Mesiniaga
30 years 1982 2012

APPRECIATING WITH TIME

ANNUAL REPORT 2011

Appreciating with Time 30 Years

1982 - 2012

In the late 1970s, the seed of an idea was planted in the minds of a few IT industry stalwarts to establish a local company that will contribute to our nation's then fledgling IT landscape. The seed germinated in 1981 and since then, it has flourished to become one of Malaysia's most established systems integrator.

Thirty years on, we continue to nurture its growth so as to ensure that its value to our shareholders, clients, business partners, employees and the country will appreciate with time.

30TH ANNUAL GENERAL MEETING

VENUE
AUDITORIUM ISMAIL SULAIMAN
MENARA MESINIAGA
1A, JALAN SS16/1
47500 SUBANG JAYA

TIME
WEDNESDAY
13 JUNE 2012
2.30PM

CONTENTS

OUR VISION

TO BE THE MALAYSIAN IT PARTNER OF CHOICE

OUR MISSION

DRIVING CUSTOMER BUSINESS PERFORMANCE THROUGH TECHNOLOGY AND INNOVATION

FIVE-YEAR PERFORMANCE STATISTICS

Revenue (RM Million)

2011	**298**
2010	322
2009	264
2008	263
2007	356

Profit Before Tax (RM Million)

2011	**21**
2010	18
2009	12
2008	14
2007	20

Net Current Assets (RM Million)

2011	**131**
2010	140
2009	129
2008	132
2007	137

Fixed Assets (RM Million)

2011	**67**
2010	60
2009	60
2008	61
2007	59

Net Tangible Assets (RM Million)

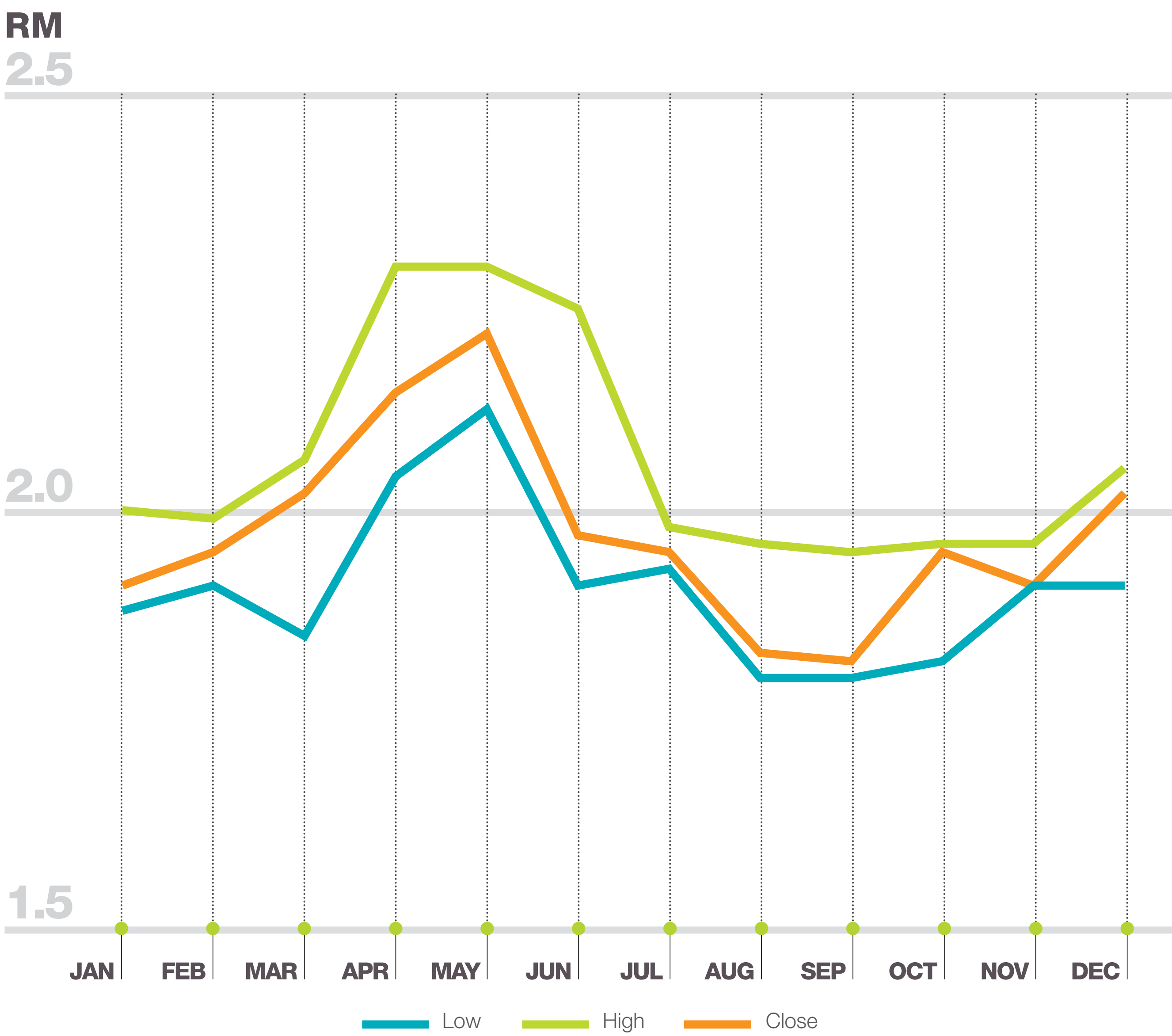
2011	**184**
2010	179
2009	178
2008	180
2007	179

