scicom

TOTAL CUSTOMER DELIGHT

ANNUAL REPORT **2010**

Content

Company Profile - About Scicom

Over the last 13 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 40 languages to over 89 countries from its centres in Kuala Lumpur and Bangalore with a sales & marketing presence in USA and the UK.

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 data services 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" to over 40 million customers worldwide.

COUNTRY	LANGUAGE OFFERING
ALGERIA	Arabic/English/French
AFGHANISTAN	English
ANGOLA	English/French
AUSTRALIA	English
BANGLADESH	Bengali/English
BAHRAIN	Arabic/English
BENIN	French/English
BOTSWANA	French/English
BURKINA FASO	Arabic/English
BURUNDI	Arabic/English
CAMBODIA	Khmer/English
CANADA	English/French
CHAD	Arabic/English/French
CHINA	Mandarin
COTE D'IVOIRE	French
CAPE VERDE	Arabic/English
CENTRAL AFRICAN	
COMOROS	French/English
CONGO	French/English
DJIBOUTI	French/English
DRC	Arabic/French/English
EGYPT	Arabic/English
EQUATORIAL GUINEA	English/French
ERITREA	Arabic/English

COUNTRY	LANGUAGE OFFERING
ETHIOPIA	Arabic/English
FIJI	English
GHANA	English
GABON	French/English
GAMBIA	English/French
GUINEA REPUBLIC	French/English
GUINEA-BISSAU	English/French
GUAM	English
HONG KONG	Cantonese/Mandarin
INDONESIA	Bahasa Indonesia/English
IRAN	Farsi/English
IRAQ	Arabic/English
INDIA	English/Hindi/Gujarati/ Punjabi/Marathi/Bengali/ Kannada/Tamil/Telugu/ Malayalam
JAPAN	Japanese
JORDAN	Farsi/English
KENYA	English/Swahili
KUWAIT	Arabic/English
LEBANON	Arabic/English/French
LESOTHO	English/French
LIBERIA	English/French

COUNTRY	LANGUAGE OFFERING
LIBYA	Arabic/English
MALAYSIA	Bahasa Malaysia/English
MADAGASCAR	French/English
MALAWI	English/French
MALI	Arabic/French/English
MAURITANIA	Arabic/French/English
MAURITIUS	English/French
MAYOTTE	French/English
MOZAMBIQUE	English/French
MOROCCO	Arabic/English/French
NAMIBIA	English/French
NEW ZEALAND	English
NIGER	Arabic/French/English
NIGERIA	English/Hausa/Yoruba/Igbo
OMAN	Arabic/English
PAKISTAN	Urdu/English
PHILIPPINES	Tagalog
QATAR	Arabic/English
REUNION	French/English
RWANDA	French/English
SAUDI ARABIA	Arabic/English
SENEGAL	French
SOUTH AFRICA	English/Afrikaans

COUNTRY	LANGUAGE OFFERING
SAO TOME AND PRINCIPE	English/French
SEYCHELLES	French/English
SINGAPORE	Mandarin/English
SIERRA LEONE	English/French
SOMALIA	English/Arabic
SOUTH KOREA	Korean
SUDAN	Arabic/English
SWAZILAND	English/French
SYRIA	Arabic/French/English
TAIWAN	Mandarin
THAILAND	Thai/English
TOGO	French/English
TUNISIA	Arabic/French/English
TANZANIA	English/Swahili
UAE	Arabic/English
UGANDA	English/French
UK	English
USA	English
VIETNAM	Vietnamese/English
YEMEN REPUBLIC	Arabic/English
ZAMBIA	English/French
ZIMBABWE	English/French

Outsourcing is the main thrust and cornerstone of Scicom's business, employing the major part of our human capital. It is offered globally from Kuala Lumpur and Bangalore.

The services help 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 a 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.

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 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 offerings of E-Commerce and E-Loyalty platforms, 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.

Scicom Academy is the training arm for the Group and provides 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 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 & Services 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 and services 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 training programmes are customised to fit a company's specific needs.

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 an 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.

OUR VALUES

Quality
Teamwork
Innovation
Integrity
People

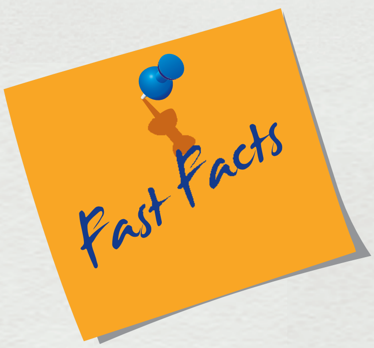
OUR GOAL

Total Customer Delight

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

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

YEAR	DESCRIPTION	RECOGNITION / AWARDS
2009	**MSC Malaysia**	Shared Services & Outsourcing CEO Dialogue - Industry Appreciation
2009	**Magazine and neoIT**	Best Outsourcing Company for the 4th consecutive year
2009	**Anugerah Kecemerlangan Industri 2009 (MITI Award)**	Export Perkhidmatan Kategori V (Export Services Excellence Award by MITI)
2009	**CCAM**	Best Outsourced Contact Centre of the Year – GOLD AWARD
2010	**Frost & Sullivan**	Malaysia Telecoms Awards - BPO Service Provider of the Year
2010	**MSC Malaysia**	Job Camp 2010 - Best Training Provider
2010	**Malaysia HR Awards**	HR Excellence Category - SILVER AWARD
2010	**IAOP's 2010 The Global Outsourcing 100**	International Association of Outsourcing Professionals - 2010 Global Outsourcing 100 (Rank #76) - (Only Malaysian Company in the Top 100) - Best 10 Rising Stars in Overall Revenue - Best 10 Rising Stars in Number of Employees - Best 5 Companies by Industry Focus - Air Transportation - Best 20 Rising Stars by Industry Focus - Technology (Hardware and Software) - Best 20 Rising Stars by Industry Focus - Telecommunications - Best 10 by Service Provided - HR Services - Best 10 Rising Stars by Service Provided - CRM Services - Best 10 Rising Stars by Service Provided - Transaction Processing Services - Best 20 Rising Stars by Region Served - US - Best 20 Rising Stars by Region Served - UK - Best 20 Companies by Region Served - SEA - Rising Stars Biggest Public Companies



We offer 24 x 7 x 365 operations

We support customers from over 89 countries from our centres

We support our customers in over 40 languages

We have over 40 nationalities working for us

We handle over 40 Million customer contacts annually

We service blue-chip clients

Over 68% of our revenues are derived from outside Malaysia

We have over 13 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.

BOARD OF DIRECTORS

Krishnan Menon
NON-INDEPENDENT
NON-EXECUTIVE DIRECTOR/CHAIRMAN

Leo Ariyanayakam
NON-INDEPENDENT
EXECUTIVE DIRECTOR/
CHIEF EXECUTIVE OFFICER

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

Dr. Nikolai Dobberstein
INDEPENDENT NON-EXECUTIVE DIRECTOR

Loh Lee Soon
INDEPENDENT NON-EXECUTIVE DIRECTOR

David Eric Burke
INDEPENDENT NON-EXECUTIVE DIRECTOR

Ande Safari
INDEPENDENT NON-EXECUTIVE DIRECTOR

AUDIT COMMITTEE

YBhg Dato' Mohd Salleh bin Hj Harun
CHAIRMAN

Loh Lee Soon

Dr. Nikolai Dobberstein

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
Tricor Investor 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

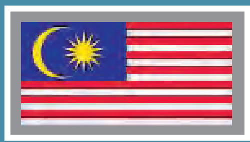
PRINCIPAL BANKER
HSBC Bank Malaysia Berhad
Main Branch, No.2 Leboh Ampang
50100 Kuala Lumpur
Malaysia

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

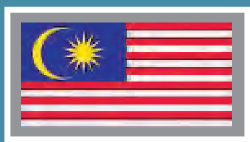
AUDITORS
PricewaterhouseCoopers
Level 10, 1 Sentral
Jalan Travers
Kuala Lumpur Sentral
50706 Kuala Lumpur
Malaysia
Tel : 03 2173 1188
Fax : 03 2173 1288

STOCK EXCHANGE LISTING
Main 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

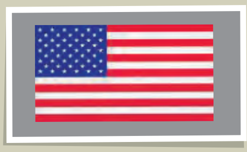


Scicom (MSC) Berhad
(Kuala Lumpur and Cyberjaya, Malaysia)
Holding Company



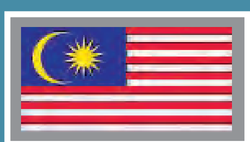
Scicom (Academy) Sdn Bhd
(Kuala Lumpur, Malaysia)
100% owned

Scicom International (UK) Limited
(London, UK)
100% owned



Scicom Inc
(Tampa, USA)
100% owned

Scicom Contact Centre Services Private Limited
(Bangalore, India)
100% owned



Asian Contact Centres Sdn Bhd
(Kuala Lumpur, Malaysia)
50% owned

Board of Directors

Krishnan Menon
Chairman, Non-Independent Non-Executive Director

Krishnan Menon, 60, a Non-Independent Non-Executive Director, a Malaysian, was appointed to the Board of Scicom on 10 March 2004. He is also the Chairman of the Group. He is a Fellow of the Institute of Chartered Accountants in England and Wales and is 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 (7) 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 (2) public-listed companies, he joined Putrajaya Holdings Berhad between 1997 and 2000 as its Chief Operating Officer. His principal directorships include Putrajaya Perdana Berhad (where he is presently the Chairman) , Petroliam Nasional Berhad, MISC 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.

Leo Ariyanayakam
Non-Independent Executive Director

Leo Ariyanayakam, 47, a Non-Independent Executive Director, a Sri Lankan, was appointed to the Board of Scicom on 30 October 2002. He is also the Chief Executive Officer and Group Executive Director. He holds a Bachelor's Degree in Biochemistry. His main responsibilities as the Chief Executive Officer and Group Executive Director are to maximise shareholder value, focus on the Group's business development, finance, human capital, culture, operations and strategies, and chart the future growth and direction of the Group globally. Under his guidance, Scicom has won several major international industry awards over the years, including the 2010 Contact Centre Service Provider of the Year, as conferred by Frost & Sullivan. 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 of Malaysia, a position which held until early 2010. In June 2007, he was selected as one of Malaysia's Outstanding Entrepreneurs at the Asia Pacific Entrepreneurship Awards. In the same year he was honoured as a 'Key Industry Leader' by PIKOM. In 2008 he was conferred the CEO of the year award by the Malaysian Canadian Business Council. In 2010 he was appointed as a member to the "Local Advisory Panel "(LAP) nominated by the Malaysian Government specifically to the ICT Industry.

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

YBhg Dato' Mohd Salleh bin Hj Harun, 66, an Independent Non-Executive Director, a Malaysian, was appointed to the Board of Scicom 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, having 32 years of experience in holding 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 previous other directorships include RHB Bank Berhad, RHB Insurance Berhad (of which he was Chairman) and RHB Islamic Bank Berhad while his current principal directorships include Titan Chemical Corp Bhd and Malayan Banking 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

Loh Lee Soon
Independent Non-Executive Director

Dr. Nikolai Dobberstein, 44, an Independent Non-Executive Director, a German, was appointed to the Board of Scicom 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 was the Senior Vice President of Strategy and New Businesses of Maxis Communications Berhad, where he was responsible for corporate strategy and all of Maxis 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, three (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, 55, an Independent Non-Executive Director, a Malaysian, was appointed to the Board of Scicom 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 six (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, IT enablement, management skills training and organisation alignment. His clients span industries as diverse as gaming, IT, manufacturing and distribution and property development. He is also a director of Malaysian Genomics Resource Centre 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.

Board of Directors (continued)

David Eric Burke
Independent Non-Executive Director

Ande Safari
Independent Non-Executive Director

David Eric Burke, 43, an Independent Non-Executive Director, an Irish national , was appointed to the Board of Scicom on 27 September 2010. He holds a Degree in Business Economics from the London School of Economics and a Bachelor of Science in Business Administration. He has extensive working experience in Indonesia having had worked in Bank Bira Group as the Vice President of Business Development. He also served as the Chief Operating Officer of Indoexchange.com. Before this he served as the President Director and COO of PT M-Web Indonesia and thereafter the CEO and founder of PT Indonesia Media Technologies. He was also formerly the COO and a Director of PT Broadband Multimedia Tbk.

Currently he is the Executive Vice President of PT Telekomunikasi Indonesia Tbk (Telekom Indonesia).

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.

Ande Safari, 53, an Independent Non-Executive Director, an Indonesian, was appointed to the Board of Scicom on 27 September 2010. He holds a Bachelor degree majoring in Accountancy from the University of Padjajaran, Bandung, Indonesia. Currently he is the Director of Finance and Business Operations of PT Telekomunikasi Indonesia International (TII). He has over 13 years of working experience in Finance and Accounting with PT Telekomunikasi Indonesia Tbk (Telekom Indonesia). He has held various senior management positions in Telekom Indonesia and its subsidiaries having served as Director of Finance and Business Support at PT Pramindo Ikat Nusantara. In 1996 he joined PT Patra Telekomunikasi Indonesia as the General Manager of Finance and subsequently appointed as the Head of Internal Audit with the same 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.

"Scicom Professionals Operate on Behalf of their Clients from 89 Countries in over 40 Different Languages Everyday. This Amounts to Approximately 40 Million Customer Contacts Per Year"

Senior Management Team

Jayakumar Narayana Pillai Sreedharan Nair
Chief Financial Officer

Benny Philip
Chief Operating Officer - Outsourcing

Jude Mohan
Chief Operating Officer - Education

Jayakumar joined Scicom in 1997. His portfolio of responsibilities includes accounting and financial management, as well as the Group's corporate finance, risk management, administration, corporate secretarial, budgeting and treasury activities. He has over 27 years of experience in financial management and corporate services.

Prior to joining Scicom, he 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 joined Scicom in 2004. As COO of Outsourcing Benny is responsible for all of Scicom's Outsourcing service. 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, worked with companies such as Unilever, Indo Matsushita and Ford. Between 2000 until 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 Masters in Human Resources Management and a Bachelor's Degree in Mathematics.

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 think tank 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 in Business Administration from Newcastle and is a member of the Royal British Society for Philosophers.

Jasim Puthucheary
Chief Operating Officer - CRM & Consulting

Radah Krishnan Vijaya Gopal
Senior Vice-President – Corporate Planning

Kelvin Loke Cheong Hian
Senior Vice-President - Finance and Commercial

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 11 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 joined Scicom in 2002. As Senior Vice President of Corporate Planning, his responsibilities 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 16 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.

Kelvin joined Scicom in 2004. As the Senior Vice-President of Finance and Commercial, his responsibilities include overseeing both the compliance and commercial aspects of the finance functions of the Group such as financial reporting, budgeting, corporate finance and risk management. He has 14 years of accounting experience.

