



Annual Report 2009



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Company Profile

About Scicom

Over the last 12 years, Scicom has established a strong leadership position in the region as a premier outsourcing service provider.

Unique in Asia, Scicom supports a global customer base in over 30 languages from its centres in Kuala Lumpur, Bangalore and Tampa.

State-of-the-art Technology and Telecommunication infrastructure also allows Scicom to deliver multi-channel support such as voice, email, web chat, fax, sms and dataservices to an increasingly sophisticated MNC client base.

Scicom's main product offerings comprise of Outsourcing, CRM & Consulting, Education and Technology Solutions.

Today, Scicom has earned the reputation of consistently delivering on its promise of "Total Customer Delight".

SCICOM'S GLOBAL SUPPORT NETWORK



Languages Supported

- English (Aus & UK) • Bahasa Malaysia • Bahasa Indonesia • Cantonese (S.E.A) • Mandarin • Tamil • Arabic • Tagalog • Korean • Japanese • French • Farsi • Thai • Vietnamese • Urdu • Khmer • Zulu
- Swahili • Igbo • Hausa • Yoruba • Afrikaans • English • Hindi • Gujarati • Punjabi • Marathi • Bengali • Kannada • Sindhi • Tamil • Telegu • Malayalam • English (USA) • Spanish • French • Portuguese

Company Profile

Products and Services



Outsourcing

Outsourcing is the main thrust and cornerstone of Scicom's business, employing the major part of our human capital. It is offered out of 3 sites around the world, namely Kuala Lumpur, Bangalore and Tampa.

The services helps organisations reduce customer service costs by outsourcing its contact centre management operations. Clients can fully or partly outsource operations to Scicom, or make special arrangement whereby Scicom builds and manages the operations for a set time frame, after which, the ownership is handed back to the client.

Core offerings include complex multi-lingual, multi-channel customer care, technical support help desk, consultative sales and associated fulfillment.

The business unit's focused service offerings, inherent domain expertise, state-of-the-art technology and communication platform, systems & applications, make outsourcing critical and valuable service for any MNC client. It has been developed with strengths in various vertical specialisations such as transportation, telecommunications, leisure & entertainment, oil & gas, banking & financial services and technology.

CRM & Consulting

This product service offering has designed and developed a series of tools that offers a "Solutions Driven" alternative to any client base in the Customer Contact Management space. CRM & Consulting specialises in an integrated approach that strategically uses the best combination of CRM activities, formula & tools designed to blend with Scicom's all business models, thus providing strategically unique solutions to the Customer Care & Customer management environment. Services offered are CRM, E-Commerce applications, Customer Loyalty Management, Web Analytics, Database Profiling, Segmentation and Management, Marketing and Brand Communication Services.

Scicom has rolled out its own commercial offering of a E-Commerce platform, supporting companies requiring outsourcing services with a full suite of complimentary services, such as business consulting, strategic consulting, design, development, implementation as well as operations and customer support.

Company Profile

Products and Services

Education

Education is the training arm for the Scicom Group and provides for a broad spectrum of training, organisational development and human performance consulting services for customer contact management centres. It also provides Support Centre Practices (SCP) certification services for contact centres around the region. SCP is the leading global benchmarking standard for contact centres.

The educational services offered through Scicom Academy is also affiliated with a professional body in the UK offering internationally recognized British Technical Educational Council ("BTEC") certificates and diplomas for both entry and management level personnel in the BPO industry. This is a global first for the industry and in line with Scicom's strategy to move up the value chain in terms of providing a world class service offering and offering greater geographical spread.

Scicom Academy provides internationally accredited certifications and diplomas in customer contact management, in line with global best practices and benchmarks. Scicom Academy understands the value of personnel training in the contact centre management arena and has grown to encompass a wide range of training programmes that have helped enhance service and management standards in many Malaysian and Asian multi-national companies. It prides itself on being a provider, not just of best-practice contact centre training and consultancy services, but also of management, leadership and professional development courses. All Academy's training programmes are customised to fit a company's specific needs.

Technology Solutions

Scicom Technology Solutions was developed to focus on 3 key areas, namely Consulting, Technology Systems and Solutions and Infrastructure Development.

Consulting provides the service of designing and implementing the technology required to outsource processes for contact centre operations.

Technology System & Solutions provides commercial offering of a E-Commerce platform, supporting it with a full suite of other services, such as business consulting, strategic consulting, design, development, implementation as well as operations and customer support.

Infrastructure Development provides services in design and development of the plan for specific infrastructure/ contact centre development.



Company Profile

Goal And Values

OUR GOAL

✓ Total Customer
Delight

OUR VALUES

- ✓ Quality
- ✓ Teamwork
- ✓ Innovation
- ✓ Integrity
- ✓ People

Company Profile

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”).



Awards

YEAR	DESCRIPTION	RECOGNITION / AWARDS
2008	CCAM	Best Contact Centre Professional – GOLD AWARD Best Contact Centre Team Leader – GOLD AWARD Best Contact Centre Manager – GOLD AWARD Best Outsourced 'Mystery Shopper' Excellence – GOLD AWARD Best Outsourced Contact Centre of the Year – GOLD AWARD
2008	Global Services Magazine and neIT	Listed in Global Services Provider - "Leader, Emerging Asian Markets"
2008	EDEXCEL	Scicom Academy recognised as official Centre of Learning for BTEC
2009	Global Services Magazine and neIT	Listed in the Global 2009 "Global 100" - Best Outsourcing Company for the 4th consecutive year

Kindly refer to the 2008 Annual Report for the list of awards and recognition awarded to Scicom prior to the 2009 financial year.

Fast Facts

- We offer 24 x 7 x 365 operations
- We support customers from over 50 countries from our centres
- We support our customers in over 30 languages
- We have over 45 nationalities working for us
- We handle over 40 Million customer contacts annually
- We service blue-chip clients
- Over 82.6% of our revenues are derived from outside Malaysia
- We have over 12 years of experience and track record
- We are listed in the Global Services Top 100 Companies, consecutively for 4 years
- We have won awards and have been internationally recognised for outstanding service delivery solutions since incorporation.

COMPANY PROFILE

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

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

Krishnan Menon
NON-INDEPENDENT NON-EXECUTIVE
DIRECTOR

Dr. Nikolai Dobberstein
INDEPENDENT NON-EXECUTIVE DIRECTOR

Loh Lee Soon
INDEPENDENT NON-EXECUTIVE
DIRECTOR

AUDIT COMMITTEE

YBhg Dato' Mohd Salleh bin Hj Harun
CHAIRMAN

Dr. Nikolai Dobberstein

Krishnan Menon

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 18
The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia
Tel : 03 2264 8888
Fax : 03 2282 2733

SHARE REGISTRAR
PFA Registration Services
Sdn Bhd
Level 17,
The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03 2264 3883
Fax : 03 2282 1886

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

BUSINESS OFFICE
25th Floor
Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur
Malaysia
Tel : 03 2162 1088
Fax : 03 2164 9820

AUDITORS
PricewaterhouseCoopers
Level 10, 1 Sentral
Jalan Travers
Kuala Lumpur Sentral
50706 Kuala Lumpur
Malaysia
Tel : 03 2173 1188
Fax : 03 2173 1288

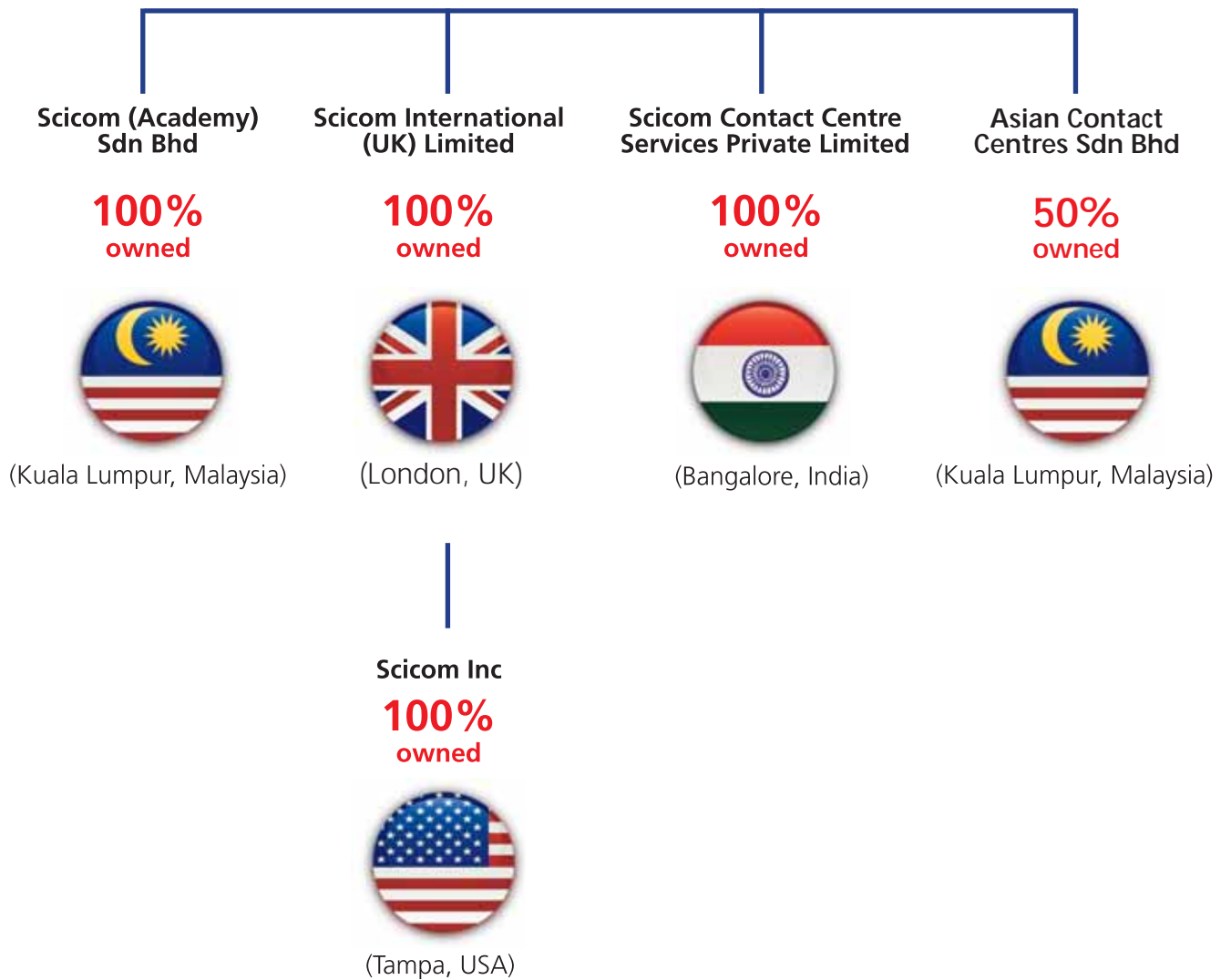
STOCK EXCHANGE LISTING
ACE Market
Bursa Malaysia Securities
Berhad
(Listed since 26 September 2005)
Stock Name: SCICOM
Stock Code: 0099

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

scicom

GROUP STRUCTURE

Scicom (MSC) Berhad
Kuala Lumpur and
Cyberjaya, Malaysia



BOARD OF DIRECTORS



Dato' Ahmad Kabeer bin Mohamed Nagoor

Non-Independent Non-Executive Director

Dato' Ahmad Kabeer bin Mohamed Nagoor, 52, a Malaysian, was appointed to the Board on 22 August 2005. He is also the Chairman of the Group. He holds a Master's Degree in Finance.

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), M3 Technologies (Asia) Berhad, MEMS Technology Berhad (of which he is currently Chairman of the Board) and AWC Facility Solutions Berhad.

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. He has no convictions for offences within the past ten (10) years other than traffic offences.



Leo Ariyanayakam

Non-Independent Executive Director

Mr. Leo Ariyanayakam, 46, 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 the shareholders' wealth, 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 2008 Contact Centre Service Provider of the Year", as conferred by Frost & Sullivan Malaysia Telecoms Awards in 2007. The Group is now widely regarded as one of the premier contact centre and BPO providers within the industry, with an unblemished performance record. He has been instrumental in building Scicom as the leader in contact centre outsourcing, BPO, training and customer relationship management consulting solutions in the Asia Pacific region, and is a respected visionary and leader in this rapidly growing industry.

On 7 October 2006, he was appointed as the President of the Customer Relationship Management and Contact Centre Association (Malaysia). He was further re-elected as the President for a two-year term in 2008. In June 2007, he was selected as one of Malaysia's Outstanding Entrepreneurs at the Asia Pacific Entrepreneurship Awards. He graduated with 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. He has no convictions for offences within the past ten (10) years other than traffic offences.



YBhg Dato' Mohd Salleh bin Hj Harun

Independent Non-Executive Director

Dato' Mohd Salleh bin Hj Harun, 65, a Malaysian, was appointed to the Board on 22 August 2005. He is also the Chairman of the Audit Committee. He is a Fellow of the Institute of Bankers and also 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, of which he has garnered 32 years of experience, having held various senior positions in Aseambankers Malaysia Berhad and Malayan Banking Berhad respectively between 1994 and 2000. He was a Deputy Governor of Bank Negara Malaysia between 2000 and 2004.

His other directorships include RHB Bank Berhad, RHB Insurance Berhad (of which he is currently Chairman of the Board), RHB Islamic Bank Berhad and Titan Chemical Corp. 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. He has no convictions for offences within the past ten (10) years other than traffic offences.


BOARD OF DIRECTORS

Krishnan Menon

Non-Independent Non-Executive Director

Mr. Krishnan Menon, 59, 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, a member of 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 Berhad between 1997 and 2000 as its Chief Operating Officer.

He is presently the Chairman of Putrajaya Perdana Berhad and is a non-Executive Director of MISC Berhad, SPK-Sentosa Corporation Berhad and M3 Technologies (Asia) Berhad and UBG Berhad.

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. He has no convictions for offences within the past ten (10) years other than traffic offences.


Dr. Nikolai Dobberstein

Independent Non-Executive Director

Dr. Nikolai Dobberstein, 43, 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 from the University of Kiel, Germany. He is currently the Senior Vice President of Strategy and New Businesses of Maxis Communications Berhad, where he is responsible for corporate strategy and all of Maxis's data, multimedia and broadband businesses.

He joined Maxis Communications Berhad in December 2004 to set up Maxis 3G and broadband businesses.

Before joining Maxis, he spent 12 years in McKinsey & Company, 3 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 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. He has no convictions for offences within the past ten (10) years other than traffic offences.


Loh Lee Soon

Independent Non-Executive Director

Mr. Loh Lee Soon, 53, 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 25 years in the professional accounting, finance and management consulting fields, including 6 years as a Practice Director of a big four firm in Malaysia. He has also held senior finance, general management and sales position with multinational corporations including Tupperware International, KPMG Asia Pacific and Oracle Corporation and a number of other Malaysian companies.

Mr. Loh is currently the Principal of his own consultancy firm which provides services primarily in business process optimization, information technology ("IT") enablement, management skills training and organization alignment. His clients span industries as diverse as gaming, IT, manufacturing and distribution and property development.

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. He has no convictions for offences within the past ten (10) years other than traffic offences.

SENIOR MANAGEMENT TEAM



**Jayakumar Narayana
Pillai Sreedharan Nair**
Chief Financial Officer

Jayakumar joined Scicom 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 26 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
Chief Operating Officer - Outsourcing

Benny joined Scicom in 2004. As COO of Outsourcing Benny is responsible for all of Scicom's Outsourcing services. His main responsibilities include the management of the human resource function, learning & development, project management office, management information systems and contact centre operations of the Group. 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.