Shareholders' Equity (RM Million)

2011	**184**
2010	179
2009	178
2008	180
2007	179

2011 SHARE PERFORMANCE STATISTICS

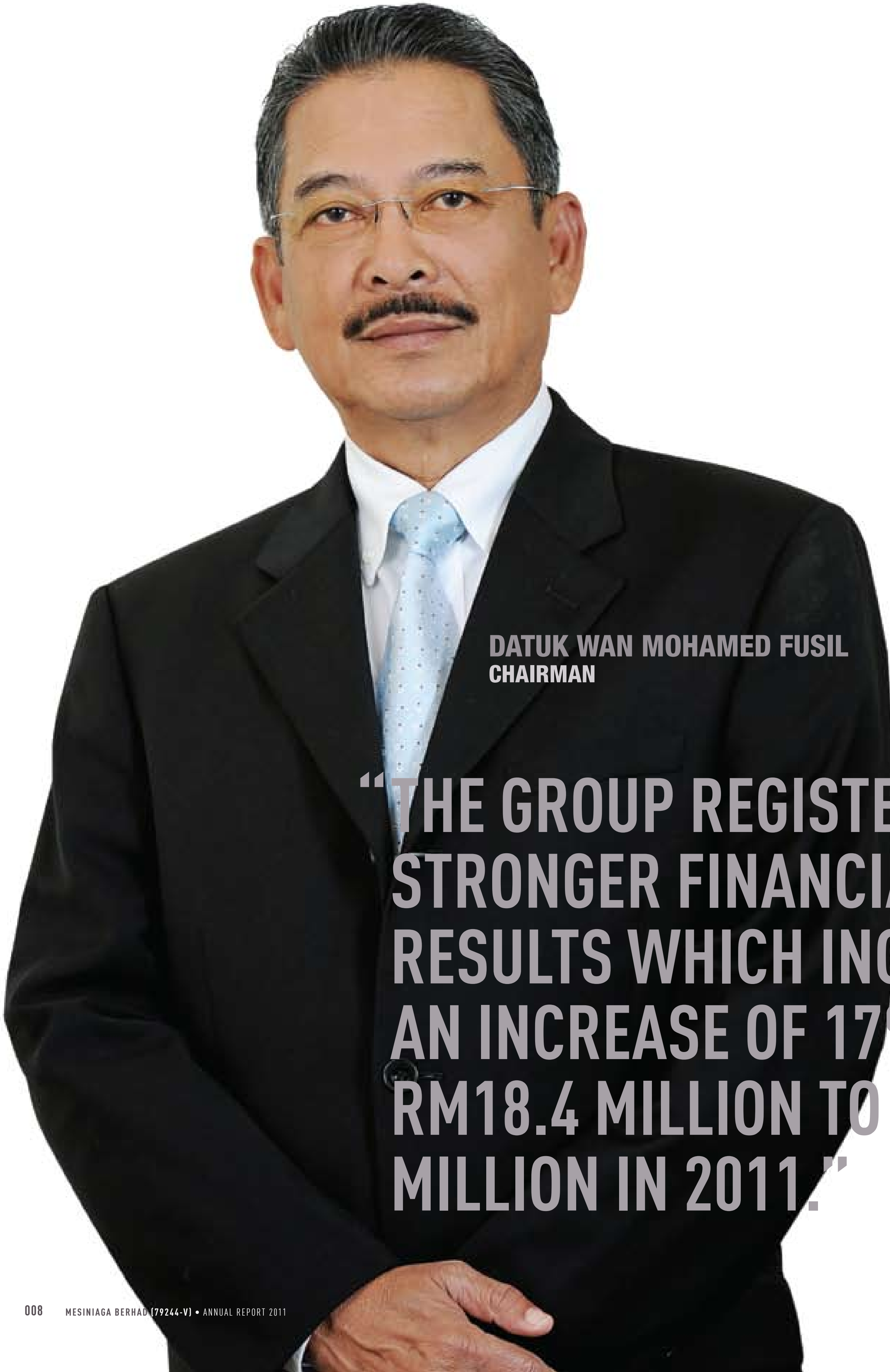
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Low	1.88	1.91	1.85	2.04	2.12	1.91	1.93	1.80	1.80	1.82	1.91	1.91
High	2.00	1.99	2.06	2.29	2.29	2.24	1.98	1.96	1.95	1.96	1.96	2.05
Close	1.91	1.95	2.02	2.14	2.21	1.97	1.95	1.83	1.82	1.95	1.91	2.02



APPRECIATING WITH TIME

We implemented our Transformation Strategy to ensure that we will experience continuous and sustainable growth. Our financial results in the last few years bear witness to the success of our efforts.


Profit
Before Tax
+17%
NPATS
+21%



DATUK WAN MOHAMED FUSIL
CHAIRMAN

"THE GROUP REGISTERED STRONGER FINANCIAL RESULTS WHICH INCLUDED AN INCREASE OF 17% FROM RM18.4 MILLION TO RM21.3 MILLION IN 2011."

Dear Valued Shareholders,

IT GIVES ME GREAT PLEASURE TO PRESENT YOU WITH THE REPORT ON THE GROUP'S FINANCIAL RESULTS AND ACTIVITIES FOR THE YEAR UNDER REVIEW.