Prior to joining Scicom, Kelvin had previously worked as an auditor in a Big Four accounting firm, Ernst and Young and as a Corporate Analyst in another public listed company in Malaysia.

Kelvin has graduated with a Bachelors of Accountancy with Honours from the Northern University of Malaysia and is a member of the Malaysian Institute of Accountants.

Senior Management Team (continued)

Willie Lim
Senior Vice-President – Client Management

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

Jerry Rajendram
Senior Vice-President – Scicom Marketing

Willie joined Scicom in 2000, and carries with him over 21 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 holds a Bachelor's Degree in Business Administration from the National University of Singapore.

Shanti joined Scicom in 2000 as a Customer Relationship Executive, and within one year, was spearheading the Group's Training Department for both internal and external clients. She was subsequently appointed Head of the Customer Experience Team, 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 joined Scicom in 2003. In his capacity as the Senior Vice-President 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 21 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.

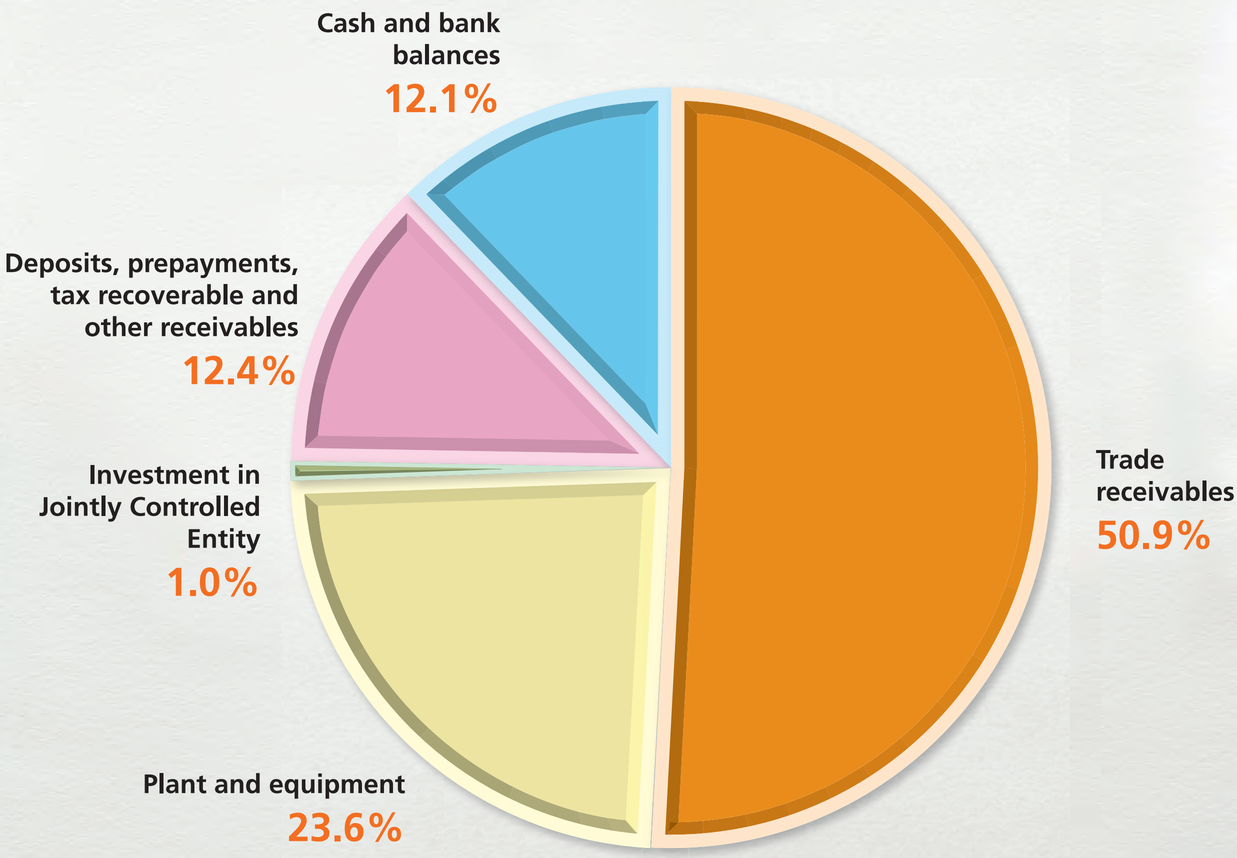
Prior to joining Scicom, he was the Regional Managing Director of DraftWorldwide.

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

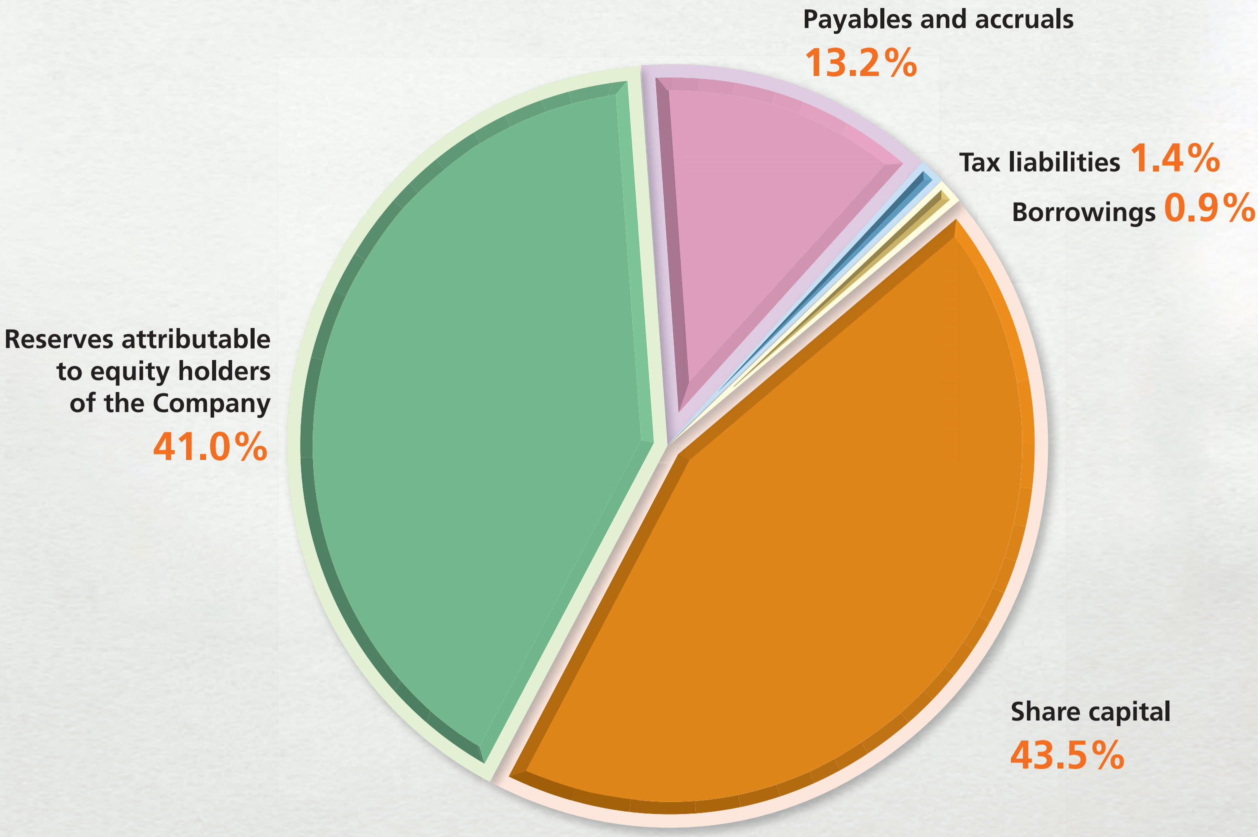
Group Financial Highlights - Scicom (MSC) Berhad

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
PROFITABILITY (RM'000)				
Operating revenue	**122,668**	144,671	**106,576**	107,736
Profit before taxation ("PBT")	**7,502**	9,530	**9,637**	6,971
Net profit for the financial year	**8,337**	8,701	**9,648**	6,939
KEY BALANCE SHEET DATA (RM'000)				
Total assets	**61,552**	62,529	**56,810**	53,404
Total liabilities	**9,493**	13,061	**6,975**	7,399
Capital and reserves attributable to equity holders of the Company	**52,059**	49,468	**49,835**	46,005
FINANCIAL RATIOS				
Profitability:				
- Revenue growth (%)	**-15.2%**	22.3%	**-1.1%**	20.0%
- PBT growth (%)	**-21.3%**	56.1%	**38.2%**	24.8%
- Net profit growth (%)	**-4.2%**	43.7%	**39.0%**	24.3%
- Basic earnings per share (sen)	**3.14**	3.28	**N/A**	N/A
- Diluted earnings per share (sen)	**3.13**	3.28	**N/A**	N/A
- Asset turnover (times)	**1.99**	2.31	**1.88**	2.02
- Net return on equity (times)	**0.16**	0.18	**0.19**	0.15
Liquidity:				
- Current (times)	**5.52**	3.93	**6.69**	5.96
- Cash over total assets (%)	**12.1%**	10.9%	**12.1%**	3.7%
- Trade receivables turnover (months)	**3.07**	2.60	**3.11**	2.96
Financing:				
- Debt over equity (times)	**0.01**	0.02	**0.00**	0.00
- Gearing (times)	**0.01**	0.02	**0.00**	0.00

The Group's total assets amounted to RM61.55 million as at 30th June 2010, a decrease of 1.6% from the previous financial year.

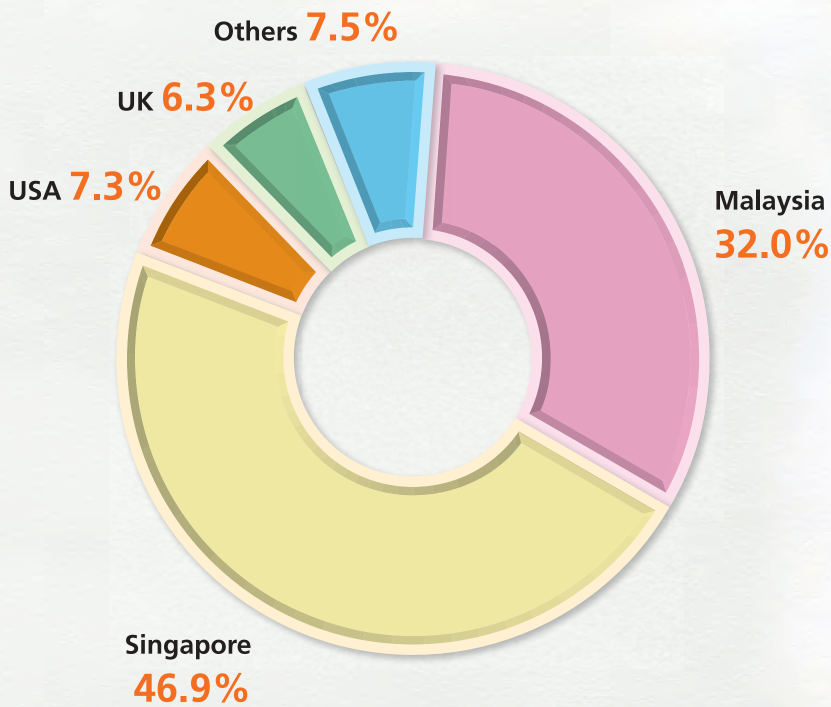


Total liabilities, capital and reserves of the Group had decreased by 1.6% as at 30th June 2010.

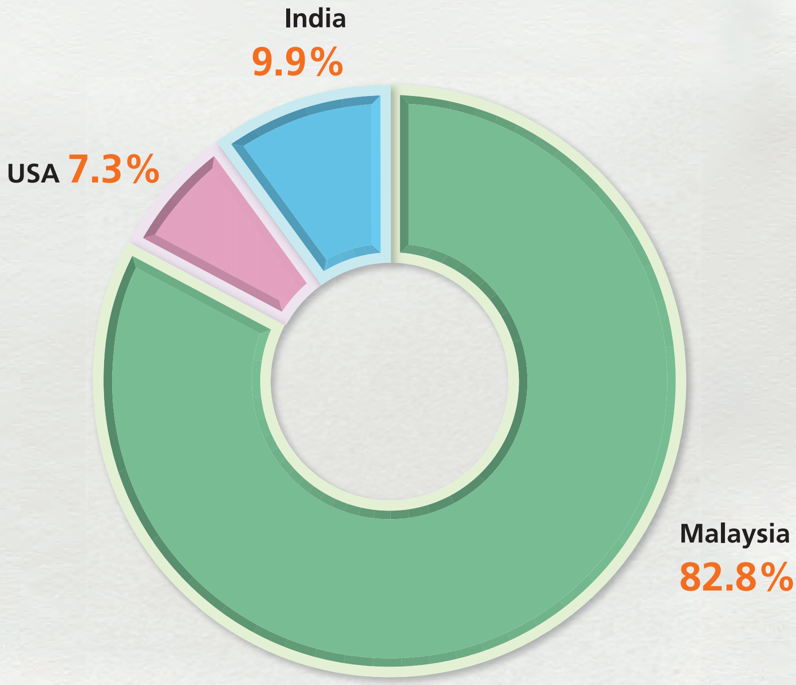


Group Financial Highlights (continued)

