trustee Berhad for the Hwang-DBS Select Opportunity Fund)*	6,310,000	2.38%
13	CIMSEC Nominees (Asing) Sdn Bhd *(Pledged securities account for Lalitha D/O Krishnan Nambiar)*	5,594,500	2.11%
14	Jaganath Derek Steven Sabapathy	5,146,600	1.94%
15	Mayban Nominees (Tempatan) Sdn Bhd *(Mayban Trustees Berhad for Public Industry Fund)*	4,177,400	1.58%
16	HSBC Nominees (Asing) Sdn Bhd *(Exempt for Credit Suisse)*	3,942,600	1.49%
17	HSBC Nominees (Asing) Sdn Bhd *(TNTC for DBS Malaysia Equity Fund)*	2,472,000	0.93%
18	Multi-Purpose Insurance Berhad	2,448,200	0.92%
19	Amanah Raya Nominees (Tempatan) Sdn Bhd *(Kumpulan Wang Bersama)*	2,100,000	0.79%
20	CitiGroup Nominees (Asing) Sdn Bhd *(UBS AG Singapore for Maxcellon Capital Assets Ltd)*	2,000,000	0.75%

LIST OF 30 LARGEST REGISTERED SHAREHOLDERS AS AT 8 AUGUST 2007
(As shown in the record of Depositors) (Continued)

No.	Name of Shareholder	No. of Shares Held	%
21	AllianceGroup Nominees (Asing) Sdn Bhd *(Pledged securities account for Leo Suresh Ariyanayakam)*	2,000,000	0.75%
22	Universal Trustee (Malaysia) Berhad *(SBB Dana Al-Azam)*	1,816,000	0.69%
23	Tan Soh Goh	1,763,100	0.67%
24	Edmund Hilary Tensing Ponniah	1,758,500	0.66%
25	Amanah Raya Nominees (Tempatan) Sdn Bhd *(Public Islamic Opportunities Fund)*	1,757,500	0.66%
26	Universal Trustee (Malaysia) Berhad *(SBB Emerging Companies Growth Fund)*	1,699,000	0.64%
27	Gunaretnam A/L Kathigasu	1,600,000	0.60%
28	CIMSEC Nominees (Tempatan) Sdn Bhd *(CIMB Bank for Salbiah Binti Shuib)*	1,545,000	0.58%
29	Mayban Nominees (Tempatan) Sdn Bhd *(Malaysian Trustees Berhad for AMB First Capital Guaranteed Trust Fund)*	1,535,000	0.58%
30	Affin Nominees (Tempatan) Sdn Bhd *(Pledged securities account for Tan Sew Hoey)*	1,523,900	0.57%
	Total	**205,038,167**	**77.36%**

SUBSTANTIAL SHAREHOLDERS AS AT 8 AUGUST 2007

No.	Name of Shareholder	Direct Interest	%	Deemed Interest	%
1	Netinsat Asia Sdn Bhd	42,817,200	16.15%	0	0.00%
2	Leo Suresh Ariyanayakam	37,360,000	14.10%	0	0.00%
3	Krishnan A/L C K Menon[1]	14,048,000	5.30%	42,817,200	16.15%
4	Sreekumar A/L Narayana Pillai[1]	0	0.00%	42,817,200	16.15%

DIRECTORS' SHAREHOLDINGS AS AT 8 AUGUST 2007

No.	Name of Shareholder	Direct Interest	%	Deemed Interest	%
1	YBhg Dato' Ahmad Kabeer bin Mohamed Nagoor[2]	0	0.00%	12,666,667	4.78%
2	YBhg Dato' Mohd Salleh bin Hj. Harun	440,000	0.17%	0	0.00%
3	Leo Suresh Ariyanayakam	37,360,000	14.10%	0	0.00%
4	Krishnan A/L C K Menon[1]	14,048,000	5.30%	42,817,200	16.15%
5	Nikolai Dobberstein	1,000,000	0.38%	0	0.00%
6	Loh Lee Soon	316,700	0.12%	0	0.00%