BUSINESS ENVIRONMENT

2011 opened well with positive sentiment arising from the strong recovery experienced in 2010. However, momentum initially tapered off in the first half of the year amidst global concerns such as natural catastrophes, rising oil prices and a weakening US Dollar; but the Malaysian economy remained resilient and ultimately registered a growth of 5.1%.

The Malaysian ICT industry grew more than 8% with enterprise IT spending amounting to nearly RM30 billion in 2011. The government took measures to stimulate the IT industry and this boosted demand across all IT segments. One measure was the National Broadband Initiative where Telekom Malaysia Berhad (TM) was awarded an RM11.3 billion contract to roll out a high speed broadband network over a period of ten years. The proposed development of five regional corridors; the acceleration of the banking, finance and capital markets; and the promotion of green technology in Budget 2012 also created further growth potential within the IT industry.

FINANCIAL AND OPERATIONS OVERVIEW

2011 was a landmark year for Mesiniaga. We approached our third decade and came even closer to fulfilling the ultimate objective of our five-year Transformation Strategy, which is to grow our margins. Compared to last year, the Group registered stronger financial results which included an increase of 17% from RM18.4 million to RM21.3 million in 2011. This growth in margins was commendable as it was on the back of slightly decreasing revenue of RM297.6 million compared to RM321.9 million in 2010. As a result of this, the Group was able to show an increased Net Profit Attributable to Shareholders (NPATS) of RM13.6 million, with earnings per share (EPS) of 22.48 sen, an increase of 21% from 2010. Our financial position remained stable with a net cash position of RM19 million as at 31 December 2011.

Our 2011 financial results was the culmination of several achievements attained throughout the year. A major one was a three-year contract worth RM167 million to build and operate an internet protocol core system for TM. On top of this, our shift in focus to proposal-generated business improved our penetration rate into the financial services industry. Business value from this sector enjoyed a marked increase of more than 100% from 2010. In total, proposal-generated business contributed 21% to our gross profit.

As mentioned last year, we incorporated a new subsidiary, Mesiniaga Alliances Sdn. Bhd. (MASB) in order to develop our strategic outsourcing business. As an MSC-status company, MASB achieved a key milestone when it moved to new premises in Bangsar South, which is within the multimedia super corridor. Since then, MASB has pursued an aggressive client acquisition strategy which resulted in engagements with new customers and business growth of 91%.

"WE CELEBRATE OUR 30TH ANNIVERSARY IN 2012. WE ARE PROUD OF OUR LONGEVITY IN THIS RAPIDLY EVOLVING INDUSTRY, WHICH IS WHY WE HAVE COMMEMORATED THIS MILESTONE IN OUR ANNUAL REPORT."

In improving margins, measures to increase productivity must go hand in hand with efforts to secure more profitable business. We employed various productivity initiatives for this purpose. This included the development and implementation of a business intelligence system to serve as a platform for discovering outcomes which will facilitate strategic planning and business agility. Another initiative was the Resource Management System (RMS). RMS development began in 2010 but its usage came to full maturity last year. RMS provided a holistic view of our resource utilisation thereby improving efficiency.

Despite implementing such tools, the core element in improving productivity remained sustainable human capital development. As with previous years, our human resource strategy involved providing suitable platforms for our people to develop both professional and soft skills. One successful programme was i-Lead, i-Coach, a management and leadership programme attended by more than 20% of our middle management. This program was aimed at improving management effectiveness and developing future leaders.

As we endeavoured to increase shareholder value, we remained committed to providing superior customer experience. Our relentless effort in this area was evident from the results of our annual survey where our customer preference index rose from 62% to 74%. One effort undertaken to improve the results was the Service Delivery Governance Framework to monitor and control service delivery. Other efforts also yielded results, some of which were: achieving 97% on-time project delivery; and a ten percentage point increase in same-day problem resolutions. On top of this, we received validation in the form of an award from our customer, Synergycentric Sdn. Bhd. This Overall Top Performer Award was given in recognition of our commitment and contribution towards their growth over the years.

We were also grateful for the strong collaboration we had with our partners. We continued to win several awards throughout the year such as the Cisco Strategic Deal of the Year; IBM Lotus Business Partner of the Year; Juniper Malaysia Partner of the Year; and Symantec Asia South Region Value Partner of the Year awards.

CORPORATE RESPONSIBILITY

Good business ethics and strong integrity underpinned all engagements with our stakeholders. I am happy to report that we received the inaugural Genuine Corporate Award from Business Software Alliance in recognition of our commitment to using genuine software and instituting good software asset management practices. For community relations, we continued to focus on education. We signed a Memorandum of Understanding (MoU) with the Ministry of Higher Education (MoHE) to be part of the academic programme for work-based-learning Advanced Diploma in Networking course for Politeknik Ungku Omar.

FUTURE OUTLOOK AND PROSPECTS

We celebrate our 30th anniversary in 2012. We are proud of our longevity in this rapidly evolving industry, which is why we have commemorated this milestone in our Annual Report. We attribute our success to continuity in leadership, commitment to customer success and outstanding support from our employees. I am confident that these factors will help us grow even stronger in the next decade and beyond.

Despite approaching the end of our Transformation journey, we continue to implement new initiatives that will propel us further as the promoter of customer business growth. One example is our venture into the area of implementing technology for the oil and gas sector in order to improve cost efficiency and safety in their business. Another is the establishment of our Network Operating Centre (NOC) where we will provide a comprehensive approach to network management which will result in minimal network downtime and cost reduction for our customers. Other than this is the renewed emphasis we place on our business analytics solutions. With information being a key component in the success of any business, companies are constantly looking for a tool which will allow them to make better business decisions. We are also exploring cloud technologies. To this effect, we initiated a partnership with CloudFX, a leader in cloud solutions and virtualisation technologies.