Jude Mohan
Chief Operating Officer - Education

Jude joined Scicom in 2007 and helms Scicom Education, a global educational initiative for formal professional development. This division is the driving force behind the need to create a globally competent work-force for emerging growth markets in the Customer Relationship Management and Contact Centre space. This division, through its research arm The International Academy of Professional Studies (IAPS) also acts as a global thinktank for the CRM & Contact Centre industry, internationally. Jude has been in the business of global product management, strategic marketing and consumer behaviour for close to two decades of his life.

An ardent exponent of provocative marketing and consumer solutions, his last international posting was with American healthcare giant, 21st Century Healthcare, Inc. where he served as their Chief Operating Officer for Asia. He has worked with over 50 fast moving brands and has successfully seen the fruits of his thought, bear profit making results. Some of his past clients include Marlboro Cigarettes for Philip Morris Inc., Kent Cigarettes for British American Tobacco, Hugo Boss, Hyundai Automobiles, Starbucks Coffee, Digi Telecommunications, Otis Elevator, Porsche, TV3 (Malaysia) and Cerruti 1881.

Jude holds a Masters Degree in Business from Newcastle and is a member of the Royal British Society for Philosophers.

**SENIOR
MANAGEMENT
TEAM**



Viji Rajasundram
Chief Information Officer

Viji joined Scicom in 2005. As the Group's Chief Information Officer, his primary responsibilities span 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 20 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.



Jasim Puthuchearry
Chief Operating Officer - CRM & Consulting

Jasim joined Scicom in 2009. As COO for CRM & Consulting, Jasim is responsible for Scicom's client focused internet and on-line marketing strategies, coupled with over 10 years of CRM and customer management consulting experience. He has P&L responsibility for the CRM & Consulting Division. An Adwords and Analytics Professional, Jasim is additionally responsible for Scicom's e-strategy.

Jasim started his career in Corporate Finance with RHB Securities. He later moved on to Usaha Tegas where he was involved in the corporate finance division which included projects for Maxis, ASTRO and Powertech. Jasim joined Commerce Dot Com, a company involved in building and operating the Government e-procurement system where he served as its chief operating officer.

Jasim holds a degree in law (LLb) from the University of London.



Radah Krishnan Vijaya Gopal
Senior Vice-President - Corporate Planning

Radah joined Scicom in 2002. As Senior Vice President of Corporate Planning, his responsibility includes the formulation of strategic plans, execution of business development initiatives for strategic clients, management of projects and liaison with key government authorities globally for the Group.

He has over 15 years of working experience in the areas of consulting, accounting and finance, strategic planning and business development.

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.

SENIOR MANAGEMENT TEAM



Willie Lim
Senior Vice-President – Client Management

Willie joined Scicom in 2000, and carries with him over 20 years of industry experience in relation to general management, including sales, operations and client management. Willie is the strategic point of contact for Scicom's clients.

Prior to joining Scicom, he was an Executive Director in Abric Berhad. 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 from the National University of Singapore.



Shanti Jacqueline Jeya Raj
Senior Vice-President – Total Quality Management & Project Management Office

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. 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. She is also a certified trainer of the Service and Support Professionals Association in the United States, for its Certified Support Professional programme.



Jerry Rajendram
Global Head – Scicom Marketing

Jerry joined Scicom in 2003. In his capacity as the Global Head of Scicom Marketing, he is responsible for all corporate branding responsibilities of Scicom worldwide, with the intention of formulating integrated marketing solutions to further expand the Group's existing service offerings. He is also responsible for the Group's internal and external marketing communications and public relations initiatives.

He has over 20 years of practical experience in advertising, having previously hailed from J.Walter Thompson, Dentsu, Young & Rubicam and DraftWorldwide. During his seven years at J.Walter Thompson, 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 20 years working experience prior to joining Scicom, Jerry had managed major and respectable brands including ASTRO, Philip Morris, HSBC, DiGi, Singapore Airlines, Burger King, Citibank, Salem, Nestle, Ericsson, just to name a few.

Prior to joining Scicom, he was the Regional Managing Director of DraftWorldwide.

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


**GROUP
FINANCIAL
HIGHLIGHTS**
Scicom (MSC) Berhad

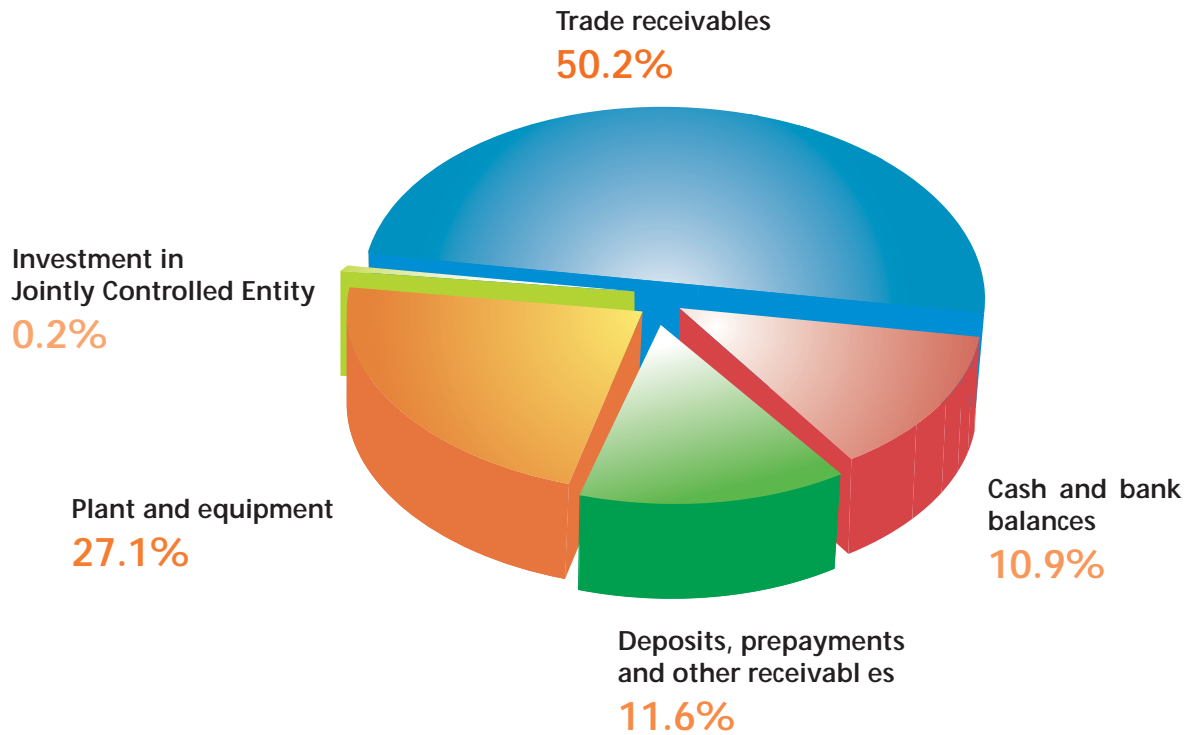
	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
PROFITABILITY (RM'000)				
Operating revenue	144,672	118,272	107,736	89,747
Profit before taxation ("PBT")	9,529	6,106	6,971	5,585
Net profit for the financial year	8,701	6,056	6,939	5,583
KEY BALANCE SHEET DATA (RM'000)				
Total assets	62,529	57,002	53,404	50,735
Total liabilities	13,061	11,153	7,399	6,373
Capital and reserves attributable to equity holders of the Company	49,468	45,849	46,005	44,362
FINANCIAL RATIOS				
Profitability:				
- Revenue growth (%)	22.3%	9.4%	20.0%	15.1%
- PBT growth (%)	56.1%	-48.8%	24.8%	-47.6%
- Net profit growth (%)	43.7%	-46.5%	24.3%	-47.5%
- Basic earnings per share (sen)	3.28	2.28	N/A	N/A
- Diluted earnings per share (sen)	3.28	2.27	N/A	N/A
- Asset turnover (times)	2.31	2.07	2.02	1.77
- Net return on equity (times)	0.18	0.13	0.15	0.13
Liquidity				
- Current (times)	3.93	3.68	5.96	6.20
- Cash over total assets (%)	10.9%	18.4%	3.7%	14.7%
- Trade receivables turnover (months)	2.60	2.15	2.96	2.26
Financing:				
- Debt over equity (times)	0.02	0.01	0.00	0.01
- Gearing (times)	0.02	0.01	0.00	0.01

**GROUP
FINANCIAL
HIGHLIGHTS**

Summary of the Group's Financial Position

**TOTAL ASSETS
2009**

The group's total assets amounted to RM 62.53 million as at 30th June 2009, a growth of 9.7% from the previous financial year.

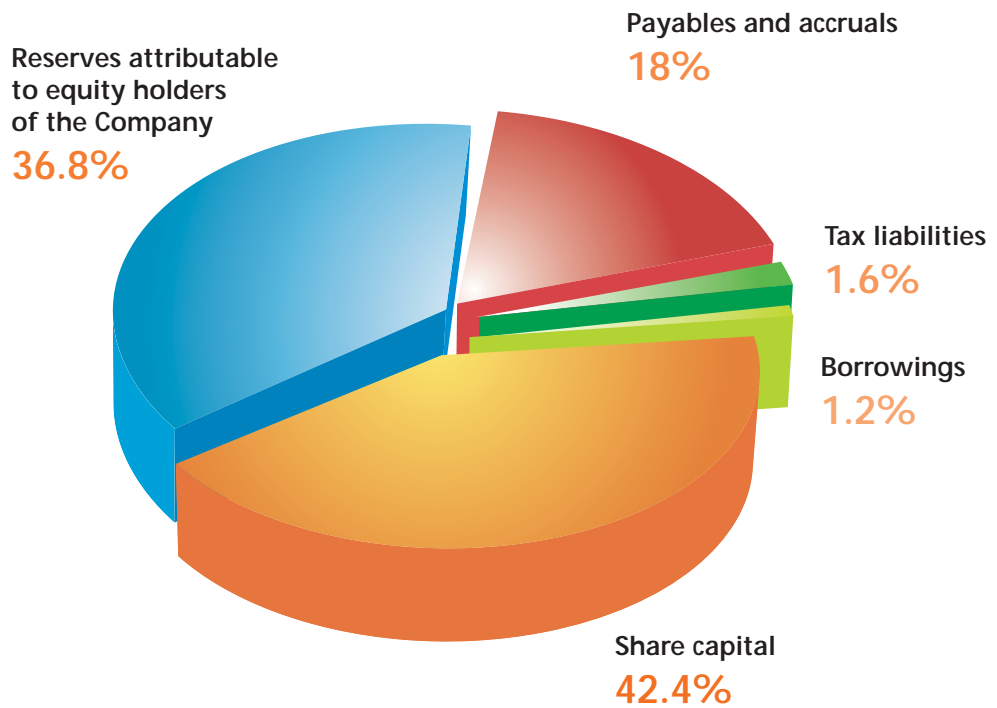


**GROUP
FINANCIAL
HIGHLIGHTS**

Summary of the Group's Financial Position

**TOTAL LIABILITIES, CAPITAL AND RESERVES
2009**

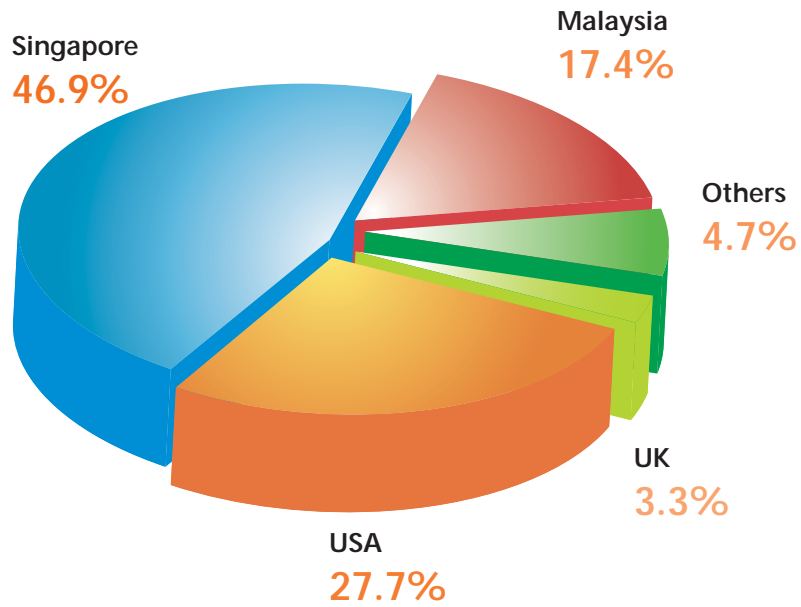
Total liabilities, capital and reserves of the Group had increased by 17.1% as 30th June 2009.