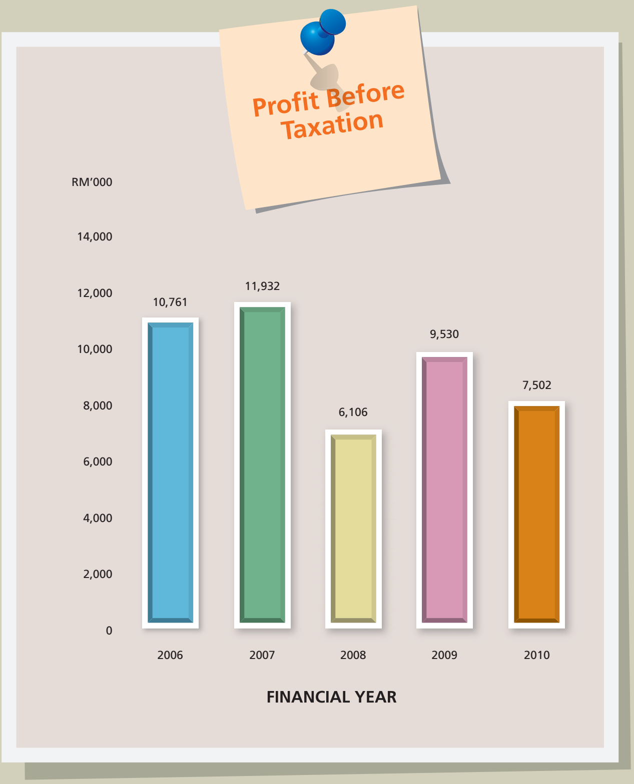
REVENUE BY LOCATION 2010

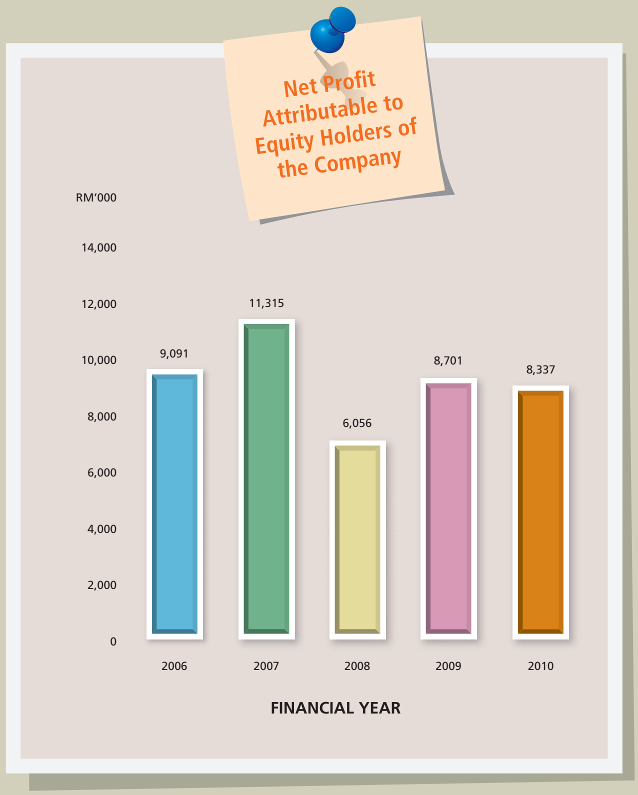


TOTAL ASSETS BY LOCATION 2010




Revenue
RM'000
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
77,905
108,067
118,272
144,671
122,668
2006
2007
2008
2009
2010
FINANCIAL YEAR


Profit Before Taxation
RM'000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
10,761
11,932
6,106
9,530
7,502
2006
2007
2008
2009
2010
FINANCIAL YEAR


Net Profit Attributable to Equity Holders of the Company
RM'000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
9,091
11,315
6,056
8,701
8,337
2006
2007
2008
2009
2010
FINANCIAL YEAR

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Annual Report of Scicom (MSC) Berhad for the financial year ended 30 June 2010.

Corporate Development

On the 15th of June 2010, Indonesia's largest corporation PT Telkom Indonesia ("TI") through its wholly owned subsidiary PT Telekomunikasi Indonesia International ("TII") increased its investment in Scicom to 29.71% of the paid up capital, to become the single largest shareholder in the company. Since then senior management of Scicom and TII have met to explore business opportunities for Scicom to leverage on the strengths of TI in Indonesia.

I am also pleased to welcome David Eric Burke and Ande Safari as the corporate nominees of TI and TII respectively to the board of Scicom.

During the financial year Scicom was successful in its application for its shares to be transferred to the Main Market of Bursa Malaysia Securities Berhad, and the shares were subsequently admitted to the Main Market on the 26th of March 2010.

The "promotion" of the shares from Bursa Malaysia's ACE Market to the Main Market is an indication of Scicom's financial stability and growth prospects for the future.

Financial Performance

The Group's revenue for current financial year was RM122.67 million, representing a 15.2% decrease from the preceding financial year (2009). Net profit for the 2010 financial year was RM8.34 million representing a marginal decrease of 4.2% over the preceding financial year.

While the Group has shown a reduction in revenue and profit for the financial year 2010 mainly as a result of the scaling down of its US based operations, Outsourcing and Education services in Malaysia have shown a marked increase in revenue and profit. We expect to see continued improvement in revenue moving forward into financial year 2011.

Dividend and Bonus Issue

The Board recommends a final dividend payment of 1.0 sen per ordinary share, tax exempt, in respect of the financial year ended 30 June 2010. This payment together with the interim dividend of 1.0 sen per ordinary share, tax exempt, paid on 12th March 2010, will amount to a dividend payout for the financial year of 2.0 sen per ordinary share, tax exempt.

This recommendation translates to a dividend payout ratio of approximately 63.7% and reflects the boards commitment towards maintaining a stable dividend payout for its shareholders.

The Board is further recommending a bonus issue of 1 share for every 10 shares held , in respect of the financial year ended 30 June 2010 by capitalizing RM2.693 million from the share premium account .

The proposed bonus Issue is to enhance the company's capital base to a level which would be more reflective of its current state of operations and assets employed as well as increasing the liquidity of Scicom shares on the Main Market of Bursa Malaysia Securities Berhad.

Focus Areas for Sustainable Growth

During the year we have focused and made significant progress on a number of key initiatives that continue to keep us well positioned in terms of innovation in our industry and position us for growth for financial year 2011.

We have increased our global sales efforts and have extended our offerings and customer management solutions to targeted and rapidly growing regional markets.

Looking forward, we continue to address the evolving needs of our clients by expanding on our suite of higher-margin, customer focused management solutions in Customer Relationship Management ("CRM"), Services based Education and E-commerce.

2011 Outlook

Scicom now 13 years old has achieved critical mass in terms of operational efficiencies and management capability. Coupled with a global outlook, deep vertical domain expertise and regional experience is now poised to "export" our knowledge to our target emerging regional markets. The growth strategy would be that of a smart Joint Venture partnership that marry our partners in-house business with our solutions in CRM.

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

Appreciation

I wish to thank Dato' Ahmad Kabeer bin Mohamed Nagoor, our previous chairman for his invaluable advice and guidance during his tenure as chairman.

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 support, dedication and prudent governance in shaping the Group's direction to ensure our continuous growth and success.

KRISHNAN MENON
Chairman

CEO Update 2010

Dear Shareholders

2010 was a challenging year for Scicom and our clients. By continuing to leverage on our years of domain experience and track record we have been able to address and provide solutions to our client base. This ability to evolve and remain relevant in a challenging economic environment coupled with an increasingly complex customer requirement, forms a fundamental strategy that fuels our commitment to quality, innovation and process optimization.

With over 2500 employees , Scicom is strongly positioned as one of Malaysia's largest and most experienced providers of customer centric solutions. Our service offerings remain centered on the principles of customer retention, customer acquisition and customer value. These solutions sets are tailored for a targeted and discerning Multinational client base.

Financial Performance

For the current year ended 30th June 2010, we generated RM122.67 million in revenue and RM8.34 million in profit . Revenue and profit decreased by 15.2% and 4.2% respectively for the financial year 2010 when compared to the preceding year.

In financial year 2009, our US outsourcing operations started to ramp down as a result of a fallout from the US financial crisis. As our US based clients experienced a significant decrease in sales and demand, this resulted in reduced business for our US operations. In the same year our US operations contributed over RM35 million to the group revenue. However in 2010 this decreased to RM4.5million.Profit from our US operations in 2009 was RM4.2 million in contrast to a loss of RM4.7 million in 2010.

As a consequence of ongoing efforts of the US economy to reduce costs relating to customer management , most of our targeted US based prospects have opted to offshore their US based operations mainly to India and/or the Philippines. Our challenge has been to take advantage of these opportunities in a timely fashion. Our US operations has since been restructured and is focused primarily on being a sales and marketing office for our outsourcing delivery centres in Malaysia and India.

In 2009, 82% of our revenue was derived from outside Malaysia. In 2010 this decreased to 68% . However this still forms a significant portion of our turnover. This income, which was derived in USD, SGD, Sterling and Euros was subject to foreign exchange fluctuations. In 2009 we booked a foreign exchange gain of RM1.7 million, conversely for 2010 we had to account for RM1.1 million in foreign exchange losses as at 30th June 2010.

To mitigate future losses, we have renegotiated our foreign exchange rates with our clients. We have also focused on contracting with new clients only in RM. As most of our costs are in RM and taking into account the RM's appreciation by 10 to 15% against the said currencies over the last 12 months we had to maintain a fine balance between preserving our margins and being globally competitive. We expect foreign exchange losses to be mitigated to some extent as a result of these measures for the financial year 2011 and beyond.

Our core business remains the provision of outsourcing solutions which amounted to 93.2% of our revenue and 90.5% of our profit in 2010 . We are also glad to report that our planned higher margin, value-added offerings in Services Education and well as CRM and Consulting have provided us with product and margin diversifications. While accounting for only 6.8 % of revenue in 2010, these products and services have provided a respectable contribution of 9.5 % to the overall group profit. This augers well for the future as we continue to roll out these products and services not only in Malaysia but across the region.

Corporate Developments

On March the 26th 2010 , Scicom was admitted to the Main Market of Bursa Malaysia Securities Berhad. This is a testament to our financial strength and growth potential. This acts as a catalyst that will attract prospective clients, investors and employees.

On June the 15th 2010, PT Telkom, Indonesia's largest telecommunications corporation through their wholly owned subsidiary PT Telekomunikasi Indonesia International increased their stake in Scicom to 29.71%. As a result, our strategy is to leverage our operational experience and domain expertise to manage, nurture and enhance customer relationships and revenue generation for PT Telkom Indonesia and its stable of subsidiary companies.

Indonesia, with its large business potential is a priority for Scicom moving forward.

Human Capital

The Malaysian Government in its Economic Transformational Programme has highlighted the Nations' need for enhancing its human capital. The quality of Malaysia's Human Capital will be the driving force in determining Malaysia's growth in the future. Therefore an integrated effort and focus in providing training and educational products in Services Management has been identified in part as a key driver in delivering and enhancing the Nations' workforce.

Scicom has invested in this regard through its wholly owned subsidiary – Scicom Academy. Our training facility, based in PJ is one of Malaysia's largest vocational training facilities and our programs are accredited by Edexcel of the UK. In 2010 we trained and "graduated " just over 2000 service professionals in Services Management and expect to do better in 2011 both in Malaysia and around the region. The Malaysian Multimedia Development Corporation (MDeC) honoured Scicom Academy with an award for " Best Training Provider " in March 2010.

We believe that infusing human capital principles into our business culture and operations drives tangible results. Leveraging on over 13 years of experience in managing frontline employees worldwide, our innovative human capital strategies have been designed to effectively manage our human resource requirements. We have developed a proprietary suite of business processes, software tools, and client engagement models that work together to improve performance for our clients. This allows us to reduce time and cost to hire, increase productivity, decrease employee turnover, and improve quality of performance. A testament to the resilience of our internal HR processes was winning the silver award for HR Excellence at the Malaysian HR awards in 2010.

We tie our achievements directly to the success of our clients' businesses and focus on the two most important tenets that protect us from risk in a highly challenging business environment; the creditability and growth potential of our clients and the careful selection of our people.

Awards & Recognition

In Malaysia Scicom was awarded the Best BPO and Contact Centre Service Provider of the Year for 2010 by Frost and Sullivan. The Malaysian Ministry of International Trade and industry also recognized Scicom with the "Export Services Excellence" award for 2010.

Scicom's brand continues to be a powerful force in the Outsourcing industry. Scicom was placed in the "Top Global 100 Services Providers" listing for 2010 by the International Association of Outsourcing Professionals (IAOP) and was placed 76th , globally.

Moving Forward

A key priority for our clients across all industry verticals is increased sales. As the global economy stabilises, clients are looking to resume their revenue growth. We understand that driving revenue for our clients in turn will drive revenue for Scicom. To continue to maintain our strategic relevance to our clients, we have an active rollout of new products underway that will enable us to further diversify and enhance our revenue generation capabilities. These encompass educational products in customer services management, intelligent analytics for cross-selling and up-selling, market segmentation, sophisticated database marketing and campaign management and e-commerce and e-loyalty platforms.

As the global economy improves, we believe that we will continue to see the pace of new business wins increase. We have confidence in our ability to further increase our profitability over time given our operating leverage and our active rollout of higher margin, value-added offerings.

Going forward, we remain focused on further enhancing our competitive position while increasing shareholder value through innovation, improved productivity and profitability.

Appreciation

I would like to extend my sincere gratitude to our clients and shareholders for their continued confidence, and to over 2500 of our global employees for their hard work, creativity, passion and commitment in delivering exceptional service to our clients and their customers around the world.

Thank you for your continued support.

LEO ARIYANAYAKAM
Chief Executive Officer

Corporate Milestones

Financial year 2010 Corporate Milestones & Recognition Events

OCTOBER 2009
- Scicom held its 7th AGM at Sime Darby Covention Centre, Kuala Lumpur

NOVEMBER 2009
- Scicom wins the CCAM Gold Award for the Best Outsourced Contact Centre (Below 100 seats)
- Scicom pays Final Dividend for financial year 2009
- Scicom participates in the inaugural MSC Malaysia Shared Services & Outsourcing CEO's Dialogue and Appreciation Event

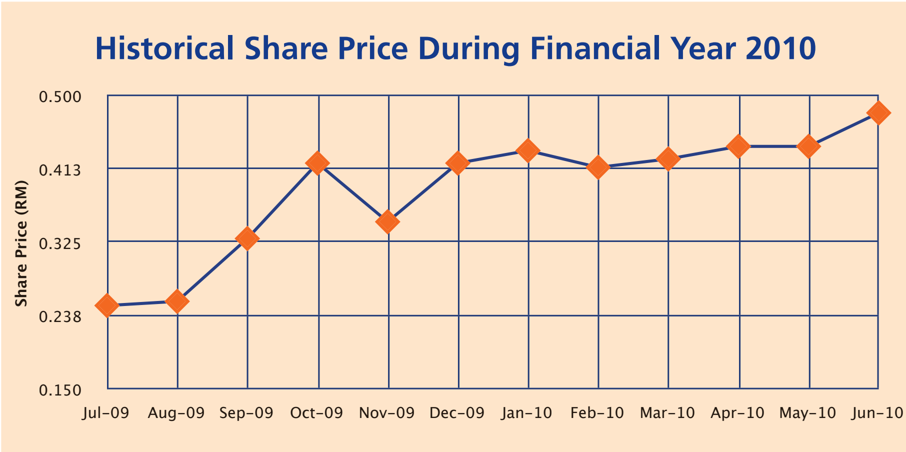
FEBRUARY 2010
- Krishnan Menon is appointed as Chairman of Scicom (MSC) Berhad

MARCH 2010
- Scicom wins the award for Best Training Provider for 2009 Most Engaged awarded by MSC Malaysia Job Camp
- Scicom pays Interim Dividend for financial year 2010
- Scicom transfers its listing status to the Main Market of Bursa Malaysia Securities Berhad
- Scicom wins the Industry Excellence Awards/ "Anugerah Kecemerlangan Industri" for best export services category awarded by Ministry of International Trade and Industries

APRIL 2010
- Scicom is listed as the "Top Global 100 Services Providers" listing for 2010 by the International Association of Outsourcing Professionals (IAOP) and was placed in 76th position worldwide.