Apart from our own efforts in growing our business, the continuing efforts by the government to shift into a high income economy will also create many opportunities for the IT industry. The country's enterprise IT spending for 2012 is forecasted at RM31.5 billion and the country's Economic Transformation Programme (ETP) will remain the catalyst in driving ICT growth.

DIVIDENDS

In line with the prior year, the Board of Directors have proposed a final gross dividend payment of 21 sen per share less income tax of 25%, subject to shareholders' approval at the upcoming 30th Annual General Meeting.

ACKNOWLEDGEMENTS

I would like to take this opportunity to thank my fellow directors for their valuable service and advice. On behalf of the Board, I wish to thank all employees and the management of the company and its various subsidiaries for their support. Our appreciation also goes to our shareholders, customers and business associates for their continued faith.

Datuk Wan Mohamed Fusil
Chairman

MANAGING DIRECTOR'S REPORT

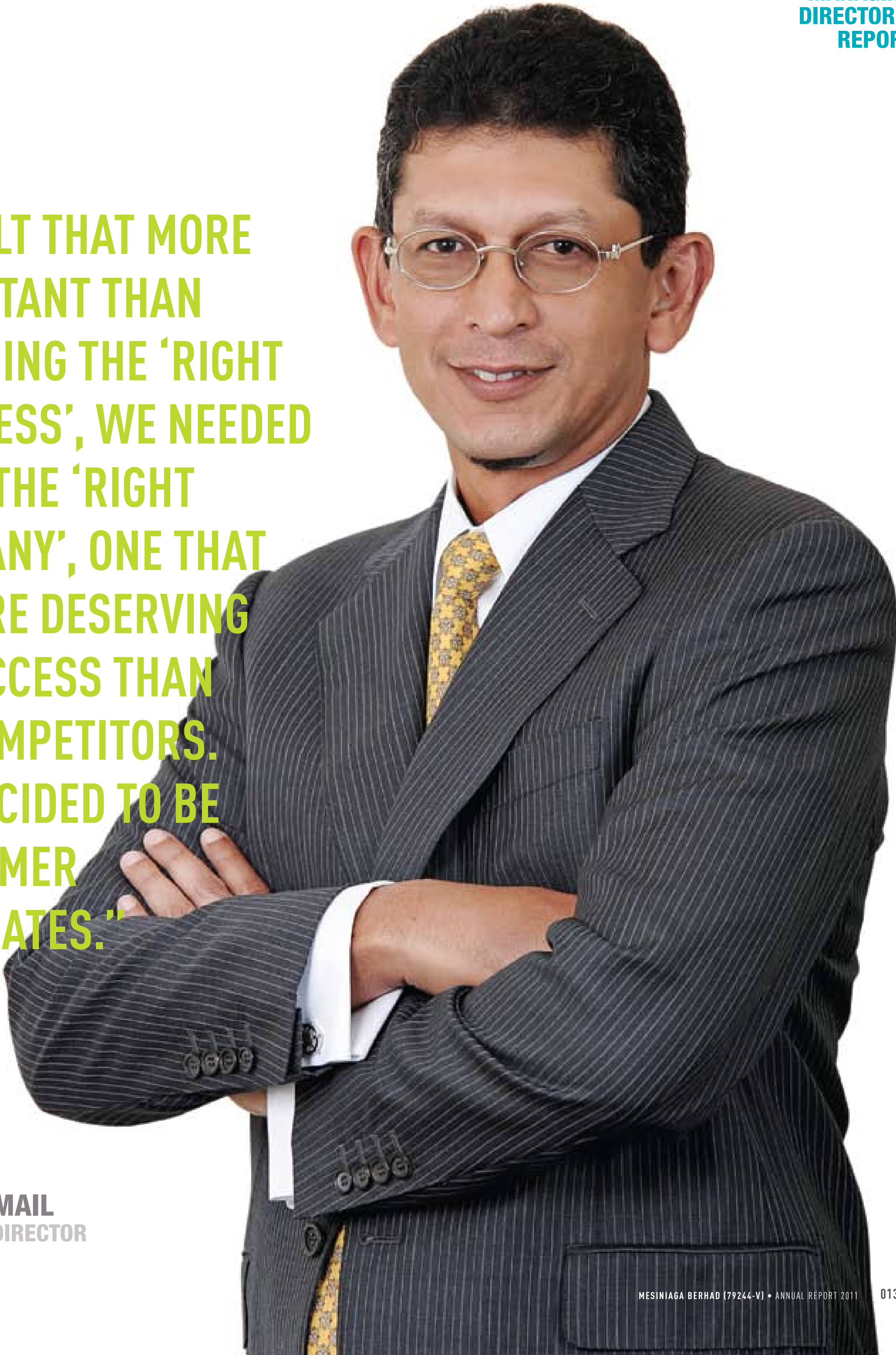
DEAR VALUED SHAREHOLDERS,

"THESE PAST YEARS, WE HAVE BEEN ADDRESSING THE CHALLENGE OF DEPLETING MARGINS. WHILST BENEFITTING FROM STRONG GROWTH IN ICT SPENDING, PERSISTENT MARGIN ATTRITION HAS STOOD IN THE WAY OF PROFIT GROWTH. THE WORLD WAS CHANGING AND IT WAS TELLING US THAT WE TOO NEEDED TO CHANGE."