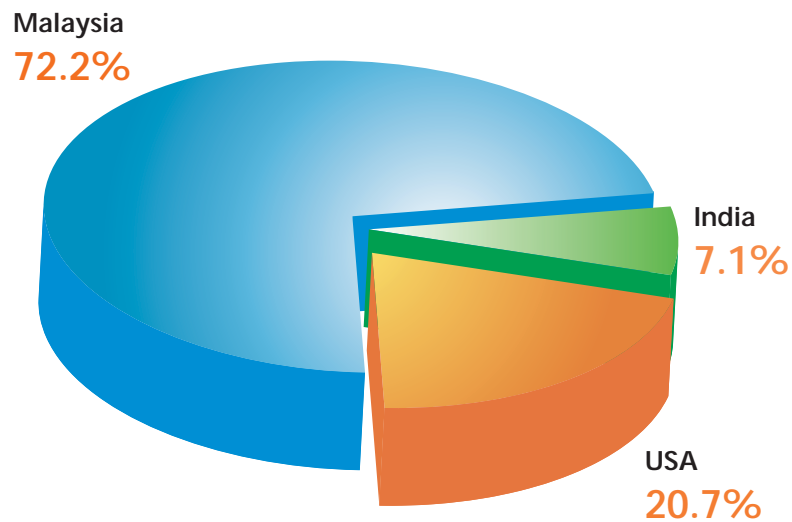
**GROUP
FINANCIAL
HIGHLIGHTS**

Segmental Analysis

**REVENUE BY LOCATION
2009**



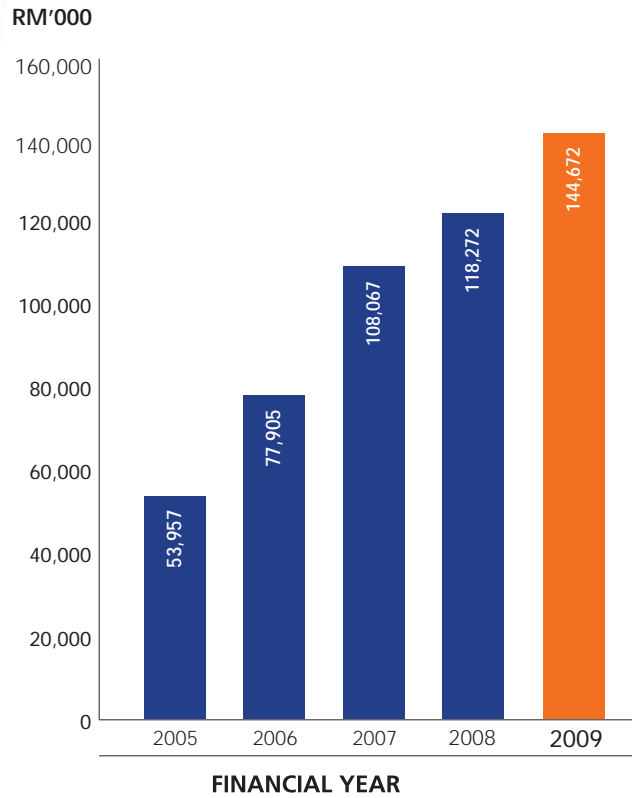
**TOTAL ASSETS BY LOCATION
2009**



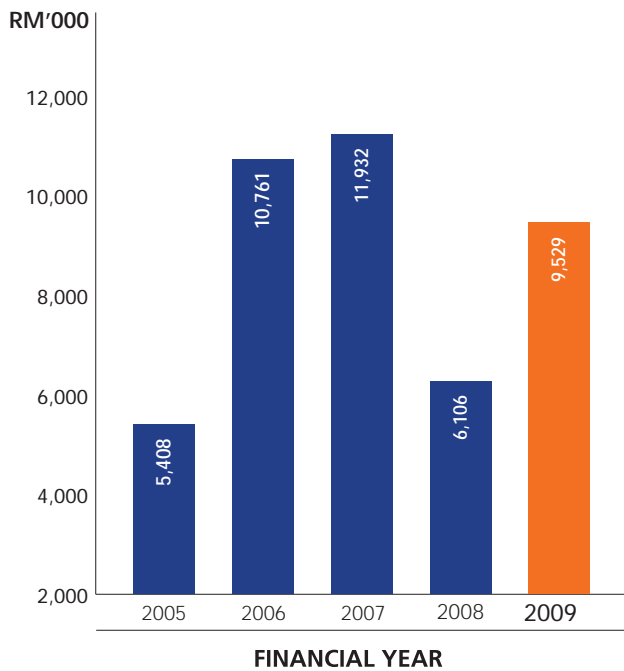
**GROUP
FINANCIAL
HIGHLIGHTS**

Summary of Group's 5-Year Growth

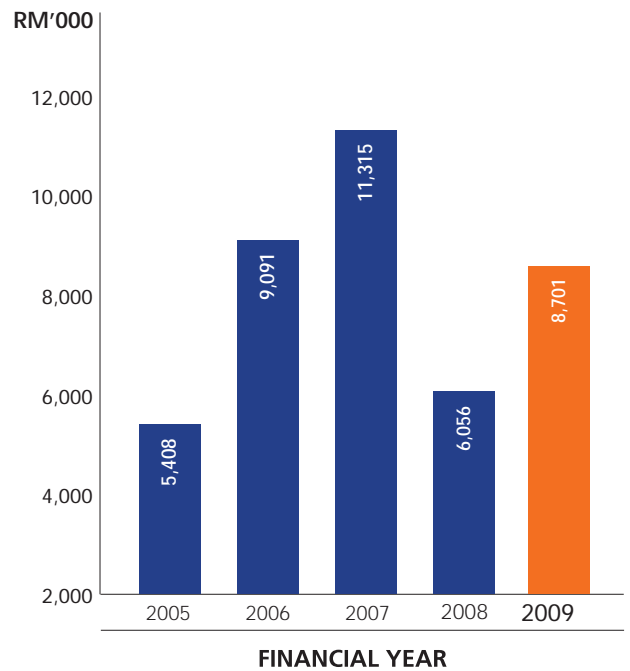
REVENUE



PROFIT BEFORE TAXATION



**NET PROFIT ATTRIBUTABLE TO
EQUITY HOLDERS OF THE COMPANY**





CHAIRMAN'S STATEMENT

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 2009.

Financial Performance

The year in review has been a challenging one as the adverse effects of the global economic downturn continues to take its toll.

Notwithstanding the difficult global economic conditions, we are pleased to announce that Scicom continues to post respectable revenue and profit growth. The Group's revenue for current financial year grew by RM26.40 million to RM144.67 million, representing a 22.3% increase from 2008 financial year. Net profit for the 2009 financial year increased by RM2.64 million to RM8.70 million, representing an increase of 43.7% over the preceding financial year.

Our respectable performance was due to the timely execution of business and operational strategies that helped us achieve sustained growth in trying circumstances.

Dividend

The Board is recommending a final dividend payment of 1.5 sen per ordinary share, tax exempt, in respect of the financial year ended 30 June 2009. This payment together with the interim dividend of 1 sen per ordinary share, tax exempt, declared and paid in March 2009, will amount to a dividend payout for the financial year of 2.5 sen per ordinary share, tax exempt. This recommendation translates to a comparatively high dividend payout ratio of 76% and reflects both the Board's commitment towards maintaining a stable dividend payout for its shareholders, as well as its confidence in the long term robustness of the Group's business model and strategies.

Corporate Development

In April 2009, Scicom (MSC) Berhad and AirAsia Berhad entered into a joint venture on an equal basis to manage Airasia's global customer base. The joint venture entity, Asian Contact Centres Sdn Bhd began operations in May 2009. We are pleased to announce this strategic partnership with the world's best low cost airline.





CHAIRMAN'S STATEMENT

Focus Areas for Sustainable Growth

During the financial year FY 2009, Scicom started the process of reinventing and enhancing its core competencies to provide greater resilience, cater for evolving client needs, sustained growth and greater margins. This has resulted in the creation of a global customer management solutions company. Our focus on our clients and their customers remains undiminished with the inclusion of CRM and consulting, technology solutions and education to our core outsourcing proposition.

To support these business strategies, Scicom will continue to enhance and harness our human capital as a cornerstone in realising our vision of being a global customer management solutions company.

2010 Outlook

Scicom is confident of being able to sustain and provide value to a discerning client base in its twelfth year of operations. Scicom has achieved operational excellence and critical mass in terms of its experience and track record in order to successfully bid for and garner new business.

Scicom continues to remain vigilant on cost, further improve operational efficiencies and focused in our pursuit of value generation for our clients and shareholders.

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 support in making our Group's business a 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



CEO UPDATE 2009

What an interesting year !

The global financial crisis last year had multiple effects on our clients and our business. Our mainly MNC client base saw their profits and customers plummet and their growth strategies becoming rapidly irrelevant. The emphasis was to cut cost, and in some cases this led to the extent of compromising even on quality. Our dilemma was also multi-dimensional, cutting costs for our clients came from two main areas , headcount reduction (as a result of reduced end customer demand), and continuous pressure to further reduce our margins.

In light of the above scenarios we had to move very quickly to reduce our own costs, make our costing models much more in synch with our client billing models, and accelerate our plans for our other businesses. Our proposition to market changed as when we positioned our higher margin value added service offerings more aggressively , enhanced significantly our US and UK marketing and business development efforts and streamlined our operations globally. Our full fledged US office positions us well for our US based clients. Our operations in Malaysia and India allow us to provide excellent and cost competitive offshore options to a US based client coupled with an onshore (US based) client management capability.

As a result we have evolved into a leaner, operationally excellent "Global Customer Management Solutions Company" with four main business offerings :

- a) Outsourcing
- b) CRM & Consulting
- c) Education
- d) Technology Solutions

With domain experience, and comprehensive capabilities across all industries and business functions, Scicom partners with clients to help them focus on their customers in order to become high-performance businesses both in the public and private sectors.

Our "Customer Focused Business" strategy builds on our expertise in Outsourcing, CRM & Consulting, Education, and Technology Solutions and help our clients perform at the highest levels so they can create sustainable value for their customers. Using our industry knowledge, service-offering expertise ,

technology capability and by improving operational performance and delivery, we help clients increase revenues from their existing customers , retain their current customer base and proactively acquire new customers. Our goal is to have long term partnerships with global clients and governments and work with organizations of all sizes :

Today Scicom's Key Differentiating factors are :

- Extensive vertical domain expertise
- A focus on business transformation outsourcing
- Commitment to the long-term development of our employees
- A proven and experienced management team.
- Providing innovative solutions for evolving business needs

Moving forward into FY 2010 and beyond, these differentiating factors and services will provide us with the relevance, profitability , flexibility, innovative focus and value proposition for a rapidly evolving client landscape.

Financial Performance

Consolidated revenue for the financial year ended 30 June 2009 rose by 22.3% to RM144.67 million. New contracts secured during the 2009 financial year include contracts with clients based in the United Kingdom and Malaysia.

Our operational performance for the year had been exemplary with increased profit before taxation of RM 9.53 million, a 56.1% increase for the year as compared to RM 6.11 million in profits before taxation for the preceding year.

For the financial year ended 30 June 2009, foreign currency earnings constituted 82.6% of the Group's total revenue.

The Group's profit after taxation for the year grew by 43.7% to close at RM 8.70 million from the Group's preceding year's profit of RM 6.06 million.

The Group's total asset base has increased by 9.7% to RM 62.53 million as at 30 June 2009 over the preceding year's asset base of RM57 million.



CEO UPDATE 2009

Outsourcing

Outsourcing remains core to our business and is the cornerstone of our service offering. Our continued operational excellence has resulted in increased business from existing clients and new clients in our traditional strength areas of complex and premier customer care, technical support and consultative sales.

We are well regarded in the multi-lingual BPO area , providing support in over 30 languages and to over 50 countries worldwide. With over 45 nationalities working for us, Scicom provides unparalleled native language support to our client's customer base in Asia Pacific , Africa , North America and the Middle and Near East.

In April 2009, we acquired Asian Contact Centres Sdn Bhd., in a landmark collaboration with the worlds best low cost carrier , AirAsia Berhad. The new contact centre for AirAsia consolidates all of AirAsia's global customer contact requirements – providing the necessary technical, operational and strategic direction for the delivery of a comprehensive quality customer care and sales service.

Scicom's outsourcing service offerings have been further enhanced by new technology and systems which allow us global voice and data connectivity between our centres. This coupled with enhanced IVR (speech recognition), CTI, email and chat management systems allows us true virtual contact centre capability and multi-channel support for our multinational client base.

Scicom's brand continues to be a powerful force in the outsourcing industry in Asia. Scicom was placed in the "Top Global 100 Services Providers" listing for 2009, based on the survey as conducted by "Global Services" Magazine and NeolT, a distinction which we also earned in 2006, 2007 and 2008.

Our operations are headquartered in Malaysia with full service offerings also available in India and the USA. Our total headcount stands at 2,051 staff as of 30 June 2009 and continues to expand rapidly.

CRM & Consulting

Scicom's CRM & Consulting division is showing exceptional promise. The focus this year has been on the internet and CRM. As a result there has been a clear development of a convergence of skills inherent in Scicom and the tremendous opportunity of the internet. There is an opportunity to tap into organizations and help them in all aspects of their customer contact management lifecycle and one of those is their Online sales strategy. Scicom today has developed a E-Commerce engine that focuses on the sale conversion and the customer.

The range of services show promise in all industry verticals and our MNC client base looks at the products as a step change in the way that Scicom and our value to them is perceived.

Our consultants are operational and domain experts and Scicom's clear advantage in providing robust operational customer care and fulfillment services allow us to offer clearly differentiated services vis a vie our competition.




 A red, tag-shaped graphic with a gold border and a gold ring at the top left corner. The text "CEO UPDATE 2009" is written in white, bold, sans-serif font.

CEO UPDATE 2009

Education

The Group's wholly owned subsidiary – Scicom (Academy) Sdn Bhd has had an excellent year. Our educational services offerings, affiliated with a professional body in the UK now offers internationally recognized British Technical Educational Council (“BTEC”) certificates and diplomas for both entry and management level personnel in the “Customer Contact Management” industry. These courses typically ranging in tenure from 3 months full time up to 18 months full time/ part time and offer relevance to a wide range of industry verticals such as retail, BPO, hospitality, tourism, transportation and the medical profession to name a few.

Corporate and government clients have been very receptive to our Education product and service line and as a result we have produced over 1,500 graduates in the financial year and expect to grow this significantly moving forward with contracts in hand and in the pipeline.

Moving forward the focus on formal education products and services along with our customized corporate training products provides a scalable and sustainable revenue stream for the Group with the potential to attract greater margins from Malaysia and the region in the short term.

This is a global first for the industry and in line with our aspirations to move up the value chain in terms of providing a world class service offering and offering greater geographical spread. We expect these courses to be offered by our staff and facilities in overseas markets in the very near future.

Technology Solutions

In FY 2009, Scicom established a new business division to augment its core business in Business Process Outsourcing. This division, called Technology Solutions focuses on 3 key areas, namely Technology Consulting, Technology Systems and Solutions and Infrastructure Development.

Technology Solutions, drawing upon resources available within Scicom, provides consulting services to clients in various industries. Over the years, Scicom has established its brand in the market for providing Business Process Outsourcing (“BPO”) services. In providing these services, a large element within this was in the development and optimization of methods

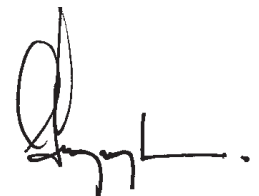
and processes, which were provided as part of the project scope in establishing a contact centre for a particular client. Along with this came the component of consulting and the service of designing and implementing the technology required to automate several of the methods and processes. All of these solutions are now available through Technology Solutions as tried and tested solutions which have passed “real-world” tests, after being used extensively by Scicom within its own contact center operations around the world.

Scicom will leverage on its years of experience and know-how to deliver these solutions to our clients in the most efficient and cost effective way.

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.

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.


 A handwritten signature in black ink, appearing to read "Leo Ariyanayakam".

LEO ARIYANAYAKAM
Chief Executive Officer



Corporate Social Responsibility



Corporate Social Responsibility
at Scicom is about how
we manage & drive our business
processes to produce an overall
positive impact on our employees
& our society at large.



CORPORATE SOCIAL RESPONSIBILITY

The Community

Scicom has a continuing commitment to behave ethically, contribute to the national economic development of the country, improve the lives of our workforce and society at large. Scicom's CSR is about business giving back to its people.

Scicom has leveraged its subsidiary, Scicom (Academy) Sdn Bhd to collaborate with BTEC (Business and Technical Education Council) in providing Certification, Post-Graduate Certification and Diploma Programmes in Customer Contact Management to a global audience.

This in turn provides a key role in creating a trained & qualified workforce, armed with relevant disciplines, for the outsourcing industry in Malaysia. The fact that our very own 2,000 strong human capital work force are able to improve their performance & capabilities by the ability to attain these various certifications at a significantly subsidized cost, is a testimony itself to our commitment to enhance the lives of our people.

Scicom believes that Corporate Social Responsibility starts with our own employees and extends to the community as a whole. It is infused into the Company's business practices and strategies contributing always to the economic development of the nation and the community at large.

The Workplace

Scicom's biggest positive impact on the community at large is the employment opportunities it provides along with the associated training of its employees. We believe that people are our greatest asset and we need to invest seriously in them. We understand that our people need to be developed, challenged, and be nurtured to be motivated to meet our business goals. We continually reward and recognise our employees for their outstanding contribution and performance.

We strive to link the Company's business practices to the welfare of our employees, along with the focus on business at hand. We believe that the members of any team and the various departments within our

organization must work together to achieve common goals and targets.

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. We continuously assess all our employees current level of capabilities against the desired level and create a list of high potential employees for career advancements. We also develop employees for future organizational roles and create a common framework of behavior.

We continue to enhance our values, core principles and code of conduct, across our global locations and within our multiple ethnic groups. At Scicom, it is critically important that everyone in the organization knows the values and principles that we stand for and how they should apply them at work and at home.

The Marketplace

As customers have become more interested in aligning their personal values with the brands they buy and companies they support, we at Scicom understand the need to rise to the challenge and clearly define and articulate our corporate social responsibility values. Today CSR is inherent at all levels of Scicom's management and its leadership provides clear guidance and directions on how our people should work and behave in the workplace. Scicom is looking at creating long-term educational benefits for its staff, and the Company sees this as an important element in implementing its business strategies.