MAY 2010
- Scicom wins the Frost & Sullivan Malaysia Telecom Award for the BPO Service Provider of the Year 2010

JUNE 2010
- PT Telekomunikasi Indonesia International increases its shareholding in Scicom
- Scicom Academy opens its new training facility in Petaling Jaya
- Scicom wins the Silver Award for Malaysia HR Awards 2010 under the HR Excellence Category



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

The Community

Scicom continues to invest in its commitment to contribute to the national economic development of the country by improving the quality of life of its workforce and their families, as well as of the local community and society at large. Scicom's CSR is about business giving back to its people.

Scicom through its subsidiary, Scicom (Academy) Sdn Bhd in collaboration with BTEC (British Certifications) continues in providing Certification, Post-Graduate Certification and Post-Graduate Diploma Programmes in Contact Centre Management to Malaysians. This provides for a key role in creating trained & qualified workforce, armed with the relevant disciplines, for the outsourcing industry in Malaysia. The fact that our very own 2,350 Malaysian operations based strong human capital work force are able to improve their performance & capabilities by the ability to attain these various Certifications at a significantly subsidised cost, is a testimony itself to our commitment.

The Workplace

Scicom's continues to provide employment and training opportunities for Malaysians. Since its employees are its greatest asset the Company recognizes the need to continually improve the quality of its workforce and the requirement to invest in training programmes to up skill its workforce. 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.

Scicom believes that the members of any team and the various departments within our organisation must work together to achieve common goals and targets of the Company.

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 & create a list of high potential employees for career advancements. We also develop employees for future organisational roles and create a common framework of behaviour.

In an effort to continually enhance our values, core principles and code of conduct, we believe it is also is essential to consider all ethic diversities required for delivering our business services to the industry. At Scicom, it is critically important that everyone in the organisation knows the ethic values and principles and how to 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 in Scicom's management and leadership principles and Scicom is looking at creating long-term educational benefits for its staff, and the Company sees this as 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 consumer trends and what it means to our business. This allows us to capitalize on any current and future opportunities that is changing and transforming the global business now.

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 as of the date of adoption of this statement on 27 August 2010 has five members, comprising one Non-Independent Non-Executive Director, 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 12. 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-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, 4 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
Krishnan Menon	Chairman/Non-Independent Non-Executive Director	4 of 4 meetings	100%
Leo Ariyanayakam	Chief Executive Officer/Group Executive Director/Non-Independent Executive Director	4 of 4 meetings	100%
YBhg Dato' Mohd Salleh bin Hj Harun	Independent Non-Executive Director	4 of 4 meetings	100%
Dr. Nikolai Dobberstein	Independent Non-Executive Director	4 of 4 meetings	100%
Loh Lee Soon	Independent Non-Executive Director	4 of 4 meetings	100%
YBhg Dato' Ahmad Kabeer bin Mohamed Nagoor *	Non-Independent Non-Executive Director	1 of 1 meetings	100%

* YBhg Dato' Ahmad Kabeer bin Mohamed Nagoor resigned as Director on 26 October 2009.

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.	Krishnan Menon	• Bursa Malaysia Evening Talks on Corporate Governance - "Corporate Integrity" by the Malaysian Institute of Integrity • Evening Talk on Risk Action Planning: The Missing Elements in an ERM Framework organised by Bursa Securities • Forum on "The Challenges of Implementing FRS 139" organised by Bursa Securities • Directors' Training: "Corporate Governance Guide - Towards Boardroom Excellence" organised by The Institute of Internal Auditors Malaysia and supported by Bursa Securities • Corporate Governance session on "Corporate Governance: Lessons from Hong Kong" organised by Securities Commission and Bursa Securities • The Non-Executive Directors Development Series ("NEDDS") organised by SIDC Marketing & Corporate Services of Securities Commission • MISC Group of Companies Directors Training-Corporate Governance Development in Malaysia • Toward Boardroom Excellence (Managing related party transaction and conflict of interest) organised by Bursatra
2.	YBhg Dato' Mohd Salleh bin Hj Harun	• Briefing on GST and Accounting organised by Maybank • Board of Directors session organised by PricewaterhouseCoopers • FRS 139 briefing for Board Members organised by Maybank • Briefing on Goods and Services Tax organised by Maybank
3.	Dr. Nikolai Dobberstein	• Speaker at the CEO Lecture Series, Young Corporate Malaysians held on 15 July 2009 • Change Management Workshop conducted by TMI and Maxis Communications held on 25 September 2009 • Workshop on telecoms strategies with MTN Nigeria and Maxis Communications held on 14 October 2009 • Speaker at CEO Panel GoMobile Conference held on 21 October 2009 • Speaker at the ASLI, Malaysia Strategic Outlook Conference held on 26 January 2010 • Speaker at the EOTaipan Leadership Panel held on 27 April 2010
4.	Loh Lee Soon	• Training on FRS 139 and FRS 7 • Implementation of GST in Malaysia
5.	Leo Ariyanayakam	• Speaker at TIECON-APAC 2009 Conference held on 4th July 2009 in Kuala Lumpur • Speaker at ICCM & CRM Asia Conference held on 30th March 2010 in Singapore

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 37 to 40.

• 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 By-Laws thereof as approved by the shareholders. The Option Committee comprises of 6 members met twice during the financial year since there was only two ESOS exercises during the financial year with the meeting being attended by all of the Committee members.

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 2010, 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	5,400	0	5,400
	613,392	0	613,392
Fees	0	150,000	150,000
Total	613,392	150,000	763,392

	Executive RM	Non-Executive RM	Total RM
Below RM50,000	0	4	4
RM600,000 - RM650,000	1	0	1
Total	1	4	5

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-intl.com.

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. ACCOUNTABILITY 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's 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 99.

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 34 to 36.

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 102. 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 37 to 40.

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 shareholders' investment and assets for the financial year ended 30 June 2010.

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.

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 the Statement of Corporate Governance and Audit Committee Report on pages 29 to 33 and 37 to 40 respectively.

The Group has in place an organisation 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 of Independent Non-Executive 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 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 37 to 40.

- **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 FY2010 is RM75,000.

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.

- **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.

- **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 assistance of third party certification audit companies, Moody International Certification (Malaysia) Sdn Bhd and Service Strategies Corporation USA, audits the Group's processes on an annual basis, in order to maintain both its ISO 9001: 2008 and SCP accreditation status, respectively.

- **Statutory Audit**

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

MONITORING AND REVIEW

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 Boards' 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 27 August 2010.

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 2010, the Audit Committee met four times and the details of the Audit Committee members' attendances are set out as below:

Director	Designation	Number of meetings attended during the financial year
YBhg Dato' Mohd Salleh Bin Hj Harun	Audit Committee Chairman	4 of 4 meetings
Krishnan Menon *	Non-Independent Non-Executive Director	3 of 3 meetings
Dr. Nikolai Dobberstein	Independent Non-Executive Director	4 of 4 meetings
Loh Lee Soon	Independent Non-Executive Director	4 of 4 meetings

* Krishnan Menon resigned as member of the Audit Committee on 3 February 2010.

A brief profile of the individual members of the Audit Committee is included in the Board of Directors – Profiles as set out on pages 10 to 12.

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.

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 matters that the external auditors believe should be brought to the attention of the Director/s and/or shareholders.

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

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

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

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

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

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

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

d) Keeping and inspection of minutes
The Company shall 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.

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 matters 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 include the following:

a) Matters relating to external audit:

- To review the nomination of external auditors and the external audit fee;
- To review the nature, scope and quality of the external audit plan/ arrangements;
- To review the quarterly and annual audited financial statements of the Company before submission to the Board, focusing in particular on the going-concern assumption, compliance with accounting standards and regulatory requirements, any changes in accounting policies and practices, significant issues arising from the audit and major 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:

- To review the effectiveness of the internal audit function;
- 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 auditors.

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 2010;

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

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

D. INTERNAL AUDIT FUNCTION

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

E. REVIEW OF THE SHARE OPTION SCHEME

The Audit Committee has reviewed the allocation of options pursuant to the Employee Share Option Scheme in conjunction with the Company's Initial Public Offering.

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 2010.

In preparing the financial statements for the financial year ended 30 June 2010, 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 99 of the Audited Statutory Financial Statements.

FINANCIAL STATEMENTS 30 JUNE 2010

SCICOM (MSC) BERHAD
(Incorporated in Malaysia)

Directors' 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 2010.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of an investment holding company and the provision of customer contact centre services 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 16 and Note 17 to the financial statements.

FINANCIAL RESULTS

	Group	Company
	RM	RM
Net profit for the financial year	8,337,147	9,647,848

DIVIDENDS

The dividends on ordinary shares paid or declared by the Company since 30 June 2009 were as follows:

	RM
In respect of the financial year ended 30 June 2009, a final gross dividend of 1.5 sen, tax exempt, per ordinary share, paid on 16 November 2009	3,979,395
In respect of the financial year ended 30 June 2010, an interim gross dividend of 1 sen, tax exempt, per ordinary share, paid on 12 March 2010	2,657,230
	6,636,625

The Directors now recommend the payment of a final gross dividend of 1 sen per ordinary share, tax exempt, in respect of the financial year ended 30 June 2010 amounting to RM2,692,830. The dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company.

BUSINESS SUCCESS TEAMWORK

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, 2,730,000 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 25 (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 550,000. The name of the employees who have options in aggregate of 550,000 options or more is as follows:

Name of employee	Number of options
	'000
Benny Phillip	700

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 (Retired on 26 October 2009)
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, YBhg Dato' Mohd Salleh bin Hj. Harun and Leo Suresh Ariyanayakam 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.

BUSINESS SUCCESS TEAMWORK

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 2009	**Bought**	**Disposed**	**At 30 June 2010**
	'000	**'000**	**'000**	**'000**
Direct interest in shareholdings				
YBhg Dato' Mohd Salleh bin Hj. Harun	550	750	-	1,300
Krishnan Menon	14,930	331	(13,000)	2,261
Leo Suresh Ariyanayakam	37,368	4,285	(15,000)	26,653
Nikolai Dobberstein	1,000	-	-	1,000
Loh Lee Soon	317	-	-	317
Deemed interest in shareholdings				
Krishnan Menon [1]	42,818	-	-	42,818

[1] Deemed interest by virtue of his shareholdings in Netinsat Asia 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 2009	**Adjusted**	**Exercised**	**At 30 June 2010**
	'000	**'000**	**'000**	**'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.

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.

(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; 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.

BUSINESS SUCCESS TEAMWORK

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 26 March 2010, the Company transferred its entire issued and paid-up share capital from the Ace Market to the Main Market of Bursa Malaysia Securities Berhad.

SUBSEQUENT EVENT AFTER BALANCE SHEET DATE

On 18 August 2010, the Company acquired the entire issued and paid-up share capital comprising 2 ordinary shares of RM1.00 each in a new subsidiary, Scicom International College Sdn. Bhd. ("SIC"), a company incorporated on 11 August 2010 in Malaysia, for cash consideration of RM2.

On 27 August 2010, the Company proposed a bonus issue of 26,928,300 new ordinary shares of RM0.10 each in the Company on the basis of one bonus share for every ten existing shares held on an entitlement date to be determined later. The proposal is subject to approval from the shareholders at the upcoming Extraordinary General Meeting.

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 27 August 2010.

LEO SURESH ARIYANAYAKAM
DIRECTOR

KRISHNAN MENON
DIRECTOR

Kuala Lumpur

Income Statements

For The Financial Year Ended 30 June 2010

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
REVENUE	6	**122,668,265**	144,671,483	**106,575,825**	107,735,721
OTHER OPERATING INCOME	7	**108,739**	60,794	**11,472**	12,366
		122,777,004	144,732,277	**106,587,297**	107,748,087
OPERATING EXPENSES					
- Allowance for doubtful debts		**-**	5,085,246	**2,307,447**	4,993,790
- Depreciation of plant and equipment	15	**7,011,303**	6,700,143	**4,004,089**	4,251,682
- Employee benefits costs	8	**83,696,194**	101,167,636	**70,208,704**	69,644,073
- Maintenance expenses		**2,072,702**	1,344,831	**674,053**	743,191
- Management fees		**152,393**	120,896	**3,869,031**	6,673,484
- Other operating expenses		**7,281,063**	6,237,497	**4,435,725**	2,912,851
- Rental expenses	9	**9,540,872**	7,646,907	**7,486,231**	6,754,244
- Telecommunication and utilities expenses		**3,799,593**	4,067,361	**2,810,063**	2,981,647
- Travelling expenses		**2,179,077**	3,055,783	**1,188,677**	1,888,917
		(115,733,197)	(135,426,300)	**(96,984,020)**	(100,843,879)
SHARE OF PROFIT OF THE JOINTLY CONTROLLED ENTITY	17	**480,311**	148,603	-	-
NET FINANCE (COST)/ INCOME	10	**(22,182)**	74,945	**33,987**	66,969
PROFIT BEFORE TAXATION	11	**7,501,936**	9,529,525	**9,637,264**	6,971,177
TAXATION	12	**835,211**	(828,838)	**10,584**	(32,501)
NET PROFIT FOR THE FINANCIAL YEAR		**8,337,147**	8,700,687	**9,647,848**	6,938,676
Earnings per share:					
- Basic (sen)	13	**3.14**	3.28		
- Diluted (sen)	13	**3.13**	3.28		
Gross dividend per share (sen)	14	**1.0**	2.5		

The summary of significant accounting policies and notes on pages 57 to 98 form an integral part of the financial statements.

Balance Sheets
As At 30 June 2010

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
NON-CURRENT ASSETS					
Plant and equipment	15	**14,518,114**	16,948,370	**9,603,042**	8,803,753
Investment in subsidiaries	16	**-**	-	**575,986**	575,986
Investment in jointly controlled entity	17	**591,764**	111,453	**1**	1
		15,109,878	17,059,823	**10,179,029**	9,379,740
CURRENT ASSETS					
Trade receivables	18	**31,346,922**	31,367,112	**27,661,508**	26,618,970
Deposits, prepayments and other receivables	19	**5,383,089**	5,932,241	**3,846,653**	4,282,728
Amounts due from subsidiaries	20	**-**	-	**8,197,625**	11,081,740
Tax recoverable		**2,240,329**	1,354,214	**79,820**	45,554
Deposits, cash and bank balances	21	**7,471,354**	6,815,955	**6,845,601**	1,995,437
		46,441,694	45,469,522	**46,631,207**	44,024,429
CURRENT LIABILITIES					
Payables and accruals	22	**8,155,108**	11,272,800	**6,963,029**	7,317,983
Borrowings (secured and interest-bearing)	23	**253,733**	289,777	**11,812**	63,992
		8,408,841	11,562,577	**6,974,841**	7,381,975
NET CURRENT ASSETS		**38,032,853**	33,906,945	**39,656,366**	36,642,454
NON-CURRENT LIABILITIES					
Borrowings (secured and interest-bearing)	23	**200,021**	478,222	**-**	17,022
Deferred tax liabilities	24	**883,739**	1,020,226	**-**	-
		1,083,760	1,498,448	**-**	17,022
NET ASSETS		**52,058,971**	49,468,320	**49,835,395**	46,005,172

The summary of significant accounting policies and notes on pages 57 to 98 form an integral part of the financial statements.