2008 and 2009 were especially difficult years, buffeted by the global crises. In 2010 however things started to improve with an after tax profit of RM12.8 million, up 50% from RM8.6 million the year before. In 2011 we were able to sustain this upward momentum with a further 19% improvement to RM15.3 million. I am beholden to you for your patience, as I am to our staff for their tireless efforts that allow us to celebrate our 30th anniversary with renewed optimism.

As you know, the choice of transformation agenda was an unusual one. We did not pick specific technologies upon which to place our bets. Doing this tends to offer only temporary relief because ICT markets congest very rapidly. We felt that more important than choosing the 'right business', we needed to be the 'right company', one that is more deserving of success than its competitors. We decided to be customer advocates. Our brand of customer advocacy involves two things, providing customers the best experience, and the most success.

With respect to customer experience, 74% of our customers rated us number one in 2011, up from 62% in 2010. This is referred to as our Customer Preference Index (CPI). We want to achieve a 90% CPI within the next three years. Timely delivery of projects reached 97% in 2011 and we believe this has helped in improving our CPI. Incentive schemes



"WE FELT THAT MORE IMPORTANT THAN CHOOSING THE 'RIGHT BUSINESS', WE NEEDED TO BE THE 'RIGHT COMPANY', ONE THAT IS MORE DESERVING OF SUCCESS THAN ITS COMPETITORS. WE DECIDED TO BE CUSTOMER ADVOCATES."

FATHIL ISMAIL
MANAGING DIRECTOR

for delivery staff were introduced in 2010 where the CPI is a major factor in determining incentives. Our company bonus scheme is also predicated on the CPI, aligning behaviour with ambition.

In 2011, 21% of our business derived from proactive proposals that drive quantifiable improvements in customer business performance. We develop these proposals without charge, benefitting only if they are implemented. This approach seems to have won customer approval, allowing us to graduate from vendor to partner, as we had hoped. They also provide an 8% higher margin over traditional business.

Since embarking on our transformation journey four years ago, our added value as a percentage of sales has increased from 24% to 40%. This is because we have evolved from a hardware business into services business, a necessary step to stem the erosion of hardware margins. A services business introduces a new set of challenges. There is increased complexity in sustaining service quality, but I feel our high CPI shows that we are rising to this challenge. Also, a services business requires more people, and thus more expense. It is imperative that we continuously improve productivity to ensure that the services business yields good margins. This is where we need to do better. Increases in added value have been offset by increases in expense, thus we do not yet enjoy the full benefit of being a services business. Over RM10 million of the increased expense is because we have invested in new business areas, secured key talent and improved performance incentives and bonuses, allowing us to be more robust, versatile and motivated in meeting the demands of the transformation.

We are generally encouraged by the progress made and feel we are gradually becoming the ICT Provider of Choice. This progress was achieved by seeking to mould ourselves into the 'right company'. We know that this alone is not enough and we must still be in the 'right business'. We are choosing those businesses or technologies that best allow us to actualise our Mission of Driving Customer Business Performance through Technology and Innovation. This is the essence of our transformation, our chosen differentiator. We have thus invested in the following areas:

1. Business Analytics, Business Asset Management and Mobility, all of which can significantly impact customer profitability. Business Analytics improves customer insight, leading to better decision making. Business Asset Management reduces corporate asset cost. Mobility drives productivity.
2. Strategic Outsourcing through Mesiniaga Alliances Sdn. Bhd. This differs from our traditional outsourcing services in that we are developing skills to chart customer ICT strategies that best support their business ambitions. It also offers us recurring revenue.
3. Technology in Real Estate through the provision of infrastructure and services that improve Safety and Security; Transportation; Community Services; and Commerce. These have the potential to increase property values for developers and property buyers alike.

4. You will note that all the above areas allow us to directly impact customer business performance. They involve investment in new skills and thus people and this can impair short term profitability through increased expenses. We however feel that there is urgency in pushing through with our transformation agenda.

We have been more careful on the issue of Cloud. There is no question that Cloud represents the next big inflection point for the ICT industry as a whole. This is because of the potential benefits to the consumer which include lower costs. We do not believe that we will be able to offer lowest cost as a Cloud provider and therefore this could be a poor strategy. We intend to be Cloud enablers for our customers who wish to operate their own Cloud. It goes without saying that in order to be successful in this area, we must offer our customers the best chance of success. We are developing the skills for this.

Though our business is essentially an infrastructure-based business, we are strengthening our position by developing industry and customer specific solutions, better addressing customer business needs, delivering the best service, and investing in new technology areas that better allow for value creation. We feel that we have a sound strategy and are building the foundation for the next 30 years, a journey we hope to be taking together.

Fathil Ismail
Managing Director

"THOUGH OUR BUSINESS IS ESSENTIALLY AN INFRASTRUCTURE-BASED BUSINESS, WE ARE STRENGTHENING OUR POSITION BY DEVELOPING INDUSTRY AND CUSTOMER SPECIFIC SOLUTIONS, BETTER ADDRESSING CUSTOMER BUSINESS NEEDS, DELIVERING THE BEST SERVICE, AND INVESTING IN NEW TECHNOLOGY AREAS THAT BETTER ALLOW FOR VALUE CREATION."

DRIVING CUSTOMER BUSINESS PERFORMANCE

We believe technology is merely an enabler to achieving better business results. We aim to enhance our value proposition to customers by improving their business performance. As such, we strive to understand our customer's business environment in order to offer them solutions that will maximise the returns on their IT investments.