Scicom's success depends on its ability to build a sustainable people centric culture. Scicom is convinced that socially responsible activities are the best possible way to ensure the long-term success of the Company. We clearly understand today's employee and consumer requirements and trends and what it means to our business. That will allow us to capitalize on current and future opportunities that are transforming businesses globally today.



CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE STATEMENT



The Board of Directors (“the Board”) of Scicom recognises the importance to practice the Corporate Governance Standards in their pursuit of discharging their roles and responsibilities to protect and enhance shareholders value and in improving the financial performance of the Group. The Board subscribes to the Principles and Best Practices as set out in the Malaysian Code of Corporate Governance as a key factor towards achieving an optimal governance framework and process in managing the Group’s business and operational activities.

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

The Group’s Board comprising competent individuals with specialised skills and knowledge provide clear and effective leadership to the Group. 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 respective Heads of Departments 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;
- Reviewing and approving the Group’s business plans;
- 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 10 and 11. 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 the Group’s success. None of the Non-

CORPORATE GOVERNANCE STATEMENT

Executive Directors participate in the Group's day-to-day management activities. The Independent Non-Executive Directors play a pivotal role in ensuring corporate accountability and provide an essential source of impartial and professional advice and judgment to safeguard the interests of the Group and its stakeholders.

In order to achieve a balance of power and authority, there is a clear division of responsibility between the Chairman of the Board and the 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 below:

- 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 issue 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 the Group'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 quarter 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, 5 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	2 of 5 meetings*	40%
Leo Ariyanayakam	Chief Executive Officer/Group Executive Director/Non-Independent Executive Director	5 of 5 meetings	100%
YBhg Dato' Mohd Salleh bin Hj Harun	Independent Non-Executive Director	5 of 5 meetings	100%
Krishnan Menon	Non-Independent Non-Executive Director	5 of 5 meetings	100%
Dr. Nikolai Dobberstein	Independent Non-Executive Director	5 of 5 meetings	100%
Loh Lee Soon	Independent Non-Executive Director	5 of 5 meetings	100%

* * Absent with apologies for the 3 meetings held due to other unavoidable official engagements.*



CORPORATE GOVERNANCE STATEMENT

All meetings were held at the conference room, 25th Floor, Menara TA One, 22 Jalan P. Ramlee, 50250 Kuala Lumpur.

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' Trainings

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. The seminars and training courses attended by the Directors during the financial year are as listed :

No.	Name of Director	Seminar/Training Course Attended
1.	Dato' Ahmad Kabeer bin Mohamed Nagoor	SC-Bursa's " PLCs Forum on Corporate Governance Best Practices.
2.	Leo Ariyanayakam	MSC Malaysia - Global Sales Strategies Asia-Pacific Outsourcing Summit.
3.	Dato' Mohd Salleh bin Hj Harun	Prudential Financial Development Program (FIDE Programme) organized by Bank Negara over weekend course period for 5 months.
4.	Krishnan Menon	Workshop on " Global Strategic Risk Management for Corporate Directors" , organized by Petronas Group Internal Audit Division. Representations and Warranties. Cross Border Acquisitions / Deal Structuring.
5.	Dr. Nikolai Dobberstein	Digital Generation Malaysia, Kuala Lumpur. Mobile Payments World Asia, Singapore. Asia Pacific Mobile Learning Conference, Kuala Lumpur. GSMA Mobile World Congress, Barcelona. Wireless Broadband Congress, Singapore. Creative Industry in Malaysia, Kuala Lumpur.
6.	Loh Lee Soon	Customer Relationship Management by Microsoft Certified Partner. Intranet Collaboration Systems by Microsoft Certified Partner. VoIP Telephony Systems for IVR and Call Centre applications.



CORPORATE GOVERNANCE STATEMENT

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;
- The annual business plan and strategic initiatives are tabled for approval by the Board : and
- The Directors are regularly updated by the Company Secretaries on new statutory as well as regulatory requirements relating to Director's duties and responsibilities on the discharge of their duties as Directors of the Company. The Directors have unrestricted access to the advice and services of the Company Secretaries and SMT of the Group.

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, whom wishes to seek independent professional advice in carrying out his or their duties respectively, may 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 38 to 43.

- Option Committee

The Option Committee was set-up to administer the implementation of the Scicom Employees' Share Option Scheme ("ESOS"). The ESOS was administered fairly in accordance with the Company's Bye-Laws thereof as approved by the shareholders. The Option Committee comprises of 6 members met 1 time during the financial year since there was only one ESOS exercise during the financial year with the meeting being attended by all of the Committee members.

CORPORATE GOVERNANCE STATEMENT

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 2009, 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 below:

	Executive RM	Non-Executive RM	Total RM
Salary	607,992	0	607,992
Benefits-in-kind	10,100	0	10,100
	618,092	0	618,092
Fees	0	150,000	150,000
Total	618,092	150,000	768,092

	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 to communicate effectively with its shareholders and other stakeholders in relation to the Group's business activities and 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 Loh Lee Soon, the Non Executive 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. The CEO will conduct a brief presentation on the Group's performance during the financial year, as well as its future outlook and business plans. During the AGM, the Chairman, other Board members, SMT and Group's external auditors are available to respond to 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 reports 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 102.



CORPORATE GOVERNANCE STATEMENT

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 33 to 37.

3. Relationship with auditors

The Group, through the Audit Committee, has a professional and transparent relationship with both the Group's internal and external auditors. The

internal auditors attend all Audit Committee meetings held on a quarterly basis and the external auditors attend the Audit Committee meeting twice in the year. Disclosure of non-audit fees is included under Additional Compliance Information as set out on page 105. 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 38 to 43.



INTERNAL CONTROL STATEMENT

INTRODUCTION

The Board of Scicom has overall responsibility for the Group's system of internal control and is pleased to provide the following internal control statement which has been prepared in compliance and in accordance with the guidelines for Directors – Statement on Internal Control: Guidance for Directors of Public Listed Companies, as issued by Bursa Securities. The internal control statement outlines the nature and features of internal controls within the Group to safeguard the Group's shareholder investment and assets for the financial year ended 30 June 2009.

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 and financial, organisational, operational and compliance controls.

The Board acknowledges its responsibility with regards to the following:

- 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, whereas the remaining human capital has the responsibility over internal controls as part of its accountability in achieving the Group's overall objectives.

Because 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.

INTERNAL CONTROL STATEMENT

RISK MANAGEMENT FRAMEWORK

The Board recognises the importance of establishing a structured risk management framework to sustain and enhance good corporate governance practices. The Board has established ongoing processes for identifying, evaluating and managing the significant risks faced, or potentially exposed to by the Group in pursuing its business objectives. These processes have been in place throughout the financial year. The adequacy and effectiveness of these processes are continually reviewed by the Board and is in accordance with the Group's Internal Control Policies. 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 human capital, 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

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 Committees in the execution of some of the Group's fiduciary responsibilities, such as the Audit and Options Committees respectively, of which their clearly defined terms of reference are set out in Statement of Corporate Governance and Audit Committee Report on pages 27 to 32 and 38 to 43 respectively.

The Group has in place an organization structure with well defined scope of responsibility and clear lines of accountability. A process of hierarchical reporting is in place which provides for a well documented and auditable trail of accountability. 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 shared 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 at least 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 auditor's 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. Also as part of its terms of reference, the

INTERNAL CONTROL STATEMENT

CONTROL ENVIRONMENT AND STRUCTURE (CONTINUED)

Audit Committee obtains assurance on the Group's system of internal controls via quarterly updates from the CEO, Finance Department, and internal and external auditors respectively.

The details of activities carried out by the Audit Committee are set out in the Audit Committee Report on pages 38 to 43.

- Internal Audit Function

The Board has engaged the services of an independent professional firm to provide much of the assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Group's system of internal control. Total cost of the internal audit function in respect of the FY2009 is RM60,000.

The internal audit function adopts a risk-based approach in developing its annual audit plan which focuses on the core auditable areas of the Group's business units based on the risk profile. Scheduled quarterly internal audits are carried by the internal auditors based on the audit plan presented to and approved by the Audit Committee. The audit area focuses on areas with high risk to ensure that adequate action plan is in place to mitigate the risk. On a quarterly basis or earlier as required, the internal auditors report to the Audit Committee and will subsequently follow up to determine the extent of their recommendations that have been implemented.

- 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 Board has in place extensive and properly documented policies, procedures, guidelines and departmental service-level agreements, which are made readily available to the Group's human capital via written manuals and also via the Group's intranet website. 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 human capital at all times.

- Code of Business Conduct and Fraud Management

The Board has in place a written Code of Business Conduct ("the Code") as available on the Group's intranet website (as accessible by all of the Group's human capital), which summarises many of the laws that Scicom and all its employees are required to live by. All of the Group's respective managers are required to be diligent in looking for indications of unethical or illegal conducts (including fraudulent activities), and in the event of such occurrences being noted, to inform either their Line Managers or the Human Resource Department.

Included in the Code is a section relating to the "accuracy of company records", which emphasizes the need for honest and accurate recording and reporting of information, all business records and communications to be clear, truthful and accurate, and prohibition of false entries being made in the Group's general ledger.

All incidences of violations of the Code are immediately brought to the attention of the CEO by the Human Resource Department, whom will then alert and bring to the attention of the SMT during their SMT meetings, for their caution. Disciplinary actions for any violation of the Code include staff dismissal.

The Boards of Directors and Audit Committee respectively, communicate their views on controls 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 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.



INTERNAL CONTROL STATEMENT

CONTROL ENVIRONMENT AND STRUCTURE (CONTINUED)

- Authorisation and Approval

All requisitions require compulsory authorisation and approvals in the following order – firstly by the respective Heads of Department, then the Chief Financial Officer (“CFO”) and finally, the CEO. This process helps to ensure that both the Finance Department and the CEO are constantly kept abreast of the Group’s entire capital expenditure and other purchase requisitions, as well as to ensure that all expenditure are well within the approved budgets for the respective Departments and projects for the current financial year.

- Financial and Operational Information

The SMT currently has in place a comprehensive business plan and detailed budgeting process where all business units and shared services prepare budgets for the year which are approved both at operating unit level and by the CFO and CEO. The preparation of the annual budget is driven by the Finance Department via inputs from the respective Heads of operations and other shared services. The Group’s performance is tracked and measured against the approved budget on a monthly basis, with explanations of significant variances being highlighted to the attention of the CEO by the Finance Department. The Board reviews the Group’s quarterly results, as announced to Bursa Securities, to enable them to gauge the Group’s financial performance and position, 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 periodically monitored, reviewed and evaluated by the TQM Department, which reports directly to the Chief Operating Officer (“COO”). 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.

- Statutory 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

**INTERNAL
CONTROL
STATEMENT****MONITORING AND REVIEW (CONTINUED)**

deficiencies, together with their respective recommendations for improvement, if any, will be highlighted to the Audit Committee during the quarterly meetings, in the form of an ICM.

CONCLUSION

The Board is satisfied that the Group's systems of internal controls are 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 28 August 2009.




**AUDIT
COMMITTEE
REPORT**

Audit Committee Report

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 an 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 2009, the Audit Committee met five times, and the details of the Audit Committee members' attendances are set out 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	5 of 5 meetings
Krishnan Menon	Non-Independent Non-Executive Director	5 of 5 meetings
Dr. Nikolai Dobberstein	Independent Non-Executive Director	5 of 5 meetings
Loh Lee Soon	Independent Non-Executive Director	5 of 5 meetings

A brief profile of the individual members comprising the Audit Committee is included in the Board of Directors – Profiles as set out on pages 10 to 11.

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 whom 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.



AUDIT COMMITTEE REPORT

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

At least 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 meeting 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 keep 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.



AUDIT COMMITTEE REPORT

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;



AUDIT COMMITTEE REPORT

- 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 judgment;
 - 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 a 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 judgment 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.



AUDIT COMMITTEE REPORT

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 the 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 2009;
- 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.

**AUDIT
COMMITTEE
REPORT****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 Employee Share Option Scheme in conjunction with the Company's Initial Public Offering.

RESPONSIBILITY STATEMENT BY THE BOARD OF DIRECTORS

Responsibility Statement by the Board of Directors

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 2009.

In preparing the financial statements for the financial year ended 30 June 2009, the Directors have:

- Adopted suitable accounting policies and applied them consistently;
- Made judgment, 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 have also taken the necessary steps to ensure that appropriate systems are in place for safeguarding the assets of the Group and for the prevention and detection of fraud and other irregularities. The systems, by their nature, can only provide reasonable and not absolute assurance against material misstatements, loss or fraud.

A Statement by Directors pursuant to Section 169 of the Companies Act, 1965 is set out on page 102 of the Audited Statutory Financial Statements.



2009 Financial Statements

SCICOM (MSC) BERHAD
(Incorporated in Malaysia)



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DIRECTOR'S REPORT

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 2009.

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 and jointly controlled entity are shown in Note 17 and Note 18 to the financial statements.

FINANCIAL RESULTS

	<u>Group</u>	<u>Company</u>
	RM	RM
Net profit for the financial year	8,700,687	6,938,676

DIVIDENDS

The dividends on ordinary shares paid or declared by the Company since 30 June 2008 were as follows:

	RM
In respect of the financial year ended 30 June 2008, a final gross dividend of 1 sen, tax exempt, per ordinary share, paid on 24 November 2008	2,652,930
In respect of the financial year ended 30 June 2009, an interim gross dividend of 1 sen, tax exempt, per ordinary share, paid on 6 March 2009	2,652,930
	<u>5,305,860</u>

The Directors now recommend the payment of a final gross dividend of 1.5 sen per ordinary share, tax exempt, in respect of the financial year ended 30 June 2009 amounting to RM3,979,395. The dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company.



**DIRECTOR'S
REPORT
(CONTINUED)**

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, 35,000 new ordinary shares of RM0.10 each were issued by the Company for cash by virtue of the exercise of options to the Company's Employee Share Option Scheme ("ESOS") at an exercise price of RM0.30 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 27 (b) to the financial statements.

In the financial year ended 30 June 2007, 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 was 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.

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 450,000. The name of the employees who have options in aggregate of 450,000 options or more is as follows:

<u>Name of employee</u>	<u>Number of options</u>
	'000
Benny Phillip	700
Leo Suresh Ariyanayakam	2,000

**DIRECTOR'S
REPORT
(CONTINUED)****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

In accordance with Article 84 of the Company's Articles of Association, Loh Lee Soon and YBhg Dato' Ahmad Kabeer bin Mohamed Nagoor are required to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Group and the Company is a party, with the object or objects of enabling Directors of the Group and the Company 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 year, no Director has received or become entitled to receive a benefit (other than as disclosed in Notes 8 and 11 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.



**DIRECTOR'S
REPORT
(CONTINUED)**

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 2008 '000	Bought '000	Disposed '000	At 30 June 2009 '000
<u>Direct interest in shareholdings</u>				
YBhg Dato' Mohd Salleh bin Hj. Harun	440	110	-	550
Krishnan Menon	14,148	782	-	14,930
Leo Suresh Ariyanayakam	37,360	8	-	37,368
Nikolai Dobberstein	1,000	-	-	1,000
Loh Lee Soon	317	40	40	317
<u>Deemed interest in shareholdings</u>				
Krishnan Menon ¹	42,818	-	-	42,818
YBhg Dato' Ahmad Kabeer bin Mohamed Nagoor ²	9,457	-	6,300	3,157

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

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

	Number of options over ordinary shares of RM0.10 each in the Company			
	At 1 July 2008 '000	Adjusted '000	Exercised '000	At 30 June 2009 '000
Leo Suresh Ariyanayakam	2,000	-	-	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.