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
Share capital	25	**26,802,300**	26,529,300	**26,802,300**	26,529,300
Share premium reserve		**4,478,214**	3,932,214	**4,478,214**	3,932,214
Currency translation reserve		**(166,235)**	(237,364)	**-**	-
Retained earnings	26	**20,944,692**	19,244,170	**18,554,881**	15,543,658
TOTAL EQUITY		**52,058,971**	49,468,320	**49,835,395**	46,005,172

The summary of significant accounting policies and notes on pages 57 to 98 form an integral part of the financial statements.

Statements Of Changes In Equity

For The Financial Year Ended 30 June 2010

		Issued and fully paid ordinary shares of RM0.10 each		Non-distributable		Distributable	
	Note	Number of shares	Nominal value	Share premium reserve	Currency translation reserve	Retained earnings	Total equity
Group		unit	RM	RM	RM	RM	RM
At 1 July 2009		265,293,000	26,529,300	3,932,214	(237,364)	19,244,170	49,468,320
Currency translation differences, representing total income and expense recognised directly in equity		-	-	-	71,129	-	71,129
Net profit for the financial year		-	-	-	-	8,337,147	8,337,147
Total recognised income and expense for the financial year		-	-	-	71,129	8,337,147	8,408,276
Dividend for financial year ended:							
- 30 June 2009	14	-	-	-	-	(3,979,395)	(3,979,395)
- 30 June 2010	14	-	-	-	-	(2,657,230)	(2,657,230)
Issuance of ordinary shares of RM0.10 each pursuant to the ESOS at an issue price of RM0.30 per ordinary share	25	2,730,000	273,000	546,000	-	-	819,000
At 30 June 2010		268,023,000	26,802,300	4,478,214	(166,235)	20,944,692	52,058,971

Statements Of Changes In Equity

For The Financial Year Ended 30 June 2010 (Continued)

	Note	Issued and fully paid ordinary shares of RM0.10 each		Non-distributable		Distributable	
		Number of shares	Nominal value	Share premium reserve	Currency translation reserve	Retained earnings	Total equity
		unit	RM	RM	RM	RM	RM
Group							
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 financial year		-	-	-	214,264	8,700,687	8,914,951
Dividend for financial year ended:							
- 30 June 2008	14	-	-	-	-	(2,652,930)	(2,652,930)
- 30 June 2009	14	-	-	-	-	(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	25	35,000	3,500	7,000	-	-	10,500
At 30 June 2009		265,293,000	26,529,300	3,932,214	(237,364)	19,244,170	49,468,320

Statements Of Changes In Equity

For The Financial Year Ended 30 June 2010 (Continued)

	Note	Issued and fully paid ordinary shares of RM0.10 each		Non-distributable	Distributable	
		Number of shares	Nominal value	Share premium reserve	Retained earnings	Total equity
		unit	RM	RM	RM	RM
Company						
At 1 July 2009		265,293,000	26,529,300	3,932,214	15,543,658	46,005,172
Net profit for the financial year		-	-	-	9,647,848	9,647,848
Dividend for financial year ended:						
- 30 June 2009	14	-	-	-	(3,979,395)	(3,979,395)
- 30 June 2010	14	-	-	-	(2,657,230)	(2,657,230)
Issuance of ordinary shares of RM0.10 each pursuant to the ESOS at an issue price of RM0.30 per ordinary share	25	2,730,000	273,000	546,000	-	819,000
At 30 June 2010		268,023,000	26,802,300	4,478,214	18,554,881	49,835,395
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	14	-	-	-	(2,652,930)	(2,652,930)
- 30 June 2009	14	-	-	-	(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	25	35,000	3,500	7,000	-	10,500
At 30 June 2009		265,293,000	26,529,300	3,932,214	15,543,658	46,005,172

The summary of significant accounting policies and notes on pages 57 to 98 form an integral part of the financial statements.

Cash Flow Statements

For The Financial Year Ended 30 June 2010

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
OPERATING ACTIVITIES					
Net profit attributable to equity holders of the Company		**8,337,147**	8,700,687	**9,647,848**	6,938,676
Adjustments for:					
Allowance for doubtful debts					
- trade receivables		**-**	1,325,308	**-**	1,246,272
- other receivables		**-**	3,759,938	**-**	3,747,518
- amounts due from subsidiaries		**-**	-	**2,307,447**	-
Depreciation of plant and equipment	15	**7,011,303**	6,700,143	**4,004,089**	4,251,682
Gain on disposal of plant and equipment	7	**(81,778)**	-	**-**	-
Plant and equipment written off		**7,435**	1,442	**-**	1,442
Interest expense	10	**86,219**	41,510	**13,846**	30,824
Interest income	10	**(64,037)**	(116,455)	**(47,833)**	(97,793)
Share of profit of the jointly controlled entity		**(480,311)**	(148,603)	**-**	-
Unrealised exchange loss		**736,312**	215,697	**560,866**	262,926
Write back of allowance for doubtful debts		**(19,600)**	-	**-**	-
Taxation		**(835,211)**	828,838	**(10,584)**	32,501
Operating profit before changes in working capital		**14,697,479**	21,308,505	**16,475,679**	16,414,048
Changes in working capital:					
Receivables		**(147,370)**	(12,505,525)	**(835,855)**	(12,168,316)
Payables		**(3,117,692)**	1,468,166	**(357,335)**	1,229,080
Intercompany balances		**-**	-	**192,059**	(1,507,330)
Net cash generated from operations		**11,432,417**	10,271,146	**15,474,548**	3,967,482
Interest received		**64,037**	116,455	**47,833**	97,793
Tax paid (net of refund)		**(207,431)**	(1,240,341)	**(23,682)**	(27,856)
Net cash flow received from operating activities		**11,289,023**	9,147,260	**15,498,699**	4,037,419

Cash Flow Statements

For The Financial Year Ended 30 June 2010 (Continued)

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
INVESTING ACTIVITIES					
Proceeds from disposal of plant and equipment		**81,778**	-	**-**	-
Purchase of plant and equipment	15	**(4,734,409)**	(7,977,416)	**(4,803,378)**	(3,976,447)
Investment in jointly controlled entity		**-**	1	**-**	1
Net cash flow used in investing activities		**(4,652,631)**	(7,977,415)	**(4,803,378)**	(3,976,446)
FINANCING ACTIVITIES					
Drawdown of finance lease		**-**	743,999	-	-
Repayment of finance lease principal		**(314,245)**	(221,546)	**(69,202)**	(164,531)
Interest paid		**(86,219)**	(41,510)	**(13,846)**	(30,824)
Proceeds from issuance of shares	25	**819,000**	10,500	**819,000**	10,500
Payment of dividends		**(6,636,625)**	(5,305,860)	**(6,636,625)**	(5,305,860)
Net cash flow used in financing activities		**(6,218,089)**	(4,814,417)	**(5,900,673)**	(5,490,715)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**418,303**	(3,644,572)	**4,794,648**	(5,429,742)
EFFECT OF FOREIGN EXCHANGE ON CASH AND CASH EQUIVALENTS		**237,096**	1,922	**55,516**	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		**6,815,955**	10,458,605	**1,995,437**	7,425,179
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	21	**7,471,354**	6,815,955	**6,845,601**	1,995,437

The summary of significant accounting policies and notes on pages 57 to 98 form an integral part of the financial statements.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2010

1 GENERAL INFORMATION

The principal activities of the Company are that of an investment holding company and the provision of customer contact centre services 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 16 and Note 17 to the financial statements.

The Company is a public limited liability company incorporated and domiciled in Malaysia. The Company is listed on the Main 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 in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards ("FRS"), Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards in Malaysia for Entities Other than Private Entities. The financial statements have been prepared under the historical cost convention except as disclosed in the summary of significant accounting policies in Note 3 to the financial statements.

The preparation of financial statements in conformity with 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 judgment in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

2 BASIS OF PREPARATION (Continued)

The areas involving a higher degree of judgment 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 applicable to the Group and are effective

The new accounting standard to published standards effective for the Group's financial period beginning on or after 1 July 2010 is as follows:

- FRS 8 Operating Segments replaces $FRS114_{2004}$ Segment Reporting. The new standard requires a 'management approach', under which segment information is reported in a manner that is consistent with the internal reporting provided to the chief operating decision-maker.

  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 Issues Committee ("IC") Interpretations to existing standards that are applicable to the Group but not yet effective

The Group will apply the following new standards, amendments to standards and interpretations from financial period beginning on or after 1 July 2010:

- FRS 7 "Financial Instruments: Disclosures" (effective from 1 January 2010) provides information to users of financial statements about an entity's exposure to risks and how the entity manages those risks. The improvement FRS 7 clarifies that entities must not present total interest income and expense as a net amount within finance costs on the face of the income statement.

- Amendment to FRS 7 "Financial instruments: Disclosures" (effective from 1 January 2011) requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by fair value measurement hierarchy.

- The revised FRS 101 "Presentation of Financial Statements" (effective from 1 January 2010) prohibits the presentation of items of income and expenses (that is "non-owner changes in equity") in the statement of changes in equity. "Non-owner changes in equity" are to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period. The Group is likely to present both the income statement and statement of comprehensive income as performance statements.

- The revised FRS 3 "Business Combinations" (effective prospectively from 1 July 2010). The revised standard continues to apply the acquisition method to business combinations, with some significant changes. The Group does not anticipate significant impact to the financial statements and position arising from the application of this FRS.

2 BASIS OF PREPARATION (Continued)

(b) Standards, amendments to published standards and Issues Committee ("IC") Interpretations to existing standards that are applicable to the Group but not yet effective (Continued)

The Group will apply the following new standards, amendments to standards and interpretations from financial period beginning on or after 1 July 2010 (Continued):

- Amendment to FRS 127 "Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate" (effective from 1 January 2010) removes the definition of the cost method from FRS 127 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor. The revised FRS 127 "Consolidated and Separate Financial Statements" (effective prospectively from 1 July 2010) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group does not anticipate significant impact to the financial statements and position arising from the application of this FRS.

- FRS 139 "Financial Instruments: Recognition and Measurement" (effective from 1 January 2010) establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Hedge accounting is permitted under strict circumstances. The amendments to FRS 139 provide further guidance on eligible hedged items. The amendments provide guidance for two situations. On the designation of a one-sided risk in a hedged item, the amendments conclude that a purchased option designated in its entirety as the hedging instrument of a one-sided risk will not be perfectly effective. The designation of inflation as a hedged risk or portion is not permitted unless in particular situations. The improvement to FRS 139 clarifies that the scope exemption in FRS 139 only applies to forward contracts but not options for business combinations that are firmly committed to being completed within a reasonable timeframe.

- IC Interpretation 9 "Reassessment of Embedded Derivatives" (effective from 1 January 2010) requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. The improvement to IC Interpretation 9 (effective from 1 July 2010) clarifies that this interpretation does not apply to embedded derivatives in contracts acquired in a business combination, businesses under common control or the formation of a joint venture.

- IC Interpretation 10 "Interim Financial Reporting and Impairment" (effective from 1 January 2010) prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. The Group does not anticipate significant impact to the financial results and position arising from application of this IC interpretation.

BUSINESS SUCCESS TEAMWORK

2 BASIS OF PREPARATION (Continued)

(b) Standards, amendments to published standards and Issues Committee ("IC") Interpretations to existing standards that are applicable to the Group but not yet effective (Continued)

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

- FRS 7 – Financial Instruments: Disclosures and Improvement to FRS 7
- FRS 139 – Financial Instruments: Recognition and Measurement
- Amendments to FRS 139 Financial Instruments: Recognition and Measurement and Improvement to FRS 139
- IC Interpretation 9 – Reassessment of Embedded Derivatives

(c) Standards, amendments to published standards and IC Interpretations to existing standards that are not yet effective and not relevant to the Group

The following standards, amendments to published standards and IC Interpretations are not yet effective and not relevant to the Group:

- FRS 123 "Borrowing Costs" (effective from 1 January 2010).

- Amendment to FRS 2 "Share-based Payment: Vesting conditions and cancellations" (effective from 1 January 2010).

- Amendments to FRS 1 "First-time Adoption of Financial Reporting Standards" – Measurement of initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements (effective from 1 January 2010).

- Amendments to FRS 1 "First-time Adoption of Financial Reporting Standards" – Limited exemption from comparatives FRS 7 disclosures for First-time Adopters (effective from 1 January 2011).

- Amendments to FRS 132 "Financial Instruments: Presentation" and FRS 101 (revised) "Presentation of financial statements" – "Puttable financial instruments and obligations arising on liquidation" (effective from 1 January 2010).

- Amendments to FRS 132 "Financial Instruments: Presentation" – Classification for a compound instrument (effective from 1 January 2010).

- Amendments to FRS 132 "Financial Instruments: Presentation" – Accounting for rights issues (effective from 1 March 2010).

2 BASIS OF PREPARATION (Continued)

(c) Standards, amendments to published standards and IC Interpretations to existing standards that are not yet effective and not relevant to the Group (Continued)

The following standards, amendments to published standards and IC Interpretations are not yet effective and not relevant to the Group (Continued):

- FRS 4 "Insurance Contracts" (effective from 1 January 2010).
- IC Interpretation 11 "FRS 2 Group and Treasury Share Transactions" (effective from 1 January 2010).
- IC Interpretation 12 "Service Concession Arrangements" (effective from 1 July 2010).
- IC Interpretation 13 "Customer Loyalty Programmes" (effective from 1 January 2010).
- IC Interpretation 14 "FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (effective from 1 January 2010).
- IC Interpretation 4 "Determining whether an Arrangement Contains a Lease" (effective from 1 January 2011).
- IC Interpretation 15 "Agreements for the Construction of Real Estate" (effective from 1 July 2010).
- IC Interpretation 16 "Hedges of a Net Investment in a Foreign Operation" (effective from 1 July 2010).
- IC Interpretation 17 "Distributions of Non-Cash Assets to Owners" (effective from 1 July 2010).
- IC Interpretation 18 "Transfer of Assets from Customers" (effective from 1 January 2011).
- Amendments to FRS 1 "First-time Adoption of Financial Reporting Standards" – Additional Exemption for First-time Adopter" (effective from 1 January 2011).
- Amendments to FRS 2 "Share-based Payment" – Group Cash-settled Share-based Transactions" (effective from 1 January 2011).