Customer Recognition -
Overall Top Performer Award
from Synergycentric

CORPORATE PROFILE

MESINIAGA HAS BEEN IN THE TECHNOLOGY BUSINESS FOR THE PAST THREE DECADES. WE STARTED OUT AS A COMPANY SELLING IBM OFFICE PRODUCTS AND HAVE NOW EVOLVED INTO A MULTI-PLATFORM BUSINESS SOLUTIONS PROVIDER WITH A PAID-UP CAPITAL OF RM60.4 MILLION. WITHIN THE LAST 30 YEARS, THE TECHNOLOGY LANDSCAPE HAS CHANGED TREMENDOUSLY. NEW TRENDS HAVE EMERGED RESULTING IN A SEA OF CHANGE IN THE WAY COMPANIES DO BUSINESS. ACROSS THE BOARD, COMPANIES THESE DAYS ARE CONSTANTLY ON THE LOOKOUT FOR SOLUTIONS THAT WILL GIVE THEM AN EDGE OVER THEIR COMPETITION. AS SUCH, WE ARE CONSTANTLY STRIVING FOR WAYS TO PROVIDE OUR CUSTOMERS WITH AN EXPERIENCE THAT WILL ALLOW THEM TO ACHIEVE THEIR BUSINESS OBJECTIVES.

- **Incorporated on 17 December 1981**
- **Paid up capital of RM60.4 million**
- **Listed on Bursa Securities (Main Market) on 17 November 1999**
- **Headquarters - Subang Jaya; Branches - Pulau Pinang and Johor Bahru**
- **41 nationwide service locations**
- **Staff strength of more than 1,000 employees**
- **Leading Partnership Status:**
    - IBM Premier Partner
    - Microsoft Gold Partner
    - Cisco Gold Partner
    - Symantec Platinum Partner
    - Juniper Elite Partner
    - Trend Micro Affinity Platinum Partner
    - VMware Enterprise Partner
    - Oracle Gold Partner
    - HP Gold Partner
    - APC (Schneider Electric) Elite Partner

This is why we have made it our Mission to Drive Customer Business Performance through Technology and Innovation. However, we believe that technology merely acts as an enabler in improving business performance. Therefore, while we continue to leverage on our strong partnerships with globally renowned partners to provide customers with innovative technology, our value to them lies in our understanding of their environment and challenges. Our main aim is to enhance our value proposition by maximising the returns on their IT investments.

Another important element in enhancing customer experience is in the management of customer satisfaction. To this effect, we have implemented multiple initiatives that are aimed at improving service delivery and our understanding of customer needs. Our people are already acknowledged as having superior technical skills, mainly because we actively encourage them to pursue or upgrade their professional certifications. They also undergo numerous soft skills training sessions in order to improve their understanding of customer requirements and how best to meet them. The end objective of these initiatives is to give our customers the least possible worry in their dealings with the company.

We believe that the strategies implemented for driving customer business performance and enhancing customer satisfaction will ultimately translate into improving our own business performance. This will allow us to reward our shareholders for their faith in us. In order to fulfil this promise, we have also made a commitment to improve our productivity yield. We are now a company of more than 1,000 employees. We have invested significantly in developing measurements over our resource utilisation because it is imperative that all our resources are employed to their most optimum potential.

All of these efforts are undertaken to ensure that Mesiniaga remains a force to be reckoned with in the IT industry.

MESINIAGA SOLUTIONS MAP

BUILD

We build reliable and scalable ICT systems for any businesses. Regardless of the requirements, we deliver the building blocks needed for a solid ICT infratructure.

SUPPORT

We extend continuous technical assistance, maintenance and coverage throughout the entire ICT architecture.

MANAGE

We provide solutions that allow businesses to measure system performance. The solutions monitor and align system processes to resources thereby ensuring optimum performance and availability of ICT infrastructure.

ADVISE

We provide strategic consultation and conceptualisation throughout the ICT architecture ensuring that systems achieve the best fit with organisational requirements.

PROTECT

We safeguard businesses from both external and internal ICT threats thereby ensuring system security for smooth business flow and peace of mind.

ACCELERATE

We offer a suite of cutting-edge solutions to provide businesses with a competitive edge that will maximise business potential.

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATUK WAN MOHAMED FUSIL
(Chairman)

FATHIL ISMAIL
(Managing Director)

MOHD PUZI AHAMAD

VOON SENG CHUAN

ABDUL TALIB BABA

WONG FOOK HON

DATO' AB RASHID MAT ADAM

IR. DR. MUHAMAD FUAD ABDULLAH

NOMINATION COMMITTEE

DATUK WAN MOHAMED FUSIL

MOHD PUZI AHAMAD

WONG FOOK HON

EXECUTIVE DIRECTORS REMUNERATION COMMITTEE

VOON SENG CHUAN
(Chairperson)

WONG FOOK HON

NON-EXECUTIVE DIRECTORS REMUNERATION COMMITTEE

DATUK WAN MOHAMED FUSIL
(Chairperson)

MOHD PUZI AHAMAD

AUDIT COMMITTEE

ABDUL TALIB BABA
(Chairperson)

WONG FOOK HON

DATO' AB RASHID MAT ADAM

INVESTMENT COMMITTEE

DATUK WAN MOHAMED FUSIL
(Chairperson)