**DIRECTOR'S
REPORT
(CONTINUED)**

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

- (a) Before the income statements and balance sheets were made out, the Directors took reasonable steps:
 - (i) 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 there were no known bad debts and that adequate allowance had been made for doubtful debts; and
 - (ii) 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.
- (b) At the date of this Report, the Directors are not aware of any circumstances:
 - (i) which would render it necessary to write off any 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
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or
 - (iii) 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.
- (c) 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.
- (d) At the date of this Report, there does not exist:
 - (i) 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
 - (ii) any contingent liability of the Group or the Company which has arisen since the end of the financial year.
- (e) 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.



**DIRECTOR'S
REPORT
(CONTINUED)**

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

- (f) In the opinion of the Directors:
- (i) 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
 - (ii) 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 28 August 2009.

LEO SURESH ARIYANAYAKAM
DIRECTOR

KRISHNAN MENON
DIRECTOR

Kuala Lumpur

**INCOME
STATEMENTS**
FOR THE FINANCIAL YEAR
ENDED 30 JUNE 2009

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Continuing operations					
REVENUE	6	144,671,483	118,271,623	107,735,721	89,746,807
OTHER OPERATING INCOME	7	60,794	8,745	12,366	-
		144,732,277	118,280,368	107,748,087	89,746,807
OPERATING EXPENSES					
- Allowance for doubtful debts		5,085,246	-	4,993,790	-
- Depreciation of plant and equipment	16	6,700,143	6,881,538	4,251,682	4,300,086
- Employee benefits costs	8	101,167,636	85,594,272	69,644,073	59,585,234
- Maintenance expenses		1,344,831	1,065,557	743,191	722,875
- Management fees		120,896	1,927,781	6,673,484	8,617,268
- Other operating expenses		6,237,497	6,164,578	2,912,851	2,973,368
- Rental expenses	9	7,646,907	5,672,586	6,754,244	4,632,889
- Telecommunication and utilities expenses		4,067,361	2,684,834	2,981,647	2,003,634
- Travelling expenses		3,055,783	2,296,506	1,888,917	1,445,983
		(135,426,300)	(112,287,652)	(100,843,879)	(84,281,337)
SHARE OF PROFIT OF THE JOINTLY CONTROLLED ENTITY	18	148,603	-	-	-
NET FINANCE INCOME	10	74,945	112,932	66,969	119,659
PROFIT BEFORE TAXATION	11	9,529,525	6,105,648	6,971,177	5,585,129
TAXATION	12	(828,838)	(443,530)	(32,501)	(2,128)
NET PROFIT FROM CONTINUING OPERATIONS		8,700,687	5,662,118	6,938,676	5,583,001
Discontinued operations					
PROFIT FROM DISCONTINUED OPERATIONS	13	-	393,738	-	-
NET PROFIT FOR THE FINANCIAL YEAR		8,700,687	6,055,856	6,938,676	5,583,001

The summary of significant accounting policies and notes on pages 62 to 101 form an integral part of the financial statements.

INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30 JUNE 2009 (CONTINUED)

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Earnings per share:					
- Basic (sen)	14	3.28	2.28		
- Diluted (sen)	14	3.28	2.27		
Gross dividend per share (sen)	15	1.0	2.0	1.0	2.0

The summary of significant accounting policies and notes on pages 62 to 101 form an integral part of the financial statements.

BALANCE SHEETS

AS AT 30 JUNE 2009

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
NON-CURRENT ASSETS					
Plant and equipment	16	16,948,370	15,460,198	8,803,753	9,080,430
Investment in subsidiaries	17	-	-	575,986	575,986
Investment in jointly controlled entity	18	111,453	-	1	-
Non-current receivable		-	2,052,504	-	2,052,504
		17,059,823	17,512,702	9,379,740	11,708,920
CURRENT ASSETS					
Trade receivables	19	31,367,112	21,223,775	26,618,970	16,930,570
Deposits, prepayments and other receivables	20	7,286,455	7,767,694	4,328,282	5,057,226
Amounts due from subsidiaries	21	-	-	11,081,740	9,574,410
Deposits with a licensed bank	22	654,227	4,565,938	482,154	4,404,454
Cash and bank balances	23	6,161,728	5,931,681	1,513,283	3,059,739
		45,469,522	39,489,088	44,024,429	39,026,399
CURRENT LIABILITIES					
Payables and accruals	24	11,272,800	9,804,634	7,317,983	6,088,904
Current tax liabilities		-	712,479	-	-
Borrowings (secured and interest-bearing)	25	289,777	201,323	63,992	201,323
		11,562,577	10,718,436	7,381,975	6,290,227
NET CURRENT ASSETS		33,906,945	28,770,652	36,642,454	32,736,172
NON-CURRENT LIABILITIES					
Borrowings (secured and interest-bearing)	25	478,222	83,236	17,022	83,236
Deferred tax liabilities	26	1,020,226	351,389	-	-
		1,498,448	434,625	17,022	83,236
NET ASSETS		49,468,320	45,848,729	46,005,172	44,361,856

The summary of significant accounting policies and notes on pages 62 to 101 form an integral part of the financial statements.

BALANCE SHEETSAS AT 30 JUNE 2009
(CONTINUED)

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>2009</u> RM	<u>2008</u> RM	<u>2009</u> RM	<u>2008</u> RM
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
Share capital	27	26,529,300	26,525,800	26,529,300	26,525,800
Share premium reserve		3,932,214	3,925,214	3,932,214	3,925,214
Currency translation reserve		(237,364)	(451,628)	-	-
Retained earnings	28	19,244,170	15,849,343	15,543,658	13,910,842
TOTAL EQUITY		49,468,320	45,848,729	46,005,172	44,361,856

The summary of significant accounting policies and notes on pages 62 to 101 form an integral part of the financial statements.

**STATEMENTS
OF CHANGES IN
EQUITY**
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2009

Group	Note	Issued and fully paid ordinary shares of RM0.10 each		Non-distributable		Distributable	Total equity
		Number of shares	Nominal value	Share premium reserve	Currency translation reserve	Retained earnings	
		unit	RM	RM	RM	RM	RM
At 1 July 2008		265,258,000	26,525,800	3,925,214	(451,628)	15,849,343	45,848,729
Currency translation differences, representing total income and expense recognised directly in equity		-	-	-	214,264	-	214,264
Net profit for the financial year		-	-	-	-	8,700,687	8,700,687
Total recognised income and expense for the year		-	-	-	214,264	8,700,687	8,914,951
Dividend for financial year ended:							
- 30 June 2008	15	-	-	-	-	(2,652,930)	(2,652,930)
- 30 June 2009	15	-	-	-	-	(2,652,930)	(2,652,930)
Issuance of ordinary shares of RM0.10 each pursuant to the ESOS at an issue price of RM0.30 per ordinary share	27	35,000	3,500	7,000	-	-	10,500
At 30 June 2009		<u>265,293,000</u>	<u>26,529,300</u>	<u>3,932,214</u>	<u>(237,364)</u>	<u>19,244,170</u>	<u>49,468,320</u>

The summary of significant accounting policies and notes on pages 62 to 101 form an integral part of the financial statements.

**STATEMENTS
OF CHANGES IN
EQUITY**
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2009 (CONTINUED)

Group	Note	Issued and fully paid ordinary shares of RM0.10 each		Non-distributable		Distributable	Attributable to equity holders of the Company	Minority interest	Total equity
		Number of shares	Nominal value	Share premium reserve	Currency translation reserve	Retained earnings			
		unit	RM	RM	RM	RM	RM	RM	RM
At 1 July 2007		263,603,000	26,360,300	3,594,214	(239,629)	15,096,527	44,811,412	25,512	44,836,924
Currency translation differences, representing total income and expense recognised directly in equity		-	-	-	(211,999)	-	(211,999)	-	(211,999)
Net profit for the financial year		-	-	-	-	6,055,856	6,055,856	-	6,055,856
Disposal of subsidiary		-	-	-	-	-	-	(25,512)	(25,512)
Total recognised income and expense for the year		-	-	-	(211,999)	6,055,856	5,843,857	(25,512)	5,818,345
Dividend for financial year ended:									
- 30 June 2007		-	-	-	-	(2,650,460)	(2,650,460)	-	(2,650,460)
- 30 June 2008	15	-	-	-	-	(2,652,580)	(2,652,580)	-	(2,652,580)
Issuance of ordinary shares of RM0.10 each pursuant to the ESOS at an issue price of RM0.30 per ordinary share	27	1,655,000	165,500	331,000	-	-	496,500	-	496,500
At 30 June 2008		<u>265,258,000</u>	<u>26,525,800</u>	<u>3,925,214</u>	<u>(451,628)</u>	<u>15,849,343</u>	<u>45,848,729</u>	<u>-</u>	<u>45,848,729</u>

The summary of significant accounting policies and notes on pages 62 to 101 form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED
30 JUNE 2009 (CONTINUED)

	Note	Issued and fully paid ordinary shares of RM0.10 each		Non-	Distributable	Total equity
		Number of shares	Nominal value	Share premium reserve	Retained earnings	
		unit	RM	RM	RM	RM
<u>Company</u>						
At 1 July 2008		265,258,000	26,525,800	3,925,214	13,910,842	44,361,856
Net profit for the financial year		-	-	-	6,938,676	6,938,676
Dividend for financial year ended:						
- 30 June 2008	15	-	-	-	(2,652,930)	(2,652,930)
- 30 June 2009	15	-	-	-	(2,652,930)	(2,652,930)
Issuance of ordinary shares of RM0.10 each pursuant to the ESOS at an issue price of RM0.30 per ordinary share	27	35,000	3,500	7,000	-	10,500
At 30 June 2009		<u>265,293,000</u>	<u>26,529,300</u>	<u>3,932,214</u>	<u>15,543,658</u>	<u>46,005,172</u>

The summary of significant accounting policies and notes on pages 62 to 101 form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED
30 JUNE 2009 (CONTINUED)

	Note	Issued and fully paid ordinary shares of RM0.10 each		Non-	Distributable	Total equity
		Number of shares	Nominal value	distributable	Retained earnings	
		unit	RM	Share premium reserve	RM	RM
<u>Company</u>						
At 1 July 2007		263,603,000	26,360,300	3,594,214	13,630,881	43,585,395
Net profit for the financial year		-	-	-	5,583,001	5,583,001
Dividend for financial year ended:						
- 30 June 2007		-	-	-	(2,650,460)	(2,650,460)
- 30 June 2008	15	-	-	-	(2,652,580)	(2,652,580)
Issuance of ordinary shares of RM0.10 each pursuant to the ESOS at an issue price of RM0.30 per ordinary share	27	1,655,000	165,500	331,000	-	496,500
At 30 June 2008		<u>265,258,000</u>	<u>26,525,800</u>	<u>3,925,214</u>	<u>13,910,842</u>	<u>44,361,856</u>

The summary of significant accounting policies and notes on pages 62 to 101 form an integral part of the financial statements.

CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30 JUNE 2009

	Note	Group		Company	
		2009	2008	2009	2008
		RM	RM	RM	RM
OPERATING ACTIVITIES					
Net profit attributable to equity holders of the Company		8,700,687	6,055,856	6,938,675	5,583,001
Adjustments for:					
Allowance for doubtful debts		5,085,246	-	4,993,790	-
Depreciation of plant and equipment		6,700,143	6,881,538	4,251,682	4,300,086
Profit from discontinued operations	13	-	(393,738)	-	-
Gain on disposal of plant and equipment (net)		-	(8,745)	-	-
Plant and equipment written off		1,442	-	1,442	-
Interest expense		41,510	163,007	30,824	107,999
Interest income		(116,455)	(275,939)	(97,793)	(227,658)
Share of profit of the jointly controlled entity		(148,603)	-	-	-
Unrealised exchange loss/(gain)		215,697	(277,753)	262,926	(372,399)
Taxation		828,838	443,530	32,501	2,128
Operating profit before changes in working capital		21,308,505	12,587,756	16,414,047	9,393,157
Changes in working capital:					
Receivables		(12,505,525)	(5,557,908)	(12,168,315)	(4,905,236)
Payables		1,468,166	4,248,612	1,229,080	2,351,093
Intercompany balances		-	-	(1,507,330)	2,559,733
Net cash generated from operations		10,271,146	11,278,460	3,967,482	9,398,747
Interest received		116,455	275,939	97,793	227,658
Taxation (paid)/refund		(1,240,341)	1,559,603	(27,856)	(29,602)
Net cash flow received from operating activities		9,147,260	13,114,002	4,037,419	9,596,803

The summary of significant accounting policies and notes on pages 62 to 101 form an integral part of the financial statements.

CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30 JUNE 2009

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
INVESTING ACTIVITIES					
Net cash inflow from disposal of discontinued operations		-	283,294	-	70,000
Proceeds from disposal of plant and equipment		-	51,381	-	14,288
Purchase of plant and equipment		(7,977,416)	(4,548,106)	(3,976,447)	(3,207,526)
Investment in jointly controlled entity		1	-	1	-
Net cash flow used in investing activities		(7,977,415)	(4,213,431)	(3,976,446)	(3,123,238)
FINANCING ACTIVITIES					
Drawdown of finance lease		743,999	-	-	-
Repayment of finance lease principal		(221,546)	(915,168)	(164,531)	(915,168)
Interest paid		(41,510)	(163,007)	(30,824)	(107,999)
Proceeds from issuance of shares		10,500	496,500	10,500	496,500
Payment of dividends		(5,305,860)	(5,303,040)	(5,305,860)	(5,303,040)
Net cash flow used in financing activities		(4,814,417)	(5,884,715)	(5,490,715)	(5,829,707)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(3,644,572)	3,015,856	(5,429,742)	643,858
EFFECT OF FOREIGN EXCHANGE ON CASH AND CASH EQUIVALENTS		1,922	265,941	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		10,458,605	7,176,808	7,425,179	6,781,321
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	23	6,815,955	10,458,605	1,995,437	7,425,179

The summary of significant accounting policies and notes on pages 62 to 101 form an integral part of the financial statements.



**NOTES TO THE
FINANCIAL
STATEMENTS**
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2009

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 and jointly controlled entity are shown in Note 17 and Note 18 to the financial statements.

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

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

Level 18, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

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 Financial Reporting Standards in Malaysia 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.

**NOTES TO THE
FINANCIAL
STATEMENTS**
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2009 (CONTINUED)

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 standard to published standards effective for the Group's financial period beginning on or after 1 July 2008 is as follows:

- FRS 112 Income Taxes

This revised standard removes the requirement that prohibit recognition of deferred tax on unutilised reinvestment allowances or other allowances in excess of capital allowances.

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

(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, amendments to published standards and interpretations that are mandatory for the Group but which the Group has not early adopted, are as follows:

- FRS 8 Operating Segments (effective for financial period beginning on or after 1 July 2009). FRS 8 replaces FRS 114²⁰⁰⁴ Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply this standard from financial periods beginning on 1 July 2009.

Effective for the financial period beginning on or after 1 January 2010

- FRS 123 Borrowing Costs replaces FRS 123²⁰⁰⁴ which requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualified asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of the asset. The option of immediately expensing those borrowing costs will be removed.
- Amendments to FRS 1 First-time Adoption of Finance Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate allow first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment also removes the definition of the cost method from IAS 27 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor.

**NOTES TO THE
FINANCIAL
STATEMENTS**
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2009 (CONTINUED)

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 (continued)

In addition, the MASB has 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.