(1) Deemed interested by virtue of his shareholdings in Netinsat Asia Sdn Bhd

(2) Deemed interested by virtue of his shareholdings in AKN Capital Sdn Bhd

3G	Third generation digital wireless communications system
Act	Companies Act 1965
AGM	Annual General Meeting
AUD	Australian Dollar
B2B	Business to business
BCP	Business continuity planning
Board	Board of Directors
BPO	Business Process Outsourcing
BPO/SSO	Business Process Outsourcing/Shared Services Outsourcing
Bursa Securities	Bursa Malaysia Securities Berhad
CCAM	Customer Relationship Management and Contact Centre Association (Malaysia)
CEO	Chief Executive Officer
Code	Code of Business Conduct
CRM	Customer Relationship Management
CSR	Corporate social responsibility
ESOS	Employee Share Option Scheme
FRS	Financial Reporting Standards
GBP	British Pound Sterling
ICM	Internal control memorandum
ICT	Information and communications technology
Informedia	PT Informedia Nusantara
INR	Indian Rupee
IPO	Initial Public Offering
ISO	International Standards Organization
IT	Information technology
JAMSB	Jade Apple Marketing Sdn Bhd
JWT	J.Walter Thompson
LOA	Limits of Authority
MASB	Malaysian Accounting Standards Board
MNC	Multinational corporation
MSC	Multimedia Super Corridor
PBT	Profit before taxation
PIKOM	Association of the Computer and Multimedia Industry of Malaysia
RM	Ringgit Malaysia
RPG 5	Recommended Practice Guide 5 – Guidance for Auditors on the Review of Directors' Statement on Internal Control
Scicom	Scicom (MSC) Berhad
SCP	Support Center Practices
SGD	Singapore Dollar
SMT	Senior Management Team
SSPA	Services and Support Professionals Association
STAR	Scicom's Talent Assessment, Recognition and Development
Statement	Directors' Statement on Internal Control
The Company	Scicom (MSC) Berhad
The Group	Scicom (MSC) Berhad and its subsidiaries
TQM	Total Quality Management
UK	United Kingdom
USA	United States of America
USD	United States Dollar

Scicom (MSC) Berhad
25th Floor, Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur
Malaysia
Tel : 603 2162 1088
Fax : 603 2164 9820
Email : corpinfo@scicom-intl.com

2nd Floor, FSBM Plaza
3539, Jalan Teknokrat 7
63000 Cyberjaya
Selangor Darul Ehsan
Malaysia
Tel : 603 8312 4262
Fax : 603 8312 2255

Scicom (Academy) Sdn Bhd
25th Floor, Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur
Malaysia
Tel : 603 2162 1088
Fax : 603 2164 9820
E-mail : academy@scicom-intl.com

Scicom Contact Centre Services Private Limited
Unit 02, Level 10
Innovator Building
International Tech Park
Whitefield Road
Bangalore 560066
Karnataka, India
Tel : 91 80 41262020
Fax : 91 80 41156092

Scicom Inc
4630, Woodland Corporate Blvd
Suite 160
Tampa 33614
United States of America
Tel : 1 813 8805 5800
Fax : 1 813 8805 5768

Jade Apple Marketing Pte Ltd
(formerly known as Scicom Teleservices Pte Ltd)
51, Anson Road
#14-67 Anson Centre
Singapore 079904
Tel : 65 6323 3190
Fax : 65 6323 3980

NOTICE IS HEREBY GIVEN that the Fifth Annual General Meeting of the Company will be held at Kristal Ballroom 2, 1st Floor, East Wing, Hilton Petaling Jaya, No. 2, Jalan Barat, 46200 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 26 September 2007 at 10.00 a.m. to consider the following:-

AGENDA

A. Ordinary Business	
1. To receive the Audited Financial Statements for the financial year ended 30 June 2007 together with the Reports of the Directors and Auditors thereon.	(Resolution 1)
2. To declare a tax exempt final dividend of RM0.01 per ordinary share for the financial year ended 30 June 2007 as recommended by the Directors.	(Resolution 2)
3. To re-elect the following Directors who retire pursuant to Article 84 of the Company's Articles of Association:-	
(i) Mr. Leo Suresh Ariyanayakam	(Resolution 3)
(ii) YBhg Dato' Mohd Salleh bin Hj Harun	(Resolution 4)
4. To elect Mr. Loh Lee Soon, a Director who retires pursuant to Article 91 of the Company's Articles of Association.	(Resolution 5)
5. To approve Directors' Fees for the financial year ended 30 June 2007.	(Resolution 6)
6. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration.	(Resolution 7)
B. Special Business	
To consider and if thought fit, to pass, with or without modifications, the following Ordinary/Special Resolutions:	
7. Authority To Allot And Issue Shares	
"THAT pursuant to Section 132D of the Companies Act 1965, the Directors of the Company be and are hereby empowered to allot and issue shares in the Company at any time and upon such terms and conditions for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company unless revoked or varied by the Company at a general meeting."	(Resolution 8)
8. Proposed Amendments To The Articles Of Association Of The Company	
"THAT the proposed amendments to the Articles of Association of the Company as contained in the Appendix II which is attached in the Circular to Shareholders dated 4 September 2007 be approved.	(Special Resolution)
AND THAT the Directors be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all steps as may be considered necessary to give full effect to the proposed amendments to the Articles of Association of the Company."	
C. Other Business	
9. To transact any other business of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act 1965.	

Notice Of Dividend Entitlement And Payment

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the members at the Fifth Annual General Meeting to be held on 26 September 2007, a tax exempt final dividend of RM0.01 per ordinary share for the financial year ended 30 June 2007, if approved, will be paid on 26 October 2007.

The entitlement date for the dividend payment is 9 October 2007.

A depositor shall qualify for entitlement to the dividend only in respect of:-

(a) Shares transferred into the Depositor's Securities Account before 5.00 p.m. on 9 October 2007 in respect of transfers; and

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

NG YEN HOONG (LS 008016)
LIM POH YEN (MAICSA 7009745)
Company Secretaries

Petaling Jaya
4 September 2007

NOTES:-

1. Notes on Appointment of Proxy

(i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy (or in the case of a corporation, a duly authorised representative) to attend and vote in his/her stead. A proxy may, but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act 1965 shall not apply to the Company.