(d) Amendments to FRSs contained in a document entitled "Improvements to FRSs (2009)" that are not yet effective

The Group does not anticipate significant impact to the financial statements and position arising from the application of these improvements.

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 assets, liabilities and contingent liabilities are determined and these values are reflected in the consolidation financial statements. The cost of acquisition is measured as fair value of assets and liabilities incurred or assume, plus cost directly attributable to the acquisition. The excess of the cost of acquisition over fair value of the Group's share of the subsidiaries' identifiable net assets at the date of acquisition is reflected as goodwill on consolidation.

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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 proceed and the carrying amount 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%

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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Plant and equipment (Continued)

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 or when an indication of impairment exists. 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.

(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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Receivables

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) Payables

Payables, including accruals, represent liabilities for goods received and services rendered to the Group prior to the end of the financial year and which remain unpaid.

(j) 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 other 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.

(k) Share capital

(i) Classification

Ordinary shares with discretionary dividends are classified as equity.

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

(ii) Share issue costs

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

(iii) Dividends to equity holders of the Company

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

BUSINESS SUCCESS TEAMWORK

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) 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 twelve months after the balance sheet date.

(m) 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) 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.

The Group's contribution to defined contribution plans are charged to the income statements in the period to which they relate once the contributions have been paid, the Group has no further payment obligations.

(iii) Share-based compensation

The Group operates an equity-settled, share-based compensation plan for the eligible 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.

(o) 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) 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 the income statement 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 income earned on other services.

(iii) Finance income

Interest income is recognised on an accrual basis.

(p) 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.

Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into the functional currency at exchange rate ruling at that date.

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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Foreign currencies (Continued)

(iii) Group companies

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

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(q) 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) 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 and financial liabilities with a maturity period of less than one year are assumed to approximate their fair values.

(r) Segment reporting

The segment disclosures are based on the components that the Management personnel monitor in making financial and operational decisions. These components are identified on the bases of internal reports that the Management and the Board reviews regularly in assessing their performance and allocating of resources.

(s) Contingent liabilities

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

The Group recognises separately the contingent liabilities of the acquiree as part of allocating the cost of a business combination where their fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisition. Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provisions of FRS 137 and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with FRS 118.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments 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.

(ii) Allowance for doubtful debts

The Group assesses at each balance sheet date whether there is objective evidence that receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such allowance is adjusted periodically to reflect the actual and anticipated impairment.

(iii) Income tax

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

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

In determining and applying accounting policies, judgment 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 judgment, 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).

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	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
	RM	**RM**	**RM**	**RM**	**RM**	**RM**
Malaysia *	**39,293,453**	25,241,812	**50,946,352**	45,123,277	**4,703,821**	4,251,895
Singapore	**57,538,788**	67,786,355	**-**	-	**-**	-
United Kingdom	**7,742,938**	4,772,328	**2,165**	15,653	**-**	-
United States of America	**8,988,673**	40,062,671	**4,595,438**	12,967,953	**-**	1,205,924
India	**150,006**	196,226	**6,007,617**	4,422,462	**30,588**	2,519,597
Others	**8,954,407**	6,612,091	**-**	-	**-**	-
	122,668,265	144,671,483	**61,551,572**	62,529,345	**4,734,409**	7,977,416

* Group's home country

6 REVENUE

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

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Customer services	**113,654,710**	138,867,456	**105,401,269**	107,720,721
Training and consultancy	**9,013,555**	5,804,027	**1,174,556**	15,000
	122,668,265	144,671,483	**106,575,825**	107,735,721

7 OTHER OPERATING INCOME

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Gain on disposal of plant and equipment	**81,778**	-	**-**	-
Others	**26,961**	60,794	**11,472**	12,366
	108,739	60,794	**11,472**	12,366

8 EMPLOYEE BENEFITS COSTS

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Salaries and bonuses	**72,900,339**	88,822,462	**61,417,238**	61,375,725
Defined contribution plans	**6,460,324**	7,030,066	**5,358,129**	4,969,905
Other employee benefits	**3,235,018**	3,890,770	**2,405,886**	2,167,623
Staff welfare	**492,521**	816,346	**419,459**	522,828
	83,088,202	100,559,644	**69,600,712**	69,036,081
Directors' remuneration:				
- Salaries	**607,992**	607,992	**607,992**	607,992
	83,696,194	101,167,636	**70,208,704**	69,644,073

The estimated monetary value of benefits-in-kind receivable by a Director of the Group during the financial year amounted to RM5,400 (2009: RM10,100).

9 RENTAL EXPENSES

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Rental:				
- Apartments	**1,643,750**	1,594,495	**1,539,783**	1,498,284
- Offices	**7,838,800**	5,980,408	**5,899,225**	5,220,976
- Office equipment	**19,500**	40,146	**17,400**	15,641
- Others	**38,822**	31,858	**29,823**	19,343
	9,540,872	7,646,907	**7,486,231**	6,754,244

10 NET FINANCE (COST)/ INCOME

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Finance income:				
Fixed deposit	**64,037**	116,455	**47,833**	97,793
Finance costs:				
- finance lease	**(69,909)**	(6,574)	**(2,163)**	(6,574)
- bank overdraft	**(6,675)**	(11,973)	**(6,675)**	(11,973)
- others	**(9,635)**	(22,963)	**(5,008)**	(12,277)
	(86,219)	(41,510)	**(13,846)**	(30,824)
	(22,182)	74,945	**33,987**	66,969

11 PROFIT BEFORE TAXATION

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

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Allowance for doubtful debts				
- trade receivables	**-**	1,325,308	**-**	1,246,272
- other receivables	**-**	3,759,938	**-**	3,747,518
- amounts due from subsidiaries	**-**	-	**2,307,447**	-
Write back of allowance for doubtful debts	**(19,600)**	-	**-**	-
Auditors' remuneration				
- PricewaterhouseCoopers, Malaysia	**117,750**	146,000	**88,000**	88,000
- Other auditors	**24,540**	21,587	**-**	-
Depreciation of plant and equipment	**7,011,303**	6,700,143	**4,004,089**	4,251,682
Directors' fees	**150,000**	150,000	**150,000**	150,000
Foreign exchange loss/(gain)				
- Realised	**437,399**	(1,927,119)	**(14,704)**	(1,609,311)
- Unrealised	**736,312**	215,697	**560,866**	262,926
Gain on disposal of plant and equipment	**(81,778)**	-	**-**	-
Immigration expenses	**873,864**	914,734	**871,770**	911,013
Interest expense	**86,219**	41,510	**13,846**	30,824
Interest income	**(64,037)**	(116,455)	**(47,833)**	(97,793)
Marketing expenses	**654,449**	983,313	**203,559**	469,486
Office supplies expenses	**1,029,364**	1,089,623	**614,679**	546,006
Other professional fees	**453,022**	776,382	**59,001**	49,989
Plant and equipment written off	**7,435**	1,442	-	1,442
Recruitment expenses	**154,640**	169,768	**95,292**	75,893
Security service	**259,903**	467,232	**203,508**	150,358
Software support	**906,887**	1,338,718	**210,119**	75,780

12 TAXATION

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM	**RM**	**RM**	**RM**
Income tax:				
Current financial year				
- Malaysian tax	**92,246**	56,827	**8,909**	24,516
- foreign tax	**166,955**	12,109	**-**	-
(Over)/Under provision in prior year				
- Malaysian tax	**(19,493)**	7,985	**(19,493)**	7,985
- foreign tax*	**(918,392)**	40,142	**-**	-
Share of taxation of jointly controlled entity	**-**	37,151	**-**	-
	(678,684)	154,214	**(10,584)**	32,501
Deferred tax (Note 24):				
Relating to temporary differences	**(156,527)**	674,624	**-**	-
	(835,211)	828,838	**(10,584)**	32,501

* Includes RM1,655,794 (2009: Nil) relating to tax recoverable arising from the utilisation of current year tax loss of a foreign subsidiary carried back and set off against its previous years' taxed income.

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% (2009: 25%) of the estimated assessable profit for the financial year.

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

12 TAXATION (Continued)

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

	Group		Company	
	2010	**2009**	**2010**	**2009**
	%	%	%	%
Numerical reconciliation between the average effective tax rate and the Malaysian tax rate:				
Malaysian tax rate	**25**	25	**25**	25
Tax effects of:				
- Expenses not deductible for tax purposes	**22**	10	**14**	15
- Effect of different tax rate from foreign subsidiaries	**3**	2	**-**	-
- Income not subject to tax	**(49)**	(30)	**(39)**	(40)
- Share of taxation of jointly controlled entity	**-**	1	**-**	-
- (Over)/Under provision of tax expense	**(12)**	1	**-**	-
Average effective tax rate	**(11)**	9	**-**	-

13 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	
	2010	**2009**
Net profit for the financial year attributable to equity holders of the Company (RM'000)	**8,337**	8,701
Weighted average number of issued ordinary shares ('000)	**265,822**	265,290
Basic earnings per share (sen)	**3.14**	3.28

BUSINESS SUCCESS TEAMWORK

13 EARNINGS PER SHARE (Continued)

(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	
	2010	**2009**
Net profit for the financial year attributable to equity holders of the Company (RM'000)	**8,337**	8,701
Weighted average number of issued ordinary shares ('000)	**265,822**	265,290
Adjustment for share options granted ('000)	**252**	166
Adjusted weighted average number of issued ordinary shares for diluted earnings per share ('000)	**266,074**	265,456
Diluted earnings per share (sen)	**3.13**	3.28*

* The dilution is not significant.

14 DIVIDENDS

	Group & Company			
		2010		**2009**
	Gross dividend per share	**Amount of dividend, tax exempt**	**Gross dividend per share**	**Amount of dividend, tax exempt**
	sen	**RM**	**sen**	**RM**
Interim dividend	**1.0**	**2,657,230**	1.0	2,652,930
Final dividend	**-**	**-**	1.5	3,979,395
	1.0	**2,657,230**	2.5	6,632,325

In addition, the Directors have also proposed a final dividend of 1 sen per ordinary share, tax exempt in respect of the financial year ended 30 June 2010 amounting to RM2,692,830. 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.

15 PLANT AND EQUIPMENT

	As at 1.7.2009	Additions	Write offs	Disposals	Currency translation differences	As at 30.6.2010
	RM	RM	RM	RM	RM	RM
2010						
Group						
At cost						
Furniture and fittings	3,661,281	634,448	(447,849)	-	(82,640)	**3,765,240**
Office equipment and computers	19,093,686	1,985,192	(27,670)	(3,144)	(399,397)	**20,648,667**
Telecommunications equipment	10,684,744	419,111	-	(230,663)	(275,181)	**10,598,011**
Software	8,387,470	926,525	-	-	(80,894)	**9,233,101**
Office renovations	5,321,058	697,133	-	-	(97,415)	**5,920,776**
Motor vehicles	1,045,387	-	-	(354,188)	-	**691,199**
Educational manuals	1,320,013	72,000	-	-	-	**1,392,013**
	49,513,639	4,734,409	(475,519)	(587,995)	(935,527)	**52,249,007**

	As at 1.7.2009	Charge for the financial year	Write offs	Disposals	Currency translation differences	As at 30.6.2010
	RM	RM	RM	RM	RM	RM
Accumulated depreciation						
Furniture and fittings	2,795,848	274,126	(447,849)	-	(80,030)	**2,542,095**
Office equipment and computers	11,826,466	2,664,174	(20,235)	(3,144)	(362,923)	**14,104,338**
Telecommunications equipment	5,999,626	1,808,037	-	(230,663)	(198,595)	**7,378,405**
Software	5,973,639	1,171,608	-	-	(51,434)	**7,093,813**
Office renovations	4,567,712	561,939	-	-	(96,618)	**5,033,033**
Motor vehicles	961,972	83,415	-	(354,188)	-	**691,199**
Educational manuals	440,006	448,004	-	-	-	**888,010**
	32,565,269	7,011,303	(468,084)	(587,995)	(789,600)	**37,730,893**

15 PLANT AND EQUIPMENT (Continued)

	As at 1.7.2008	Additions	Reclassi-fications	Write offs	Currency translation differences	As at 30.6.2009
	RM	RM	RM	RM	RM	RM
2009						
Group						
At cost						
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	Currency translation differences	As at 30.6.2009
	RM	RM	RM	RM	RM	RM
Accumulated depreciation						
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

15 PLANT AND EQUIPMENT (Continued)

	2010	2009
Net book value	RM	RM
Furniture and fittings	**1,223,145**	865,433
Office equipment and computers	**6,544,329**	7,267,220
Telecommunications equipment	**3,219,606**	4,685,118
Software	**2,139,288**	2,413,831
Office renovations	**887,743**	753,346
Motor vehicles	**-**	83,415
Educational manuals	**504,003**	880,007
	14,518,114	16,948,370

BUSINESS SUCCESS TEAMWORK

15 PLANT AND EQUIPMENT (Continued)

	As at 1.7.2009	**Additions**	**Write offs**	**As at 30.6.2010**
	RM	**RM**	**RM**	**RM**
2010				
Company				
At cost				
Furniture and fittings	1,704,402	601,348	-	**2,305,750**
Office equipment and computers	9,858,227	2,192,712	(1,100)	**12,049,839**
Telecommunications equipment	5,739,774	401,150	-	**6,140,924**
Software	6,738,756	921,865	-	**7,660,621**
Office renovations	3,089,847	686,303	-	**3,776,150**
Motor vehicles	387,174	-	-	**387,174**
	27,518,180	4,803,378	(1,100)	**32,320,458**

	As at 1.7.2009	**Charge for the financial year**	**Write offs**	**As at 30.6.2010**
	RM	**RM**	**RM**	**RM**
Accumulated depreciation				
Furniture and fittings	1,136,652	235,938	-	**1,372,590**
Office equipment and computers	6,032,014	1,392,568	(1,100)	**7,423,482**
Telecommunications equipment	3,788,555	781,878	-	**4,570,433**
Software	4,912,465	951,158	-	**5,863,623**
Office renovations	2,540,982	559,132	-	**3,100,114**
Motor vehicles	303,759	83,415	-	**387,174**
	18,714,427	4,004,089	(1,100)	**22,717,416**

15 PLANT AND EQUIPMENT (Continued)

	As at 1.7.2008	Additions	Write offs	As at 30.6.2009
	RM	RM	RM	RM
2009				
Company				
At cost				
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
	23,543,397	3,976,447	(1,664)	27,518,180

	As at 1.7.2008	Charge for the financial year	Write offs	As at 30.6.2009
	RM	RM	RM	RM
Accumulated depreciation				
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
	14,462,967	4,251,682	(222)	18,714,427

	2010	2009
Net book value	RM	RM
Furniture and fittings	**933,160**	567,750
Office equipment and computers	**4,626,357**	3,826,213
Telecommunications equipment	**1,570,491**	1,951,219
Software	**1,796,998**	1,826,291
Office renovations	**676,036**	548,865
Motor vehicles	**-**	83,415
	9,603,042	8,803,753

15 PLANT AND EQUIPMENT (Continued)

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

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Telecommunications equipment	**626,989**	1,037,169	**-**	-
Motor vehicles	**-**	83,415	**-**	83,415
	626,989	1,120,584	**-**	83,415

16 INVESTMENT IN SUBSIDIARIES

	Company	
	2010	2009
	RM	RM
Unquoted shares at cost	**575,986**	575,986

Details of the subsidiaries are as follows:

Name	Group's effective interest 2010 %	Group's effective interest 2009 %	Principal activities
Incorporated in Malaysia			
Scicom (Academy) Sdn Bhd *	**100**	100	Provides customer service training products as well as contact centre consulting and marketing services.
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.
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.