The Group has applied the transitional provision in the respective standards which exempts entities from disclosing the possible impact arising from the initial application of the standard on the financial statements of the Group and the Company.

- FRS 139 Financial Instruments : Recognition and Measurement
- FRS 7 Financial Instruments : Disclosures

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 (e) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30 JUNE 2009 (CONTINUED)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Subsidiaries (continued)

All intragroup transactions, balances and unrealised gains on intragroup transactions are eliminated; unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. 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 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. 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.

(c) Jointly Controlled Entity

The Group has interest in a joint venture which is a jointly controlled entity. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Investment in jointly controlled entity is accounted for in the consolidated financial statements using the equity method of accounting. In the Company's separate financial statements, an investment in jointly controlled entity is stated at cost less impairment losses. On disposal of such investment, the difference between net disposal proceeds and their carrying amounts is included in income statement.

(d) 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%
Software	20%
Office renovations	33 1/3% - 50%
Motor vehicles	20%
Educational manuals	33 1/3%

**NOTES TO THE
FINANCIAL
STATEMENTS**
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2009 (CONTINUED)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Plant and equipment (continued)

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 (e) on impairment of assets.

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

(e) 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.

(f) 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.

**NOTES TO THE
FINANCIAL
STATEMENTS**
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2009 (CONTINUED)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) 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.

(h) 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.

(i) 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.

(j) 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.



**NOTES TO THE
FINANCIAL
STATEMENTS**

FOR THE FINANCIAL YEAR ENDED
30 JUNE 2009 (CONTINUED)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Share capital (Continued)

(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.

(k) 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.

(l) 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.

**NOTES TO THE
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FOR THE FINANCIAL YEAR ENDED
30 JUNE 2009 (CONTINUED)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) 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

Defined contribution plans

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.

(iii) Share-based compensation

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.

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.

(n) 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.

If circumstances arise that may result in revenue not billed to customers, accrued revenue will be recognised. Accrued revenue is disclosed together with trade receivables.

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30 JUNE 2009 (CONTINUED)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Revenue recognition (continued)

(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.

(o) 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:

**NOTES TO THE
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FOR THE FINANCIAL YEAR ENDED
30 JUNE 2009 (CONTINUED)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Foreign currencies (continued)

(iii) Group companies (continued)

(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.

(p) 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.



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FOR THE FINANCIAL YEAR ENDED
30 JUNE 2009 (CONTINUED)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Financial instruments (continued)

(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.

(q) 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.

**NOTES TO THE
FINANCIAL
STATEMENTS**FOR THE FINANCIAL YEAR ENDED
30 JUNE 2009 (CONTINUED)**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.

(i) 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
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30 JUNE 2009 (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	
	2009 RM	2008 RM	2009 RM	2008 RM	2009 RM	2008 RM
Malaysia *	25,241,812	8,829,484	45,123,277	43,752,248	4,251,895	4,376,959
Singapore	67,786,355	61,573,372	-	-	-	-
United Kingdom	4,772,328	4,829,333	15,653	17,394	-	-
United States of America	40,062,671	32,738,115	12,967,953	11,719,232	1,205,924	163,653
India	196,226	-	4,422,462	1,512,916	2,519,597	7,494
Others	6,612,091	10,301,319	-	-	-	-
	144,671,483	118,271,623	62,529,345	57,001,790	7,977,416	4,548,106

* Group's home country

6 REVENUE

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

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Customer services	138,867,456	115,674,402	107,720,721	89,746,807
Training and consultancy	5,804,027	2,597,221	15,000	-
	144,671,483	118,271,623	107,735,721	89,746,807

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FOR THE FINANCIAL YEAR ENDED
30 JUNE 2009 (CONTINUED)

7 OTHER OPERATING INCOME

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Gain on disposal of plant and equipment (net)	-	8,745	-	-
Others	60,794	-	12,366	-
	60,794	8,745	12,366	-

8 EMPLOYEE BENEFITS COSTS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Salaries and bonuses	88,822,462	75,372,802	61,375,725	52,522,949
Defined contribution plans	7,030,066	5,961,348	4,969,905	4,296,787
Other employee benefits	3,890,770	2,822,200	2,167,623	1,469,934
Staff welfare	816,346	829,930	522,828	687,572
	100,559,644	84,986,280	69,036,081	58,977,242
Directors' remuneration:				
- Salaries	607,992	607,992	607,992	607,992
	101,167,636	85,594,272	69,644,073	59,585,234

The estimated monetary value of benefits-in-kind receivable by a Director of the Group during the financial year amounted to RM10,100 (2008: RM16,820).

9 RENTAL EXPENSES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Rental:				
- Apartments	1,594,495	1,030,757	1,498,284	964,550
- Offices	5,980,408	4,379,479	5,220,976	3,654,689
- Office equipment	40,146	261,675	15,641	13,025
- Others	31,858	675	19,343	625
	7,646,907	5,672,586	6,754,244	4,632,889

**NOTES TO THE
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30 JUNE 2009 (CONTINUED)

10 FINANCE INCOME - NET

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Finance income:				
Fixed deposit	116,455	275,939	97,793	227,658
Finance costs:				
- finance lease	(6,574)	(54,484)	(6,574)	(54,484)
- bank overdraft	(11,973)	(48,247)	(11,973)	(48,247)
- others	(22,963)	(60,276)	(12,277)	(5,268)
	74,945	112,932	66,969	119,659

11 PROFIT BEFORE TAXATION

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

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Auditors' remuneration:				
- PricewaterhouseCoopers, Malaysia	146,000	146,000	88,000	88,000
- Other auditors	21,587	24,066	-	-
Directors' fees	150,000	136,000	150,000	136,000
Marketing expenses	983,313	400,697	469,486	248,971
Office supplies expenses	1,089,623	1,044,093	546,006	499,266
Other professional fees	776,382	779,561	49,989	229,047
Recruitment expenses	169,768	399,125	75,893	215,432
Realised exchange (gain)/ loss	(1,927,119)	564,812	(1,609,311)	111,793
Security service	467,232	421,984	150,358	137,258
Software support	1,338,718	586,686	75,780	-
Plant and equipment written off	1,442	-	1,442	-
Unrealised exchange loss/ (gain)	215,697	(277,753)	262,926	(372,399)
Immigration expenses	914,734	657,449	911,013	655,218

The above charges are included under other operating expenses in the income statement.

The key management personnel during the year, is the Chief Executive Officer, Leo Suresh Ariyanayakam, whose remuneration has been disclosed under Directors' remuneration in Note 8 as he is also a Director of the Company.

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30 JUNE 2009 (CONTINUED)

12 TAXATION

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Income tax:				
- Malaysian tax	56,827	2,128	24,516	2,128
- foreign tax	12,109	258,565	-	-
Underaccrual in prior year	48,127	-	7,985	-
Share of taxation of jointly controlled entity (Note 18)	37,151	-	-	-
	154,214	260,693	32,501	2,128
Deferred tax (Note 26):				
Relating to temporary differences	674,624	182,837	-	-
	828,838	443,530	32,501	2,128

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 has been renewed for a second five-year terms on 28 January 2009 and will expire on 6 November 2012.

The Malaysian current income tax is calculated at the statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the year.

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		Company	
	2009 %	2008 %	2009 %	2008 %
Numerical reconciliation between the average effective tax rate and the Malaysian tax rate:				
Malaysian tax rate	25	26	25	26
Tax effects of:				
- Expenses not deductible for tax purposes	10	4	15	4
- Effect of different tax rate from foreign subsidiaries	2	3	-	-
- Income not subject to tax	(29)	(26)	(40)	(30)
- Share of taxation of jointly controlled entity	1	-	-	-
Average effective tax rate	9	7	-	-

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30 JUNE 2009 (CONTINUED)

13 DISCONTINUED OPERATIONS

	<u>Group</u>
	<u>2008</u>
	<u>RM</u>
Operating cash flows	(100,490)
Investing cash flows	(82,069)
	<u>(182,559)</u>
Revenue	2,792,161
Expenses	(6,380,818)
	<u>(3,588,657)</u>
Loss from discontinued operations before tax	(3,588,657)
Taxation	(316,989)
	<u>(3,905,646)</u>
Gain on recognised on the re-measurement of assets of disposal group after tax	4,299,384
Profit for the year from discontinued operations	<u>393,738</u>

On 31 March 2008, the Company disposed off its shareholding in Jade Apple Marketing Sdn Bhd together with its subsidiary Jade Apple Marketing Pte Ltd for a cash consideration of RM70,000. As a result of this disposal, the Jade Apple Marketing Sdn Bhd business has been classified as a discontinued operations in the Group's financial statements in 2008.

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14 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.

	Group	
	<u>2009</u>	<u>2008</u>
Net profit for the financial year attributable to equity holders of the Company (RM'000)	8,701	6,056
Weighted average number of issued ordinary shares ('000)	<u>265,290</u>	<u>265,041</u>
Basic earnings per share (sen)	<u>3.28</u>	<u>2.28</u>

(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.

	Group	
	<u>2009</u>	<u>2008</u>
Net profit for the financial year attributable to equity shareholders of the Company (RM'000)	8,701	6,056
Weighted average number of issued ordinary shares ('000)	<u>265,290</u>	<u>265,041</u>
Adjustment for share options granted ('000)	166	2,078
Adjusted weighted average number of issued ordinary shares for diluted earnings per share ('000)	<u>265,456</u>	<u>267,119</u>
Diluted earnings per share (sen)	<u>3.28*</u>	<u>2.27</u>

* The dilution is not significant.

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30 JUNE 2009 (CONTINUED)

15 DIVIDENDS

	Group and Company			
	Gross dividend per share sen	<u>2009</u> Amount of dividend RM	Gross dividend per share sen	<u>2008</u> Amount of dividend RM
Interim dividend	1.0	2,652,930	1.0	2,652,580
Final dividend	-	-	1.0	2,652,930
Dividend in respect of the financial year	<u>1.0</u>	<u>2,652,930</u>	<u>2.0</u>	<u>5,305,510</u>

In addition, the Directors have also proposed a final dividend of 1.5 sen per ordinary share, tax exempt in respect of the financial year ended 30 June 2009 amounting to RM3,979,395. The dividend 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 2010.

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16 PLANT AND EQUIPMENT

	As at 1.7.2008	Additions	Reclassi- fications	Write-Offs	Disposals	Currency translation differences	As at 30.6.2009
	RM	RM	RM	RM	RM	RM	RM
<u>2009</u>							
<u>Group</u>							
<u>At cost</u>							
Furniture and fittings	2,472,176	366,288	774,960	-	-	47,857	3,661,281
Office equipment and computers	15,114,129	2,895,597	739,540	(1,664)	-	346,084	19,093,686
Telecommunications equipment	9,522,444	2,657,874	(1,581,693)	-	-	86,119	10,684,744
Software	6,878,155	1,466,632	-	-	-	42,683	8,387,470
Office renovations	4,834,744	398,725	-	-	-	87,589	5,321,058
Motor vehicles	1,045,387	-	-	-	-	-	1,045,387
Educational manuals	-	192,300	1,127,713	-	-	-	1,320,013
Capital work-in-progress	1,060,520	-	(1,060,520)	-	-	-	-
	40,927,555	7,977,416	-	(1,664)	-	610,332	49,513,639

	As at 1.7.2008	Charge for the financial year	Reclassi- fications	Write-Offs	Disposals	Currency translation differences	As at 30.6.2009
	RM	RM	RM	RM	RM	RM	RM
<u>Accumulated depreciation</u>							
Furniture and fittings	1,947,015	448,364	353,530	-	-	46,939	2,795,848
Office equipment and computers	9,331,572	2,738,817	(473,005)	(222)	-	229,304	11,826,466
Telecommunications equipment	4,456,426	1,389,760	119,475	-	-	33,965	5,999,626
Software	4,860,907	1,080,730	-	-	-	32,002	5,973,639
Office renovations	3,986,465	525,466	-	-	-	55,781	4,567,712
Motor vehicles	884,972	77,000	-	-	-	-	961,972
Educational manuals	-	440,006	-	-	-	-	440,006
	25,467,357	6,700,143	-	(222)	-	397,991	32,565,269

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30 JUNE 2009 (CONTINUED)

16 PLANT AND EQUIPMENT (CONTINUED)

	As at 1.7.2007	Additions	Reclassi- fications	Write-Offs	Disposals	Currency translation differences	As at 30.6.2008
	RM	RM	RM	RM	RM	RM	RM
<u>2008</u>							
<u>Group</u>							
<u>At cost</u>							
Furniture and fittings	2,444,333	97,913	-	(16,500)	-	(53,570)	2,472,176
Office equipment and computers	14,456,329	974,452	57,730	(58,976)	(33,159)	(282,247)	15,114,129
Telecommunications equipment	8,941,209	833,302	-	-	-	(252,067)	9,522,444
Software	6,448,394	743,508	128,277	(60,364)	-	(381,660)	6,878,155
Office renovations	4,346,573	607,565	-	(33,826)	-	(85,568)	4,834,744
Motor vehicles	1,144,089	-	-	-	(98,702)	-	1,045,387
Capital work-in-progress	2,905	1,291,366	(186,007)	-	-	(47,744)	1,060,520
	<u>37,783,832</u>	<u>4,548,106</u>	<u>-</u>	<u>(169,666)</u>	<u>(131,861)</u>	<u>(1,102,856)</u>	<u>40,927,555</u>

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16 PLANT AND EQUIPMENT (CONTINUED)

	As at 1.7.2007	Charge for the financial year	Reclassi- fications	Write-Offs	Disposals	Currency translation differences	As at 30.6.2008
	RM	RM	RM	RM	RM	RM	RM
<u>Accumulated depreciation</u>							
Furniture and fittings	1,636,485	353,878	-	(2,457)	-	(40,891)	1,947,015
Office equipment and computers	7,127,646	2,429,521	-	(7,177)	(18,489)	(199,929)	9,331,572
Telecommunications equipment	2,727,549	1,852,149	-	-	-	(123,272)	4,456,426
Software	4,026,567	1,168,761	-	(3,077)	-	(331,344)	4,860,907
Office renovations	3,087,422	959,966	-	(11,275)	-	(49,648)	3,986,465
Motor vehicles	838,445	117,263	-	-	(70,736)	-	884,972
	<u>19,444,114</u>	<u>6,881,538</u>	<u>-</u>	<u>(23,986)</u>	<u>(89,225)</u>	<u>(745,084)</u>	<u>25,467,357</u>
						2009	2008
						RM	RM
<u>Net book value</u>							
Furniture and fittings						865,433	525,161
Office equipment and computers						7,267,220	5,782,557
Telecommunications equipment						4,685,118	5,066,018
Software						2,413,831	2,017,248
Office renovations						753,346	848,279
Motor vehicles						83,415	160,415
Educational manuals						880,007	-
Capital work-in-progress						-	1,060,520
						<u>16,948,370</u>	<u>15,460,198</u>

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30 JUNE 2009 (CONTINUED)