MOHD PUZI AHAMAD

WONG FOOK HON

COMPANY SECRETARY

JASNI ABDUL JALIL *(MACS 01359)*

COMPANY REGISTRATION NUMBER

79244-V

REGISTERED OFFICE

11th Floor, Menara Mesiniaga
1A, Jalan SS16/1
47500 Subang Jaya
Selangor Darul Ehsan
Tel : 03-5635 8828
Fax : 03-5636 3838

AUDITORS

PRICEWATERHOUSECOOPERS
Level 10, 1 Sentral
Jalan Travers, Kuala Lumpur Sentral
P.O. Box 10192
50706 Kuala Lumpur
Tel : 03-2173 1188
Fax : 03-2173 1288

PRINCIPAL BANKERS

CITIBANK BERHAD

STANDARD CHARTERED BANK
(MALAYSIA) BERHAD

MAYBANK BERHAD

HSBC AMANAH MALAYSIA BERHAD

SHARE REGISTRAR

SYMPHONY SHARE REGISTRARS
SDN. BHD.
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7841 8000
Fax : 03-7841 8008

STOCK EXCHANGE LISTING

Main Market of BURSA SECURITIES

CORPORATE STRUCTURE

100%
MESINIAGA ALLIANCES SDN. BHD.
Provision of strategic IT outsourcing services.

100%
MESINIAGA SERVICES SDN. BHD.
Provision of maintenance and managed services.

100%
MESINIAGA MSC SDN. BHD.
Provision of solution services and technology, research and development.

100%
MESINIAGA SSO SDN. BHD.
Dormant.

100%
CUSTOMCODES SDN. BHD.
(formerly known as Navigis Sdn. Bhd.)
Dormant.

51%
PT MESINIAGA SDN. BHD.
(dissolved on 25 February 2012 by way of members' voluntary winding up)

100%
MESINIAGA TECHNIQUES SDN. BHD.
Dormant.

51%
VA DYNAMICS SDN. BHD.
Sale of networking cables and related products.

30%
PWR POWERLAN (MALAYSIA) SDN. BHD.
(dissolved on 15 February 2012 by way of creditors' voluntary winding up)

PROVIDING SUPERIOR CUSTOMER EXPERIENCE

We owe our success to the success of our customers. Therefore their experience with us is of utmost importance. We continually find ways to monitor their satisfaction level, and ensure a rewarding experience. Our aim is to achieve 90% on our customer preference index within the next three years.


Customer Preference Index
74%

BOARD OF DIRECTORS

DATUK WAN MOHAMED FUSIL

Datuk Wan Mohamed Fusil was appointed to the Board on 17 December 1981 as part of the team who founded the company. He was elected Chairman of the Board on 14 June 2007. Datuk Wan Fusil was the Chief Executive Officer of Mesiniaga until 31 December 2007. Prior to joining Mesiniaga, Datuk Wan Fusil was with IBM Malaysia. During his tenure with IBM Malaysia, he served in various managerial positions. This included serving as Country Manager - Information Products Division. Datuk Wan Fusil is one of the first serving Board Members of Multimedia Development Corporation (MDeC) and is also one of the founding members of the Association of Computer and Multimedia Industry Malaysia (PIKOM). He has held several positions in PIKOM including serving as Councillor (1987), Deputy Chairman (1989-1991) and Chairman (1991/92). Datuk Wan Fusil graduated with a Diploma in Accountancy from ITM (now known as UiTM).

FATHIL ISMAIL, 48
MANAGING DIRECTOR

FATHIL ISMAIL

Fathil Ismail began his involvement in Mesiniaga on 1 June 2002 as a Non-Independent Non-Executive Director. Effective from 1 January 2008, Fathil was appointed as Mesiniaga's Managing Director. An accountant by training, Fathil served with Ernst & Young and subsequently with the Corporate Finance Department of Arab Malaysian Merchant Bank before pursuing private enterprise. He was a founding partner and the Managing Director of Genesis Healthcare (now known as ING Employee Benefits) for six years until late 2001. Fathil is an alumnus of Malay College Kuala Kangsar and graduated from the Association of Chartered Certified Accountants (ACCA).

MOHD PUZI AHAMAD

Mohd Puzi Ahamad was appointed to the Board on 17 December 1981 as part of the team who founded the company. Prior to joining the company, he served with IBM Malaysia in various capacities over a seven-year period from 1974-1981. His last position with IBM Malaysia was Sales and Administration Manager. A trained accountant who graduated from ITM (now known as UiTM), Mohd Puzi is a Fellow Member of the Association of Chartered Certified Accountants (ACCA) and a member of the Malaysian Institute of Accountants (MIA).

MOHD PUZI AHAMAD
RA (M), FCCA, 59
EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER

VOON SENG CHUAN, 53
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

VOON SENG CHUAN

Voon Seng Chuan was appointed to the Board on 24 October 2000. Since 1983, Voon has served with IBM Malaysia in various capacities starting with his first appointment as Marketing Representative. Since then, he held several key local and regional positions such as Country Brand Manager; General Manager for Channels Management, IBM ASEAN/ South Asia; and Vice President for Business Partners, Sales and Marketing for IBM Asia Pacific. In January 2000, he became Managing Director of IBM Malaysia and Brunei. After which, he was assigned to IBM Asia Pacific headquarters to handle their headquarters organisation restructuring. His last role before retiring in 2010 was as Director for Mid-Market and Strategy for Asia Pacific. Voon holds a Bachelor of Science degree in Mathematics from Universiti Malaya.