17 INVESTMENT IN JOINTLY CONTROLLED ENTITY

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Unquoted shares at cost	**1**	1	**1**	1
Share of net profit of the jointly controlled entity	**591,763**	111,452	**-**	-
	591,764	111,453	**1**	1

Name	Group's effective interest		Principal activities
	2010	2009	
	%	%	
Incorporated in Malaysia			
Asian Contact Centres Sdn Bhd ("ACCS") *	**50**	50	Provides customer contact centre outsourcing services

* Audited by PricewaterhouseCoopers, Malaysia.

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.

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

	Group	
	2010	2009
	RM	RM
Assets and Liabilities		
Current assets	**3,509,657**	1,738,487
Current liabilities	**2,917,893**	1,627,034
Results		
Revenue	**11,500,441**	1,738,486
Profit before taxation	**640,660**	148,603
Less: Taxation	**(160,349)**	(37,151)
Net profit for the financial year	**480,311**	111,452

17 INVESTMENT IN JOINTLY CONTROLLED ENTITY (Continued)

The Group's and Company's sale of services during the financial year to the jointly controlled entity amounted to RM14,981,226 (2009: RM2,998,846) and the amount due from the jointly controlled entity to the Group and Company as at 30 June 2010 amounted to RM3,561,817 (2009: RM1,533,117).

18 TRADE RECEIVABLES

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Trade receivables				
Third parties	**17,847,806**	23,829,659	**15,987,990**	20,355,159
Jointly controlled entity	**3,561,817**	1,529,619	**3,561,817**	1,529,619
	21,409,623	25,359,278	**19,549,807**	21,884,778
Less: Allowance for doubtful debts				
Third parties	**(1,211,553)**	(1,325,308)	**(1,158,181)**	(1,246,272)
	20,198,070	24,033,970	**18,391,626**	20,638,506
Unbilled receivables	**11,148,852**	7,333,142	**9,269,882**	5,980,464
	31,346,922	31,367,112	**27,661,508**	26,618,970

The currency exposure profile of trade receivables is as follows:

- RM	**16,269,795**	26,432,093	**15,148,306**	24,695,726
- United States Dollar ("USD")	**2,152,599**	3,450,169	**1,840,044**	519,835
- Singapore Dollar ("SGD")	**9,458,065**	-	**9,458,065**	-
- Euro	**2,301,904**	716,533	**50,534**	716,533
- British Pound Sterling ("GBP")	**1,164,559**	686,876	**1,164,559**	686,876
- Indian Rupee ("INR")	**-**	81,441	**-**	-
	31,346,922	31,367,112	**27,661,508**	26,618,970

Credit terms of trade receivables range from 60 to 90 days (2009: 60 to 90 days).

Trade receivables of the Group and the Company of RM94,155 (2009: Nil) and RM88,091 (2009: Nil) has been written off against allowance for doubtful debts.

19 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Other receivables				
Third parties	**4,414,114**	4,873,004	**4,376,284**	4,809,056
Jointly controlled entity	**-**	3,498	**-**	3,498
	4,414,114	4,876,502	**4,376,284**	4,812,554
Less: Allowance for doubtful debts				
Third parties	**(3,759,938)**	(3,759,938)	**(3,747,518)**	(3,747,518)
	654,176	1,116,564	**628,766**	1,065,036
Deposits	**3,410,060**	2,813,632	**2,385,466**	1,867,096
Prepayments	**1,318,853**	2,002,045	**832,421**	1,350,596
	5,383,089	5,932,241	**3,846,653**	4,282,728

The currency exposure profile of deposits, prepayments and other receivables is as follows:

- RM	**4,022,476**	3,471,880	**3,714,202**	3,964,246
- USD	**407,531**	1,634,121	**62,723**	318,482
- INR	**881,263**	810,670	**-**	-
- GBP	**64,601**	15,570	**62,510**	-
- SGD	**7,218**	-	**7,218**	-
	5,383,089	5,932,241	**3,846,653**	4,282,728

20 AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2010	2009
	RM	RM
Amounts due from subsidiaries	**10,916,491**	11,598,282
Less: Allowance for doubtful debts	**(2,718,866)**	(516,542)
	8,197,625	11,081,740

The currency exposure profile of amounts due from subsidiaries is as follows:

- RM	**2,802,267**	4,091,583
- USD	**2,141,706**	6,369,867
- INR	**3,253,652**	605,642
- GBP	**-**	14,648
	8,197,625	11,081,740

BUSINESS SUCCESS TEAMWORK

20 AMOUNTS DUE FROM SUBSIDIARIES (Continued)

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

An amount of RM105,123 (2009: Nil) has been written off against allowance for doubtful debts.

21 DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Cash and bank balances	**6,798,008**	6,161,728	**6,351,251**	1,513,283
Deposits with licensed banks	**673,346**	654,227	**494,350**	482,154
	7,471,354	6,815,955	**6,845,601**	1,995,437

The currency exposure profile of deposits, cash and bank balances is as follows:

- RM	**3,804,205**	1,701,658	**3,774,145**	1,375,774
- USD	**498,456**	4,183,119	**489,793**	207,192
- INR	**586,956**	518,624	**-**	-
- GBP	**2,581,737**	412,554	**2,581,663**	412,471
	7,471,354	6,815,955	**6,845,601**	1,995,437

The weighted average interest rates of deposits with licensed banks as at balance sheet date for the Group and Company are 4% and 3% (2009: 3% and 2%) per annum respectively. These deposits have weighted average maturity period of 182 and 30 (2009: 266 and 16) days respectively.

22 PAYABLES AND ACCRUALS

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Trade payables	**1,316,153**	2,201,673	**1,316,153**	891,815
Accruals	**907,644**	2,690,706	**542,664**	1,365,763
Performance-related bonus	**775,605**	1,476,058	**622,864**	1,163,433
Other payroll-related liabilities	**1,743,786**	2,389,289	**1,471,193**	1,577,596
Other payables	**3,411,920**	2,515,074	**3,010,155**	2,319,376
	8,155,108	11,272,800	**6,963,029**	7,317,983

22 PAYABLES AND ACCRUALS (Continued)

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

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
- RM	**7,018,464**	7,000,326	**6,638,366**	6,604,646
- USD	**436,676**	3,893,290	**318,933**	546,824
- INR	**691,424**	266,503	**-**	91,330
- Euro	**5,730**	73,216	**5,730**	73,216
- GBP	**2,814**	39,465	**-**	1,967
	8,155,108	11,272,800	**6,963,029**	7,317,983

Credit terms of trade payables range from cash basis to 90 days (2009: cash basis to 90 days).

23 BORROWINGS (SECURED AND INTEREST-BEARING)

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Current				
Finance lease liabilities	**253,733**	289,777	**11,812**	63,992
Non-current				
Finance lease liabilities	**200,021**	478,222	**-**	17,022
	453,754	767,999	**11,812**	81,014
Maturity profile of borrowings:				
- not later than one year	**253,733**	289,777	**11,812**	63,992
- later than one year and not later than five years	**200,021**	478,222	**-**	17,022
	453,754	767,999	**11,812**	81,014
The currency exposure profile of borrowings is as follows:				
- RM	**11,812**	81,014	**11,812**	81,014
- INR	**441,942**	686,985	**-**	-
	453,754	767,999	**11,812**	81,014

BUSINESS SUCCESS TEAMWORK

23 BORROWINGS (SECURED AND INTEREST-BEARING) (Continued)

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 (2009: 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 8% (2009: 7%) per annum.

Finance lease liabilities

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

The effective interest rates of the finance lease liabilities as at the balance sheet date ranged from 5% to 12% (2009: 13% to 14%).

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

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Minimum lease payments:				
- not later than one year	**291,191**	362,853	**11,874**	71,365
- later than one year and not later than five years	**209,488**	521,980	**-**	11,874
	500,679	884,833	**11,874**	83,239
Future finance charges on finance leases	**(46,925)**	(116,834)	**(62)**	(2,225)
Present value of finance lease liabilities	**453,754**	767,999	**11,812**	81,014

24 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	
	2010	**2009**
	RM	**RM**
Deferred tax liabilities	**883,739**	1,020,226
At beginning of financial year	**1,020,226**	351,389
Charged to income statement (Note 12):		
- plant and equipment	**(266,625)**	523,084
- others	**110,098**	151,540
	(156,527)	674,624
Currency translation	**20,040**	(5,787)
At end of financial year	**883,739**	1,020,226
Deferred tax assets (before offsetting)		
- others	**96,326**	222,058
Offsetting	**(96,326)**	(222,058)
Deferred tax assets (after offsetting)	**-**	-
Deferred tax liabilities (before offsetting)		
- plant and equipment	**980,065**	1,242,284
Offsetting	**(96,326)**	(222,058)
Deferred tax liabilities (after offsetting)	**883,739**	1,020,226

BUSINESS SUCCESS TEAMWORK

25 SHARE CAPITAL

(a) Share capital

	Group & Company	
	2010	**2009**
	RM	**RM**
Authorised ordinary shares of RM0.10 each:		
At beginning/end of the financial year	**100,000,000**	100,000,000
Issued and fully paid ordinary shares of RM0.10 each:		
At beginning of financial year	**26,529,300**	26,525,800
ESOS issued during the financial year	**273,000**	3,500
At end of financial year	**26,802,300**	26,529,300

During the financial year, 2,730,000 (2009: 35,000) 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;

25 SHARE CAPITAL (Continued)

(b) Employee Share Option Scheme (Continued)

- The Subscription Price of each share comprised in any Offer made in conjunction with the Company's listing on the Main 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 preceeding the Date of Offer and the price so determined shall not be less than the par value of the shares;

- The shares to be allotted upon the exercise of any Options will, upon allotment and issue, rank pari passu in all respects with the existing issued and paid-up ordinary shares of the Company, except that the new shares will not be entitled to any dividends, rights, allotments or other distributions, the Entitlement Date of which is prior to the date of allotment of the said shares. The new shares will be subject to all the provisions of the Articles of Association of the Company;

- 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.

BUSINESS SUCCESS TEAMWORK

25 SHARE CAPITAL (Continued)

(b) Employee Share Option Scheme (Continued)

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

		Number of options over ordinary shares of RM0.10 each in the Company			
Grant date	**Expiry date**	**As at 1 July 2009**	**Exercised**	**Retired**	**As at 30 June 2010**
		'000	**'000**	**'000**	**'000**
23.9.2005	22.9.2010	4,170	(2,730)	(180)	**1,260**

The balance of options as at 30 June 2010 of 1,260,000 was fully exercised on 4 August 2010.

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

Exercise date	**Fair value of shares**	**Exercise price**	**Number of shares issued**
	RM per share	**RM per share**	**'000**
17 February 2010	0.425	0.30	**430**
14 May 2010	0.495	0.30	**2,300**
			2,730

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

	Group & Company
	2010
	RM
Ordinary share capital at par	**273,000**
Share premium	**546,000**
Proceeds received on exercise of share options	**819,000**
Fair value at exercise date of shares issued	**1,321,250**

26 RETAINED EARNINGS

Under the single-tier system which came into effect from year of assessment 2010, 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 2009, 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 2009.

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 RM38,068,956 (2009: RM29,641,024) and RM85,798 (2009: RM85,798) respectively, to frank dividends out of its entire retained earnings.

27 COMMITMENTS

(a) Capital expenditure

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

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM	**RM**	**RM**	**RM**
- Plant and equipment	**290,122**	752,626	**60,122**	752,626

(b) Non-cancellable operating lease commitments

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

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM	**RM**	**RM**	**RM**
- not later than one year	**9,800,126**	9,609,215	**8,582,892**	7,090,914
- later than one year and not later than five years	**5,887,715**	10,773,785	**3,717,654**	-
	15,687,841	20,383,000	**12,300,546**	7,090,914

28 SIGNIFICANT RELATED PARTY DISCLOSURES

In addition to related party transactions and balances mentioned elsewhere in the financial statements, set out below are the significant related party transactions and balances which were carried out on terms and conditions negotiated amongst the related parties.

Key management personnel are the persons who have authority and responsibility for planning, directing and controlling the activities of the Group or the Company either directly or indirectly. The key management personnel is the Chief Executive Officer of the Group and the Company.

Whenever exist, related party transactions also include transactions with entities that are controlled, jointly controlled or significantly influenced directly or indirectly by any key management personnel or their close family members.

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM	**RM**	**RM**	**RM**
Sales of services:				
- Subsidiaries	**-**	-	**272,459**	3,600,000
Purchases of services:				
- Subsidiaries	**-**	-	**3,720,956**	6,668,665
Amount due from:				
- Subsidiaries	**-**	-	**8,197,625**	11,081,740
Key management personnel:				
- Salaries	**607,992**	607,992	**607,992**	607,992

29 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.

29 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (Continued)

(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 23 to the financial statements).

(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, to the extent possible.

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 to the financial statements.

(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 29(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.

BUSINESS SUCCESS TEAMWORK

29 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (Continued)

(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	
	Carrying amount	Fair value	Carrying amount	Fair value
	RM	RM	RM	RM
Finance lease liabilities (non-current portion)	200,021	191,867	-	-

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

30 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 26 March 2010, the Company transferred its entire issued and paid-up share capital from the Ace Market to the Main Market of Bursa Malaysia Securities Berhad.

31 SUBSEQUENT EVENT AFTER BALANCE SHEET DATE

On 18 August 2010, the Company acquired the entire issued and paid-up share capital comprising 2 ordinary shares of RM1.00 each in a new subsidiary, Scicom International College Sdn. Bhd. (“SIC”), a company incorporated on 11 August 2010 in Malaysia, for cash consideration of RM2.