16 PLANT AND EQUIPMENT (CONTINUED)

	<u>As at 1.7.2008</u> RM	<u>Additions</u> RM	<u>Write offs</u> RM	<u>As at 30.6.2009</u> RM
<u>2009</u>				
<u>Company</u>				
<u>At cost</u>				
Furniture and fittings	1,393,983	310,419	-	1,704,402
Office equipment and computers	8,067,773	1,792,118	(1,664)	9,858,227
Telecommunications equipment	5,237,178	502,596	-	5,739,774
Software	5,766,167	972,589	-	6,738,756
Office renovations	2,691,122	398,725	-	3,089,847
Motor vehicles	387,174	-	-	387,174
	<u>23,543,397</u>	<u>3,976,447</u>	<u>(1,664)</u>	<u>27,518,180</u>
		Charge for the financial year		
	<u>As at 1.7.2008</u> RM	<u>RM</u>	<u>Write offs</u> RM	<u>As at 30.6.2009</u> RM
<u>Accumulated depreciation</u>				
Furniture and fittings	926,903	209,749	-	1,136,652
Office equipment and computers	4,284,021	1,748,215	(222)	6,032,014
Telecommunications equipment	2,977,334	811,221	-	3,788,555
Software	3,998,098	914,367	-	4,912,465
Office renovations	2,049,852	491,130	-	2,540,982
Motor vehicles	226,759	77,000	-	303,759
	<u>14,462,967</u>	<u>4,251,682</u>	<u>(222)</u>	<u>18,714,427</u>

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16 PLANT AND EQUIPMENT (CONTINUED)

	<u>As at 1.7.2007</u> RM	<u>Additions</u> RM	<u>Disposals</u> RM	<u>As at 30.6.2008</u> RM
<u>2008</u>				
<u>Company</u>				
<u>At cost</u>				
Furniture and fittings	1,299,053	94,930	-	1,393,983
Office equipment and computers	7,172,282	928,221	(32,730)	8,067,773
Telecommunications equipment	4,403,876	833,302	-	5,237,178
Software	5,022,659	743,508	-	5,766,167
Office renovations	2,083,557	607,565	-	2,691,122
Motor vehicles	387,174	-	-	387,174
	<u>20,368,601</u>	<u>3,207,526</u>	<u>(32,730)</u>	<u>23,543,397</u>
	<u>As at 1.7.2007</u> RM	<u>Charge for the financial year</u> RM	<u>Disposals</u> RM	<u>As at 30.6.2008</u> RM
<u>Accumulated depreciation</u>				
Furniture and fittings	675,587	251,316	-	926,903
Office equipment and computers	2,688,747	1,613,716	(18,442)	4,284,021
Telecommunications equipment	2,018,653	958,681	-	2,977,334
Software	2,981,941	1,016,157	-	3,998,098
Office renovations	1,666,717	383,135	-	2,049,852
Motor vehicles	149,678	77,081	-	226,759
	<u>10,181,323</u>	<u>4,300,086</u>	<u>(18,442)</u>	<u>14,462,967</u>
			<u>2009</u> RM	<u>2008</u> RM
<u>Net book value</u>				
Furniture and fittings			567,750	467,080
Office equipment and computers			3,826,213	3,783,752
Telecommunications equipment			1,951,219	2,259,844
Software			1,826,291	1,768,069
Office renovations			548,865	641,270
Motor vehicles			83,415	160,415
			<u>8,803,753</u>	<u>9,080,430</u>

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16 PLANT AND EQUIPMENT (CONTINUED)

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

	<u>Group</u>		<u>Company</u>	
	<u>2009</u> RM	<u>2008</u> RM	<u>2009</u> RM	<u>2008</u> RM
Office equipment and computers	-	223,786	-	223,786
Telecommunications equipment	1,037,169	69,431	-	69,431
Motor vehicles	83,415	160,415	83,415	160,415
	1,120,584	453,632	83,415	453,632

17 INVESTMENT IN SUBSIDIARIES

	<u>Company</u>	
	<u>2009</u> RM	<u>2008</u> RM
Unquoted shares at cost	575,986	575,986

Details of the subsidiaries are as follows:

<u>Name</u>	<u>Group's effective interest</u>		<u>Principal activities</u>
	<u>2009</u> %	<u>2008</u> %	
Incorporated in Malaysia			
Scicom (Academy) Sdn Bhd *	100	100	Provides customer service training products as well as contact centre consulting and marketing services.
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.

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17 INVESTMENT IN SUBSIDIARIES (CONTINUED)

<u>Name</u>	<u>Group's effective interest</u>		<u>Principal activities</u>
	<u>2009</u> %	<u>2008</u> %	
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 a firm other than PricewaterhouseCoopers, Malaysia and its affiliates.

^ The subsidiary is not required to submit statutory financial statements.

18 INVESTMENT IN JOINTLY CONTROLLED ENTITY

	<u>Group</u>		<u>Company</u>	
	<u>2009</u> RM	<u>2008</u> RM	<u>2009</u> RM	<u>2008</u> RM
Unquoted shares at cost	1	-	1	-
Share of net profit of the jointly controlled entity	111,452	-	-	-
	<u>111,453</u>	<u>-</u>	<u>1</u>	<u>-</u>

<u>Name</u>	<u>Group's effective interest</u>		<u>Principal activities</u>
	<u>2009</u> %	<u>2008</u> %	
Incorporated in Malaysia			
Asian Contact Centres Sdn Bhd ("ACCS") *	50	-	Provides customer contact centre outsourcing services

On 28 April 2009, the Company acquired 1 new ordinary share in Asian Contact Centres Sdn Bhd ("ACCS"), with 31 December as its financial year end, representing 50% of the issued and paid up share capital of ACCS, for a cash consideration of RM1.

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18 INVESTMENT IN JOINTLY CONTROLLED ENTITY (CONTINUED)

The Group's aggregate share of the current assets and current liabilities, income and profit of the jointly controlled entity are as follows:

	<u>Group</u>
	<u>2009</u>
	RM
<u>Assets and Liabilities</u>	
Current assets	1,738,487
Current liabilities	1,627,034
<u>Results</u>	
Revenue	1,738,486
Profit before taxation	148,603
Less: Taxation (Note 12)	(37,151)
Net profit for the financial year	111,452

19 TRADE RECEIVABLES

	<u>Group</u>		<u>Company</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	RM	RM	RM	RM
<u>Trade receivables</u>				
Third parties	23,829,659	12,183,424	20,355,159	8,780,908
Jointly controlled entity	1,529,619	-	1,529,619	-
	<u>25,359,278</u>	12,183,424	<u>21,884,778</u>	8,780,908
Less: Allowance for doubtful debts	(1,325,308)	-	(1,246,272)	-
	<u>24,033,970</u>	12,183,424	<u>20,638,506</u>	8,780,908
Unbilled receivables	7,333,142	9,040,351	5,980,464	8,149,662
	<u>31,367,112</u>	21,223,775	<u>26,618,970</u>	16,930,570

The currency exposure profile of trade receivables is as follows:

- RM	26,432,093	3,694,183	24,695,726	3,067,987
- United States Dollar ("USD")	3,450,169	10,573,132	519,835	6,906,123
- Singapore Dollar ("SGD")	-	2,820,554	-	2,820,554
- Euro	716,533	1,431,965	716,533	1,431,965
- British Pound Sterling ("GBP")	686,876	1,529,614	686,876	1,529,614
- Australian Dollar ("AUD")	-	1,174,327	-	1,174,327
- Indian Rupee ("INR")	81,441	-	-	-
	<u>31,367,112</u>	21,223,775	<u>26,618,970</u>	16,930,570

Credit terms of trade receivables range from 60 to 90 days (2008: 60 to 90 days).

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20 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
<u>Other receivables</u>				
Third parties	4,873,004	2,544,837	4,809,056	2,437,014
Jointly controlled entity	3,498	-	3,498	-
	4,876,502	2,544,837	4,812,554	2,437,014
Less: Allowance for doubtful debts	(3,759,938)	-	(3,747,518)	-
	1,116,564	2,544,837	1,065,036	2,437,014
<u>Deposits</u>				
Income tax recoverable	2,813,632	2,583,957	1,867,096	1,713,179
	1,354,214	943,416	45,554	50,199
	5,284,410	6,072,210	2,977,686	4,200,392
<u>Prepayments</u>				
	2,002,045	1,695,484	1,350,596	856,834
	7,286,455	7,767,694	4,328,282	5,057,226
The currency exposure profile of deposits and other receivables is as follows:				
- RM	2,824,049	4,334,467	2,659,204	4,144,583
- USD	1,634,121	1,209,774	318,482	55,809
- INR	810,670	510,668	-	-
- GBP	15,570	17,301	-	-
	5,284,410	6,072,210	2,977,686	4,200,392

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21 AMOUNTS DUE FROM SUBSIDIARIES

	<u>Company</u>	
	<u>2009</u>	<u>2008</u>
	RM	RM
Amounts due from subsidiaries	11,598,282	10,090,952
Less: Allowance for doubtful debts	(516,542)	(516,542)
	<u>11,081,740</u>	<u>9,574,410</u>
The currency exposure profile of intercompany balances is as follows:		
- RM	4,091,583	4,158,579
- USD	6,369,867	5,138,663
- INR	605,642	262,520
- GBP	14,648	14,648
	<u>11,081,740</u>	<u>9,574,410</u>

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

22 DEPOSITS WITH LICENSED BANKS

	<u>Group</u>		<u>Company</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	RM	RM	RM	RM
Deposits with licensed banks (Note 23)	<u>654,227</u>	4,565,938	<u>482,154</u>	4,404,454

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

	<u>Group</u>	
	<u>2009</u>	<u>2008</u>
	Days	Days
Deposits with licensed banks	<u>266</u>	<u>30</u>

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23 CASH AND CASH EQUIVALENTS

	Group		Company	
	<u>2009</u> RM	<u>2008</u> RM	<u>2009</u> RM	<u>2008</u> RM
Cash and bank balances	6,161,728	5,931,681	1,513,283	3,059,739
Deposits with licensed bank (Note 22)	654,227	4,565,938	482,154	4,404,454
Bank overdraft (Note 25)	-	(39,014)	-	(39,014)
	6,815,955	10,458,605	1,995,437	7,425,179

The currency exposure profile of cash and cash equivalents is as follows:

- RM	1,701,658	4,456,761	1,375,774	4,377,468
- USD	4,183,119	5,733,726	207,192	3,047,711
- INR	518,624	-	-	-
- SGD	-	268,025	-	-
- GBP	412,554	93	412,471	-
	6,815,955	10,458,605	1,995,437	7,425,179

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

	Group	
	<u>2009</u> %	<u>2008</u> %
Bank balances	3.00	3.10

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24 PAYABLES AND ACCRUALS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
<u>Current</u>				
Trade payables	2,201,673	587,623	891,815	577,985
Accruals	2,690,706	4,396,099	1,365,763	1,295,177
Performance-related bonus	1,476,058	1,380,413	1,163,433	1,230,070
Other payroll-related liabilities	2,389,289	1,234,986	1,577,596	1,100,133
Other payables	2,515,074	2,205,513	2,319,376	1,885,539
	11,272,800	9,804,634	7,317,983	6,088,904

The currency exposure profile of payables and accruals is as follows:

- RM	7,000,326	6,045,369	6,604,646	5,778,002
- USD	3,893,290	3,160,605	546,824	240,707
- INR	266,503	490,102	91,330	-
- Euro	73,216	-	73,216	-
- GBP	39,465	108,558	1,967	70,195
	11,272,800	9,804,634	7,317,983	6,088,904

Credit terms of trade payables range from cash basis to 90 days (2008: cash-basis to 120 days).

25 BORROWINGS (SECURED AND INTEREST-BEARING)

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
<u>Current</u>				
Finance lease liabilities	289,777	162,309	63,992	162,309
Bank overdraft (Note 23)	-	39,014	-	39,014
	289,777	201,323	63,992	201,323
<u>Non-current</u>				
Finance lease liabilities	478,222	83,236	17,022	83,236
	767,999	284,559	81,014	284,559

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30 JUNE 2009 (CONTINUED)

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

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Maturity profile of borrowings:				
- not later than one year	289,777	201,323	63,992	201,323
- later than one year and not later than five years	478,222	83,236	17,022	83,236
	767,999	284,559	81,014	284,559

The currency exposure profile of borrowings is as follows:

- RM	81,014	284,559	81,014	284,559
- INR	686,985	-	-	-
	767,999	284,559	81,014	284,559

Bank overdraft

- (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 RM4,100,000 (2008 : RM4,100,000).
- (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 7.50% (2008: 8.75%) per annum.

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

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 13% to 14% (2008: 4.37% to 9%).

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

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Minimum lease payments:				
- not later than one year	362,853	172,896	71,365	172,896
- later than one year and not later than five years	521,980	83,236	11,874	83,236
	884,833	256,132	83,239	256,132
Future finance charges on finance leases	(116,834)	(10,587)	(2,225)	(10,587)
Present value of finance lease liabilities	767,999	245,545	81,014	245,545

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30 JUNE 2009 (CONTINUED)

26 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	
	<u>2009</u>	<u>2008</u>
	<u>RM</u>	<u>RM</u>
Deferred tax liabilities	(1,020,226)	(351,389)
At beginning of financial year	(351,389)	197,027
Charged to income statement (Note 12):		
- plant and equipment and intangible assets	(523,084)	(144,890)
- tax losses	-	(28,725)
- provisions	(151,540)	(9,222)
	(674,624)	(182,837)
Disposal of discontinued operations	-	(317,591)
Currency translation	5,787	(47,988)
At end of financial year	(1,020,226)	(351,389)
Deferred tax assets (before offsetting)		
- tax losses	(17,738)	102,976
- provisions	222,058	158,624
	204,320	261,600
Offsetting	(204,320)	(261,600)
Deferred tax assets (after offsetting)	-	-
Deferred tax liabilities (before offsetting)		
- plant and equipment and intangible assets	1,224,546	612,989
Offsetting	(204,320)	(261,600)
Deferred tax liabilities (after offsetting)	1,020,226	351,389

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27 SHARE CAPITAL

(a) Share capital

	<u>Group and Company</u>	
	<u>2009</u> RM	<u>2008</u> RM
Authorised ordinary shares of RM0.10 each:		
At beginning/end of the financial year	<u>100,000,000</u>	<u>100,000,000</u>
Issued and fully paid ordinary shares of RM0.10 each:		
At beginning of financial year	<u>26,525,800</u>	26,360,300
ESOS issued during the financial year	<u>3,500</u>	165,500
At end of financial year	<u>26,529,300</u>	<u>26,525,800</u>

During the financial year, 35,000 (2008: 1,655,000) new ordinary shares of RM0.10 each at an exercise price of RM0.30 were issued by the Company for cash by virtue of the exercise of options pursuant to the Company's ESOS.

(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 ACE 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;

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30 JUNE 2009 (CONTINUED)**27 SHARE CAPITAL (CONTINUED)**

(b) Employee Share Option Scheme (continued)

- 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;
- 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.

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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:

<u>Grant date</u>	<u>Expiry date</u>	Number of options over ordinary shares of RM0.10 each in the Company			
		<u>As at 1 June 2008</u>	<u>Exercised</u>	<u>Retired</u>	<u>As at 30 June 2009</u>
		'000	'000	'000	'000
<u>2008</u>					
23.9.2005	22.9.2010	4,420	35	215	4,170
23.9.2005	22.9.2008	1,325	-	1,325	-
		<u>5,745</u>	<u>35</u>	<u>1,540</u>	<u>4,170</u>

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

<u>Exercise date</u>	<u>Fair value of shares</u>	<u>Exercise price</u>	<u>Number of shares issued</u>
	RM per share	RM per share	'000
31 July 2008	0.310	0.30	<u>35</u>

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:

	<u>Group and Company</u>
	<u>2009</u>
	RM
Ordinary share capital at par	3,500
Share premium	7,000
Proceeds received on exercise of share options	<u>10,500</u>
Fair value at exercise date of shares issued	<u>10,850</u>

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28 RETAINED EARNINGS

Under the single-tier system which came into effect from year of assessment 2009, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividends paid under this system are tax exempted in the hand of shareholders.