(ii) Where a member appoints two proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.

(iii) The instrument appointing a proxy shall be in writing, signed by the appointor or his/her attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

(iv) The instrument appointing a proxy must be completed and deposited at the Registered Office of the Company at Level 14, Uptown 1, No. 1 Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

2. Explanatory Notes on Special Business

(i) Ordinary Resolution 8 – Authority to Allot and Issue Shares

The Ordinary Resolution 8, if passed, will give the Directors the authority to allot and issue new ordinary shares up to an amount not exceeding 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority will commence from the date of this Annual General Meeting and unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

(ii) Special Resolution – Proposed Amendments to the Articles of Association of the Company

The Special Resolution, if passed, will bring the Articles of Association of the Company in line with the amendments to the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market.

Statement Accompanying Notice Of The Fifth Annual General Meeting

(1) Venue, Date and Time of the Fifth Annual General Meeting

The details of the Fifth Annual General Meeting of the Company:-

Place	:	Kristal Ballroom 2, 1st Floor, East Wing, Hilton Petaling Jaya, No. 2, Jalan Barat, 46200 Petaling Jaya, Selangor Darul Ehsan
Date and Time	:	26 September 2007 at 10.00 a.m.

(2) Directors Standing for Re-election/Election

The name of Directors who are standing for re-election pursuant to Article 84 of the Company's Articles of Association:-

(i) Mr. Leo Suresh Ariyanayakam

(ii) YBhg Dato' Mohd Salleh bin Hj Harun

The name of Director who is standing for election pursuant to Article 91 of the Company's Articles of Association:-

(i) Mr. Loh Lee Soon

(3) Attendance of Directors at Board Meetings

The attendance record at Board Meetings and other details of the above-named Directors are set out on page 34, and pages 12 to 13 respectively of this Annual Report.

Proxy Form

Scicom (MSC) Berhad (597426-H)
(Incorporated in Malaysia)

I / We : ______________________________
(Please use block capital)

NRIC no: ______________________________

of ______________________________

____

____

____
(Full address)

a member/members of SCICOM (MSC) BERHAD hereby appoint* the Chairman of the Meeting or

____

____

of ______________________________

or failing him/her ______________________________

of ______________________________

as *my/our proxy/proxies to attend and vote for *me/us on *my/our behalf, at the Fifth Annual General Meeting of the Company to be held at Kristal Ballroom 2, 1st Floor, East Wing, Hilton Petaling Jaya, No. 2, Jalan Barat, 46200 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 26 September 2007 at 10.00 a.m. and at any adjournment thereof, to vote as indicated below :-

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	**Ordinary Business** Receive the Audited Financial Statements, Report of the Directors and Report of the Auditors thereon.		
2.	Declaration of a tax exempt final dividend of RM0.01 per ordinary share for the financial year ended 30 June 2007.		
3.	Re-election of Mr. Leo Suresh Ariyanayakam as Director pursuant to Article 84 of the Company's Articles of Association.		
4.	Re-election of YBhg Dato' Mohd Salleh bin Hj Harun as Director pursuant to Article 84 of the Company's Articles of Association.		
5.	Election of Mr. Loh Lee Soon as Director pursuant to Article 91 of the Company's Articles of Association.		
6.	Approval of Directors' Fees for the financial year ended 30 June 2007.		
7.	Re-appointment of Messrs PricewaterhouseCoopers as Auditors.		
8.	**Ordinary Business** Issue of shares pursuant to Section 132D of the Companies Act 1965.		
9.	**Special Resolution** Amendments to the Articles of Association of the Company.		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the Proxy will vote or abstain from voting at his/her discretion.)

Dated this ________ day of __________________ 2007

No. of ordinary shares held

____
Signature of Member / Common Seal

Note:

(i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy (or in the case of a corporation, a duly authorised representative) to attend and vote in his/her stead. A proxy may, but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act 1965 shall not apply to the Company.

(ii) Where a member appoints two proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.

(iii) The instrument appointing a proxy shall be in writing, signed by the appointor or his/her attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

(iv) The instrument appointing a proxy must be completed and deposited at the Registered Office of the Company at Level 14, Uptown 1, No. 1 Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

scicom

TOTAL CUSTOMER DELIGHT

SCICOM (MSC) BERHAD

(Company No. 597426-H)

(Incorporated in Malaysia under the Companies Act, 1965)

MALAYSIA

INDIA

USA

SINGAPORE

AFRICA

AUSTRALIA

BAHRAIN

CHINA

EGYPT

FIJI

GUAM

HONG KONG

INDONESIA

JAPAN

JORDAN

KENYA

KUWAIT

LEBANON

MOROCCO

NEW ZEALAND

NIGERIA

OMAN

PAKISTAN

PHILIPPINES

QATAR

SAUDI ARABIA

SENEGAL

SOUTH AFRICA

SOUTH KOREA

THAILAND

UAE

UNITED KINGDOM

VIETNAM

YEMEN