On 27 August 2010, the Company proposed a bonus issue of 26,928,300 new ordinary shares of RM0.10 each in the Company on the basis of one bonus share for every ten existing shares held on an entitlement date to be determined later. The proposal is subject to approval from the shareholders at the upcoming Extraordinary General Meeting.

32 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 27 August 2010.

Statutory Declaration

For The Financial Year Ended 30 June 2010

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 49 to 98 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 2010 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, MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the provisions of the Companies Act, 1965.

Signed on behalf of the Board of Directors in accordance with their resolution dated 27 August 2010.

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 49 to 98 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 27 August 2010, before me.

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Scicom (MSC) Berhad, which comprise the balance sheets as at 30 June 2010 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 49 to 98.

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, MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities 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, MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities 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 2010 and of their financial performance and cash flows for the year then ended.

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 have considered the financial statements and the auditors' report of subsidiaries of which we have not acted as auditors, which are indicated in Note 16 to the financial statements;

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

(d) The audit reports on the financial statements 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

ERIC OOI LIP AUN
(No. 1517/06/12 (J))
Chartered Accountant

Kuala Lumpur
27 August 2010

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 2010, a total of 2,730,000 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 2010.

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 2010.

6. NON-AUDIT FEES

The amount of non-audit fees paid by the Group and the Company for the financial year ended 30 June 2010 were RM103,214 and RM28,000 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 2010. 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 2010.

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

For the financial year ended 30 June 2010, 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 2010.

11. CORPORATE SOCIAL RESPONSIBILITY

The Group's corporate social responsibility activities and/or practices undertaken during the financial year ended 30 June 2010 are set out on pages 27 to 28 and of the Annual Report.

Analysis of Shareholdings

SHARE CAPITAL AS AT 22 SEPTEMBER 2010

	Amount RM
Authorised Share Capital	
Authorised ordinary shares of RM0.10 each	100,000,000
Issued and Fully Paid-up Share Capital	
Issued and fully paid-up ordinary shares of RM0.10 each	26,928,300
Class of Securities	Ordinary shares of RM0.10 each
Voting Rights	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS AS AT 22 SEPTEMBER 2010

No. of Shareholders	%	Size of Shareholdings	%
4	0.44	Less than 100 shares	0.00
56	6.12	100 to 1,000 shares	0.02
437	47.76	1,001 to 10,000 shares	0.93
305	33.33	10,001 to 100,000 shares	4.43
109	11.91	100,001 to less than 5% of issued shares	31.33
4	0.44	5% and above of issued shares	63.29
915	**100.00**		**100.00**

LIST OF 30 LARGEST REGISTERED SHAREHOLDERS AS AT 22 SEPTEMBER 2010
(As shown in the record of Depositors)

No.	Name of Shareholder	No. of Shares Held	%
1	OSK Nominees (Asing) Sdn Berhad	79,994,200	29.71
	Kim Eng Securities Pte. Ltd. for PT Telekomunikasi Indonesia International		
2	Netinsat Asia Sdn Bhd	42,817,200	15.90
3	Lembaga Tabung Haji	20,083,400	7.46
4	HLG Nominee (Asing) Sdn Bhd	14,500,000	5.38
	Pledged Securities Account for Leo Suresh Ariyanayakam		
5	CIMSEC Nominees (Tempatan) Sdn Bhd	10,784,000	4.00
	CIMB for Seow Lun Hoo @ Seow Wah Chong		
6	Ali Bin Abdul Kadir	10,000,000	3.71
7	CIMSEC Nominees (Asing) Sdn Bhd	6,000,000	2.23
	CIMB Bank for Leo Suresh Ariyanayakam		
8	CIMSEC Nominees (Asing) Sdn Bhd	5,854,500	2.17
	Pledged Securities Account for Lalitha D/O K Krishnan Nambiar		
9	Jaganath Derek Steven Sabapathy	5,474,600	2.03
10	TA Nominees (Asing) Sdn Bhd	4,815,000	1.79
	Pledged Securities Account for Leo Suresh Ariyanayakam		
11	HSBC Nominees (Asing) Sdn Bhd	4,542,600	1.69
	Exempt An for Credit Suisse		
12	Multi-Purpose Insurans Bhd	2,448,200	0.91
13	Gunaretnam A/L Kathigasu	2,391,000	0.89
14	Ambank (M) Berhad	2,365,000	0.88
	Pledged Securities Account for Ali Bin Abdul Kadir		
15	Krishnan A/L C K Menon	2,261,000	0.84

Analysis of Shareholdings
(Continued)

LIST OF 30 LARGEST REGISTERED SHAREHOLDERS AS AT 22 SEPTEMBER 2010
(As shown in the record of Depositors) (Continued)

No.	Name of Shareholder	No. of Shares Held	%
16	TASEC Nominees (Asing) Sdn Bhd TA Capital Sdn Bhd for Leo Suresh Ariyanayakam	2,000,000	0.74
17	Tan Soh Goh	1,809,000	0.67
18	Sieh Kok Swee	1,692,400	0.63
19	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Salbiah Binti Shuib	1,545,000	0.57
20	Cheah Teik Seng	1,500,000	0.56
21	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Rahimah Stephens	1,350,000	0.50
22	Mohd Salleh Bin Hj Harun	1,300,000	0.48
23	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Paramjit Singh Gill	1,250,000	0.46
24	Benny Philip	1,100,000	0.41
25	Nikolai Dobberstein	1,000,000	0.37
26	Eapen Thomas A/L K I Thomas	900,000	0.33
27	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Rosaline Ganendra	800,000	0.30
28	Jaya Kumar	762,500	0.28
29	Shanti Jacqueline A/P K. Jeya Raj	760,000	0.28
30	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Salbiah Binti Shuib	750,000	0.28
	Total	**232,849,600**	**86.45%**

SUBSTANTIAL SHAREHOLDERS AS AT 22 SEPTEMBER 2010

No.	Name of Shareholder	Direct Interest	%	Deemed Interest	%
1	OSK Nominees (Asing) Sdn Bhd *(Kim Eng Securities Pte Ltd for PT Telekomunikasi Indonesia International)*	79,994,200	29.71	0	0.00
2	Netinsat Asia Sdn Bhd	42,817,200	15.90	0	0.00
3	Leo Suresh Ariyanayakam	27,542,100	10.23	0	0.00
4	Lembaga Tabung Haji	20,083,400	7.46	0	0.00

DIRECTORS' SHAREHOLDINGS AS AT 22 SEPTEMBER 2010

No.	Name of Shareholder	Direct Interest	%	Deemed Interest	%
1	Leo Suresh Ariyanayakam	27,542,100	10.23	0	0.00
2	Krishnan A/L C K Menon[1]	2,261,000	0.84	42,817,200	15.90
3	Mohd Salleh bin Hj. Harun	1,300,000	0.48	0	0.00
4	Nikolai Dobberstein	1,000,000	0.37	0	0.00
5	Loh Lee Soon	316,700	0.12	0	0.00

[1] *Deemed interest by virtue of his shareholdings in Netinsat Asia Sdn Bhd*

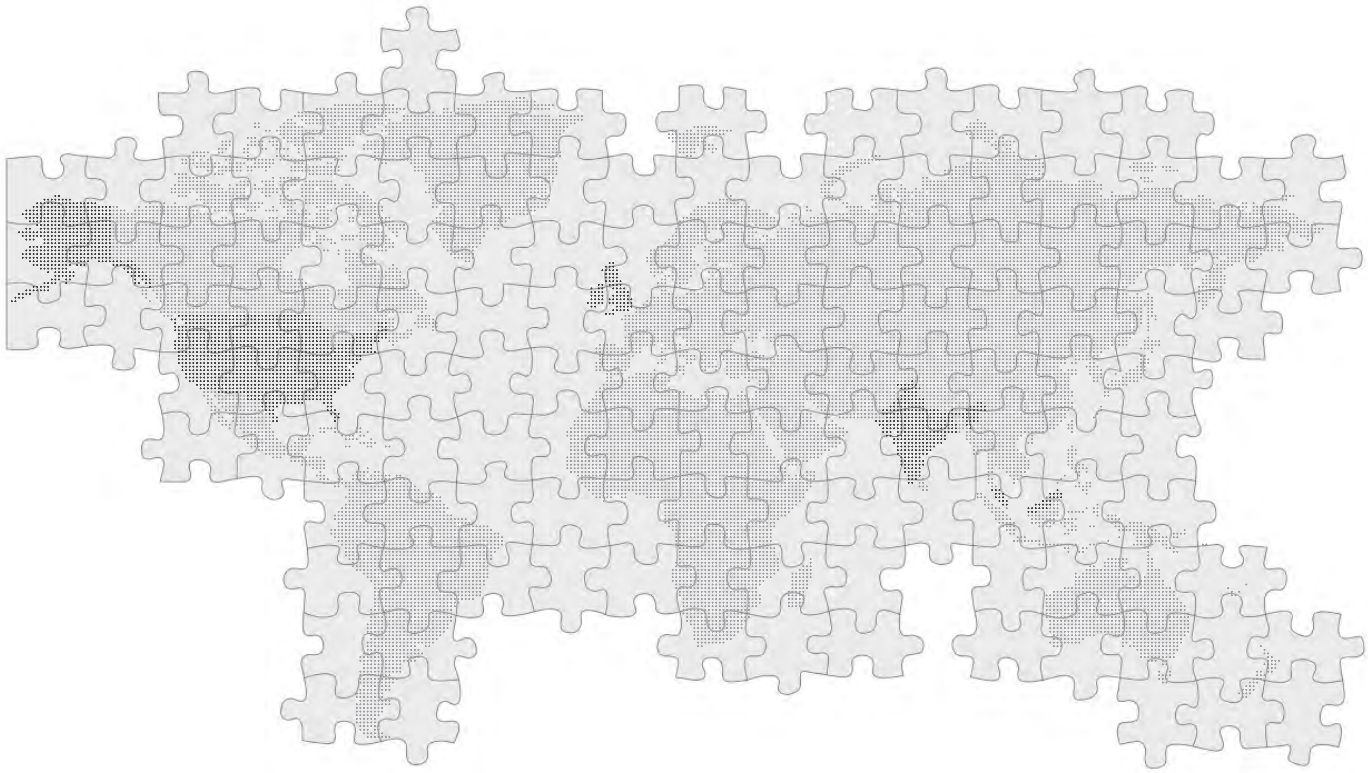
Glossary of Abbreviations

Act	Companies Act, 1965
AGM	Annual General Meeting
AUD	Australian 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
ESOS	Employees' Share Option Scheme
FRS	Financial Reporting Standards
GBP	British Pound Sterling
ICM	Internal control memorandum
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
PJ	Petaling Jaya, Malaysia

Glossary of Abbreviations
(Continued)

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 Academy	Scicom (Academy) Sdn Bhd
Scicom (UK)	Scicom International (UK) Limited
SCP	Support Center Practices
SEA	South East Asia
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
TQM	Total Quality Management
UK	United Kingdom
USA	United States of America
USD	United States Dollar

Group Directory



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E-mail : academy@scicom-intl.com

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Malaysia
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Fax : 603 2164 9820

Notice Of Eighth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting of the Company will be held at Banyan Room, Ground Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on **Wednesday, 10 November 2010 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 2010 together with the Reports of the Directors and Auditors thereon.	(See Note 2)
2.	To declare a tax exempt final dividend of RM0.01 per ordinary share for the financial year ended 30 June 2010 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) YBhg Dato' Mohd Salleh Bin Hj Harun	(Ordinary Resolution 2)
	(ii) Mr. Leo Suresh Ariyanayakam	(Ordinary Resolution 3)
4.	To elect the following Directors who retire pursuant to Article 91 of the Company's Articles of Association:-	
	(i) Mr. Ande Safari	(Ordinary Resolution 4)
	(ii) Mr. David Eric Burke	(Ordinary Resolution 5)
5.	To approve the payment of Directors' Fees for the financial year ended 30 June 2010.	(Ordinary Resolution 6)
6.	To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration.	(Ordinary Resolution 7)

B. Special Business

To consider and if thought fit, to pass, with or without modifications, the following Special Resolution:

7. PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

"THAT the existing interpretation "Listing Requirements" under Article 2 of the Articles of Association of the Company be deleted in its entirety and in place thereof the following new interpretation "Listing Requirements" under Article 2 be inserted:-

Listing Requirements – The Listing Requirements of Bursa Securities for the ***Main Market*** *including any amendments to the Listing Requirements that may be made from time to time.*

AND THAT the Directors be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all steps as may be considered necessary to give full effect to the proposed amendment to the Articles of Association of the Company."

C. Other Business

8. 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 Eighth Annual General Meeting
(Continued)

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the members at the Eighth Annual General Meeting to be held on 10 November 2010, a tax exempt final dividend of RM0.01 per ordinary share for the financial year ended 30 June 2010, if approved, will be paid on 2 December 2010.

The entitlement date for the dividend payment is 18 November 2010.

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 18 November 2010 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.

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 provision of Section 149(1)(b) of the Companies Act, 1965, shall not apply to the Company.

(ii) Where a member appoints two (2) or more 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 under the hand of 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 2010

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.

3. EXPLANATORY NOTE ON SPECIAL BUSINESS

Special Resolution – Proposed Amendment to the Articles of Association of the Company

The Special Resolution, if passed, will bring the Articles of Association of the Company in line with the Listing Requirements of Bursa Malaysia Securities Berhad for the Main Market following the recent transfer of the listing of and quotation for the entire issued and paid-up share capital of the Company from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad.

STATEMENT ACCOMPANYING NOTICE OF THE EIGHTH ANNUAL GENERAL MEETING

Details of Directors who are standing for election in Agenda 4 of the Notice of the Eighth Annual General Meeting are set out in the Directors' Profile appearing on page 10-12 of this Annual Report.

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 Eighth Annual General Meeting of the Company to be held at the Banyan Room, Ground Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on **Wednesday, 10 November 2010 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 RM0.01 per ordinary share for the financial year ended 30 June 2010.		
2	Re-election of YBhg Dato' Mohd Salleh Bin Hj Harun as Director pursuant to Article 84 of the Company's Articles of Association.		
3	Re-election of Mr. Leo Suresh Ariyanayakam as Director pursuant to Article 84 of the Company's Articles of Association.		
4	Election of Mr. Ande Safari as Director pursuant to Article 91 of the Company's Articles of Association.		
5	Election of Mr. David Eric Burke as Director pursuant to Article 91 of the Company's Articles of Association.		
6	Approval of Directors' Fees for the financial year ended 30 June 2010.		
7	Re-appointment of Messrs Pricewaterhouse-Coopers as Auditors.		
Special Resolution			
8	Amendment to the Articles of Association of the Company.		

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

Dated this __________ day of _______________________ 2010

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

TOTAL CUSTOMER DELIGHT

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