Companies with Section 108 credits as at 31 December 2008, may continue to frank dividends until the Section 108 credits are exhausted or 31 December 2013, whichever is earlier, unless they opt to disregard the Section 108 credits to pay single-tier dividends under the special transactional provisions of the Finance Act 2008.

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 RM34,902,259 (2008: RM27,193,512) and RM116,996 (2008: RM126,615) respectively, to frank dividends out of its entire retained earnings.

29 COMMITMENTS

(a) Capital expenditure

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

	Group		Company	
	<u>2009</u> RM	<u>2008</u> RM	<u>2009</u> RM	<u>2008</u> RM
<u>Authorised and contracted:</u>				
- Plant and equipment	752,626	649,243	752,626	649,243

(b) Non-cancellable operating lease commitments

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

	Group		Company	
	<u>2009</u> RM	<u>2008</u> RM	<u>2009</u> RM	<u>2008</u> RM
- not later than one year	9,609,215	4,487,805	7,090,914	3,991,087
- later than one year and not later than five years	10,773,785	1,332,150	-	1,332,150
	20,383,000	5,819,955	7,090,914	5,323,237



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30 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 aim to maintain flexibility in funding by keeping a committed overdraft facility available (see Note 25).

(c) Currency risk

The Group and the Company operate internationally and are exposed to fluctuation in various currencies, mainly the USD, SGD, INR, GBP and Euro. 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.

**NOTES TO THE
FINANCIAL
STATEMENTS**
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2009 (CONTINUED)

30 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 30 (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		Company	
	<u>Carrying amount</u>	<u>Fair value</u>	<u>Carrying amount</u>	<u>Fair value</u>
	RM	RM	RM	RM
Finance lease liabilities (non-current portion)	478,222	450,544	17,022	16,309

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

31 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 28 August 2009.

**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, the Directors of Scicom (MSC) Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 52 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 2009 and of its results and cash flows of the Group and the Company for the financial year ended on that date in accordance with Financial Reporting Standards in Malaysia and the provisions of the Companies Act 1965.

Signed on behalf of the Board of Directors in accordance with their resolution dated 28 August 2009.

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 52 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 28 August 2009, before me.

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

**INDEPENDENT
AUDITORS'
REPORT**

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Scicom (MSC) Berhad, which comprise the balance sheets as at 30 June 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 52 to 101.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards in Malaysia and the Companies Act 1965. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards in Malaysia and the Companies Act 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2009 and of their financial performance and cash flows for the year then ended.

**INDEPENDENT
AUDITORS'
REPORT**

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the accounts 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 financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

AMRIT KAUR
(No. 2482/01/11 (J))
Partner of the firm

Kuala Lumpur



**ADDITIONAL
COMPLIANCE
INFORMATION**

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

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

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 2009, a total of 35,000 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 2009.

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 2009.

6. NON-AUDIT FEES

The amount of non-audit fees paid by the Group and the Company for the financial year ended 30 June 2009 were RM82,713 and RM8,300 respectively, representing fees for tax-related services .

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 2009. There were no variances of 10% or more between 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 2009.



**ADDITIONAL
COMPLIANCE
INFORMATION**

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

For the financial year ended 30 June 2009, 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 2009.

11. CORPORATE SOCIAL RESPONSIBILITY

The Group's corporate social responsibility activities and/or practices undertaken during the financial year ended 30 June 2009 are set out on pages 25 and 26 of the Annual Report.


**ANALYSIS OF
SHAREHOLDINGS**
SHARE CAPITAL AS AT 14 SEPTEMBER 2009

Authorised Share Capital	1,000,000,000 authorised ordinary shares of RM0.10 each	RM100,000,000
Issued and Fully Paid-up Share Capital	Issued and fully paid-up ordinary shares of RM0.10 each	RM26,529,300
Class of Securities	Ordinary shares of RM0.10 each	
Voting Rights	One vote per ordinary share	


DISTRIBUTION OF SHAREHOLDINGS AS AT 14 SEPTEMBER 2009

<u>No. of Shareholders</u>	<u>%</u>	<u>Size of Shareholdings</u>	<u>Total Shareholdings</u>	<u>%</u>
3	0.28%	Less than 100 shares	133	0.00%
59	5.57%	100 to 1,000 shares	45,400	0.02%
508	47.97%	1,001 to 10,000 shares	2,889,100	1.09%
367	34.66%	10,001 to 100,000 shares	13,803,000	5.20%
		100,001 to less than 5% of issued shares	130,971,967	49.37%
117	11.05%			
5	0.47%	5% and above of issued shares	117,583,400	44.32%
<u>1,059</u>	<u>100.00%</u>		<u>265,293,000</u>	<u>100.00%</u>

LIST OF 30 LARGEST REGISTERED SHAREHOLDERS AS AT 14 SEPTEMBER 2009

(As shown in the record of Depositors)

<u>No.</u>	<u>Name of Shareholder</u>	<u>No. of Shares Held</u>	<u>%</u>
1	Netinsat Asia Sdn Bhd	42,000,000	15.83%
2	Ke-Zan Nominees (Asing) Sdn Bhd (Kim Eng Securities Pte Ltd for PT Telekomunikasi Indonesia International)	26,000,000	9.80%
3	Lembaga Tabung Haji	20,083,400	7.57%
4	Krishnan A/L C K Menon	15,000,000	5.65%
5	HLG Nominee (Asing) Sdn Bhd (Pledged securities account for Leo Suresh Ariyanayakam)	14,500,000	5.47%
6	AllianceGroup Nominees (Asing) Sdn Bhd (Pledged securities account for Leo Suresh Ariyanayakam)	13,000,000	4.90%
7	CIMSEC Nominees (Tempatan) Sdn Bhd (Pledged securities account for Seow Lun Hoo @ Seow Wah Chong)	10,784,000	4.06%
8	Ali Bin Abdul Kadir	10,000,000	3.77%
9	AmBank (M) Berhad (Pledged securities account for Ali Bin Abdul Kadir)	8,115,000	3.06%
10	Exodus Holding Sdn Bhd	7,056,600	2.66%
11	CIMSEC Nominees (Asing) Sdn Bhd (CIMB Bank for Leo Suresh Ariyanayakam)	6,000,000	2.26%
12	HDM Nominees (Tempatan) Sdn Bhd (Pledged securities account for Ooi Boon Leong)	5,870,200	2.21%
13	CIMSEC Nominees (Asing) Sdn Bhd (Pledged securities account for Lalitha D/O K Krishnan Nambiar)	5,854,500	2.21%
14	Jaganath Derek Steven Sabapathy	5,374,600	2.03%
15	HSBC Nominees (Asing) Sdn Bhd (Exempt for Credit Suisse)	4,542,600	1.71%
16	TA Nominees (Asing) Sdn Bhd (Pledged securities account for Leo Suresh Ariyanayakam)	3,000,000	1.13%



**ANALYSIS OF
SHAREHOLDINGS
(CONTINUED)**

LIST OF 30 LARGEST REGISTERED SHAREHOLDERS AS AT 14 SEPTEMBER 2009

(As shown in the record of Depositors) (CONTINUED)

<u>No.</u>	<u>Name of Shareholder</u>	<u>No. of Shares Held</u>	<u>%</u>
17	HDM Nominees (Tempatan) Sdn Bhd (HDM Capital Sdn Bhd for AKN Capital Sdn Bhd)	2,646,667	1.00%
18	Multi-Purpose Insurans Berhad	2,448,200	0.92%
19	Gunaretnam A/L Kathigasu	2,391,000	0.90%
20	CitiGroup Nominees (Asing) Sdn Bhd (UBS AG Singapore for Maxcellon Capital Assets Ltd)	2,000,000	0.75%
21	Tan Soh Goh	1,767,500	0.67%
22	Sieh Kok Swee	1,692,400	0.64%
23	CIMSEC Nominees (Tempatan) Sdn Bhd (CIMB Bank for Salbiah Binti Shuib)	1,545,000	0.58%
24	CIMSEC Nominees (Tempatan) Sdn Bhd (CIMB for Cheah Teik Seng)	1,500,000	0.57%
25	RHB Capital Nominees (Tempatan) Sdn Bhd (Pledged securities account for Rahimah Stephens)	1,350,000	0.51%
26	EB Nominees (Tempatan) Sdn Bhd (Pledged securities account for Paramjit Singh Gill)	1,250,000	0.47%
27	Edmund Hilary Tensing Ponniah	1,015,000	0.38%
28	Nikolai Dobberstein	1,000,000	0.38%
29	Mougin Jean-Michel, Gilbert	901,600	0.34%
30	Eapen Thomas A/L K I Thomas	900,000	0.34%
	Total	219,588,267	82.77%

SUBSTANTIAL SHAREHOLDERS AS AT 14 SEPTEMBER 2009

<u>No.</u>	<u>Name of Shareholder</u>	<u>Direct Interest</u>	<u>%</u>	<u>Deemed Interest</u>	<u>%</u>
1	Netinsat Asia Sdn Bhd	42,817,200	16.14%	0	0.00%
2	Leo Suresh Ariyanayakam	37,368,000	14.09%	0	0.00%
3	Ke-Zan Nominees (Asing) Sdn Bhd (Kim Eng Securities Pte Ltd for PT Telekomunikasi Indonesia International)	26,000,000	9.80%	0	0.00%
4	Lembaga Tabung Haji	20,083,400	7.57%	0	0.00%
5	Krishnan A/L C K Menon ¹	15,000,000	5.65%	42,817,200	16.14%

DIRECTORS' SHAREHOLDINGS AS AT 14 SEPTEMBER 2009

<u>No.</u>	<u>Name of Shareholder</u>	<u>Direct Interest</u>	<u>%</u>	<u>Deemed Interest</u>	<u>%</u>
1	Leo Suresh Ariyanayakam	37,368,000	14.09%	0	0.00%
2	Krishnan A/L C K Menon ¹	15,000,000	5.65%	42,817,200	16.14%
3	Nikolai Dobberstein	1,000,000	0.38%	0	0.00%
4	YBhg Dato' Mohd Salleh bin Hj. Harun	550,000	0.21%	0	0.00%
5	Loh Lee Soon	316,700	0.12%	0	0.00%
6	Dato' Ahmad Kabeer bin Mohamed Nagoor ²	0	0.00%	2,863,667	1.08%

¹ Deemed interest by virtue of his shareholdings in Netinsat Asia Sdn Bhd² Deemed interest by virtue of his shareholdings in AKN Capital Sdn Bhd



GLOSSARY OF ABBREVIATIONS

3G	Third generation digital wireless communications system
Act	Companies Act, 1965
AGM	Annual General Meeting
AUD	Australian Dollar
TQM	Total Quality Management
UK	United Kingdom
USA	United States of America
USD	United States Dollar
ACCSB	Asian Contact Centre Services Sdn Bhd
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
BTEC	Business and Technical Education Council
CCAM	Customer Relationship Management and Contact Centre Association
CEO	Chief Executive Officer
COO	Chief Operating Officer
Code	Code of Business Conduct
CRM	Customer Relationship Management
CSR	Corporate Social Responsibility
CTI	Computer Telephony Interphase
ESOS	Employees' Share Option Scheme
FRS	Financial Reporting Standards
GBP	British Pound Sterling
ICM	Internal control memorandum
ICT	Information and communications technology
INR	Indian Rupee
IPO	Initial Public Offering
ISO	International Standards Organization
IT	Information Technology
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
IVR	Interactive Voice Recognition



**GLOSSARY OF
ABBREVIATIONS**

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
Scicom (UK)	Scicom International (UK) Limited
SCP	Support Center Practices
SGD	Singapore Dollar
SMS	Short Messaging Service
SMT	Senior Management Team
SSPA	Service 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

**GROUP
DIRECTORY**



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

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

Scicom Inc
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 Tampa 33614
 United States of America
 Tel : 1 813 8805 5800
 Fax : 1 813 8805 5768

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

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

Asian Contact Centres Sdn Bhd
 25th Floor, Menara TA One
 22, Jalan P. Ramlee
 50250 Kuala Lumpur
 Malaysia
 Tel : 603 2162 1088
 Fax : 603 2164 9820



**NOTICE OF
SEVENTH ANNUAL
GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of the Company will be held at Eugenia Room, Ground Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Monday, 26 October 2009 at 10.00 a.m. to transact the following businesses:-

A. Ordinary Business

- | | | |
|----|--|-------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 30 June 2009 together with the Reports of the Directors and Auditors thereon. | (See Note 2) |
| 2. | To declare a tax exempt final dividend of RM0.015 per ordinary share for the financial year ended 30 June 2009 as recommended by the Directors. | (Ordinary Resolution 1) |
| 3. | To re-elect the following Directors who retire pursuant to Article 84 of the Company's Articles of Association:- | |
| | (i) Dato' Ahmad Kabeer Bin Mohamed Nagoor | (Ordinary Resolution 2) |
| | (ii) Mr. Loh Lee Soon | (Ordinary Resolution 3) |
| 4. | To approve the payment of Directors' Fees for the financial year ended 30 June 2009. | (Ordinary Resolution 4) |
| 5. | To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. | (Ordinary Resolution 5) |

B. Other Business

6. 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
SEVENTH ANNUAL
GENERAL MEETING**
NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the members at the Seventh Annual General Meeting to be held on 26 October 2009, a tax exempt final dividend of RM0.015 per ordinary share for the financial year ended 30 June 2009, if approved, will be paid on 16 November 2009.

The entitlement date for the dividend payment is 2 November 2009.

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

- (a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 2 November 2009 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

Kuala Lumpur
2 October 2009

NOTES:-
1. 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 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 specifies the proportion of his shareholdings to be represented by each proxy.
- (iii) The instrument appointing a proxy shall be in writing, signed by the appointor or his 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 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

2. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

The Audited Financial Statements in Agenda 1 is meant for discussion only as an approval from shareholders is not required pursuant to the provision of Section 169(1) of the Companies Act, 1965. Hence, this Agenda is not put forward for voting by shareholders of the Company.

Proxy Form

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

I / We :
(Please use block capital)

NRIC (New)/Company No.

CDS Account No.

of

(Full address)

being a member/members of
SCICOM (MSC) BERHAD hereby appoint*

(Full address)

of

or failing him/her

(INSERT FULL NAME IN BLOCK CAPITAL)

of

or the Chairman of the Meeting as *my/
our proxy/proxies to attend and vote for
*me/us on *my/our behalf, at the Seventh
Annual General Meeting of the Company to
be held at Eugenia Meeting Room, Ground
Floor, Sime Darby Convention Centre, 1A
Jalan Bukit Kiara 1, 60000 Kuala Lumpur on
Monday, 26 October 2009 at 10.00 a.m.
and at any adjournment thereof, to vote as
indicated below:-

Ordinary Resolutions		FOR	AGAINST
1	Declaration of a tax exempt final dividend of RM0.015 per ordinary share for the financial year ended 30 June 2009.		
2	Re-election of Dato' Ahmad Kabeer Bin Mohamed Nagoor as Director pursuant to Article 84 of the Company's Articles of Association.		
3	Re-election of Mr. Loh Lee Soon as Director pursuant to Article 84 of the Company's Articles of Association.		
4	Approval of Directors' Fees for the financial year ended 30 June 2009.		
5	Re-appointment of Messrs PricewaterhouseCoopers as Auditors.		

(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 _____ 2009
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 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 specifies the proportion of his shareholdings to be represented by each proxy.
- (iii) The instrument appointing a proxy shall be in writing, signed by the appointor or his 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 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.



SCICOM (MSC) BERHAD
(Company No.597426-H)
Incorporated in Malaysia under the
Companies Act, 1965