ABDUL TALIB BABA

Abdul Talib bin Baba was appointed to the Board on 21 August 2007. Abdul Talib is a Fellow Member of the Association of Chartered Certified Accountants (ACCA) and is a registered member of Malaysian Institute of Accountants (MIA). He started his career with the Ministry of Defence in 1965 before joining the Department of Civil Aviation (DCA) in 1973. Abdul Talib left DCA to join Petronas Berhad as a Senior Internal Auditor in 1980 and subsequently served in Petronas Penapisan Sdn. Bhd. and Petronas Mitco Sdn. Bhd. He retired from Petronas in October 1999. Currently Abdul Talib is also sitting on the board of PFCE Berhad and Emas Kiara Industries Berhad.

ABDUL TALIB BABA
RA (M), FCCA, 66
INDEPENDENT NON-EXECUTIVE DIRECTOR

WONG FOOK HON

Wong Fook Hoon was appointed to the Board on 1 August 2008. Wong started his career in IBM Malaysia as a Systems Engineer in 1970. Throughout his 29-year career in IBM Malaysia, Wong also expanded his work portfolio to include becoming the Director of Management Services and Director of Marketing. His last position in IBM Malaysia before retiring in 1999 was as the Director of Finance. Wong holds a Masters in Engineering in Aeronautics.

DATO' AB RASHID MAT ADAM

Dato' Ab Rashid Mat Adam was appointed to the Board on 30 December 2008. Dato' Ab Rashid began his career in 1974 as a Principal Assistant Director in the Malaysian Public Services Department (PSD). After a 10-year stint in PSD, he served in various capacities in several government ministries and agencies such as the Malaysian Highway Authority, Ministry of Finance and Ministry of National Unity and Social Development. He was appointed as the Deputy Director General of the National Anti Dadah Agency in 1996. His last posting before retiring was as the Deputy Secretary General 1 in the Ministry of Home Affairs. Dato' Ab Rashid holds a Bachelor of Arts in International Relations from Universiti Malaya and a Masters in Public Administration from University of Southern California.

IR. DR. MUHAMAD FUAD ABDULLAH, 59
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

IR. DR. MUHAMAD FUAD ABDULLAH,

Ir. Dr. Muhamad Fuad Abdullah was appointed to the Board on 16 July 2010. He began his career in 1977 as an Electrical Engineer in the Malaysian Public Works Department. After spending six years in the technical area, he took on the position of Engineering Logistics Manager in Uniphone Sdn. Bhd. He then served as a tutor in Universiti Kebangsaan Malaysia (UKM) in 1992 and thereafter became the Vice President in Kolej UNITI in 1996. He was also the Managing Director of Five-H Associates Sdn Bhd. and CEO of Kausar Corporation Sdn Bhd. He is now the owner of Muhamad Fuad Consulting and a Director in MIDF Berhad, MIDF Property Berhad and Institut Kefahaman Islam Malaysia. He is a Fellow of the Institution of Engineers Malaysia and an Accredited Mediator, Construction Industry Development Board (CIDB) Malaysia. Ir. Dr. Muhamad Fuad holds a Bachelor of Science in Electrical Engineering and an M.Phil in Electrical Engineering from University of Southampton. He also holds a Bachelor of Arts (Jayyid) in Syariah from Jordan University and a Ph.D in Muslim Civilisation from University of Aberdeen.

All Board Members are Malaysian citizens. All Board Members have no other relationship among themselves or with any of the substantial shareholders of the Company except for Fathil Ismail who has a kin relationship with Safiah Sulaiman Ismail, a substantial shareholder of the Company. All Board Members do not have any conflict of interest with the Company as well as were never convicted of anything other than traffic offences within the past 10 years. Other than the Directorship positions held by Abdul Talib Baba and Ir. Dr. Muhamad Fuad Abdullah in other public companies as stated in their profiles, all of the Directors do not hold any directorship positions in any public companies other than Mesiniaga Berhad.

Details of the Directors' membership in the Board Committees are listed in the Corporate Information on pages 20 to 21.

SENIOR MANAGEMENT TEAM


DATUK WAN MOHAMED FUSIL


MOHD PUZI AHAMAD


WONG KENG HOE


YEOW DAW SWEE


FATHIL ISMAIL


NOORIZAN ALI

SENIOR MANAGEMENT TEAM

DATUK WAN MOHAMED FUSIL
DMSM
Chairman

Refer to profile on Board of Directors page.

FATHIL ISMAIL
Managing Director

Refer to profile on Board of Directors page.

MOHD PUZI AHAMAD
RA (M), FCCA
Chief Financial Officer

Refer to profile on Board of Directors page.

NOORIZAN ALI
Director of Maintenance and Managed Services (MMS)

Noorizan Ali was appointed as Director of MMS in 2002. Prior to becoming Director, he has served the company in various capacities throughout his long career in IT. He started as a Customer Engineer with IBM Malaysia in 1979. He then joined us in 1982, continuing to serve as Customer Engineer. Six years later, he was made Field Manager and subsequently became Senior Services Manager in 1995. His position prior to becoming Director was General Manager for Technical Services, which he assumed in 1998. Noorizan brings vast experience and expertise to the company through his hands-on approach in managing customer support operations.

YEOW DAW SWEE
Director of Solutions, Services and Technology (SST)

Yeow Daw Swee started his career in Mesiniaga in 1982 as a Product Support Representative. After spending five years in the technical support area, he was promoted to Advisory Systems Engineer in 1988. In 1989, he was promoted to Technical Support Manager and subsequently, to Country Support Manager in 1993. He was appointed General Manager for Services in 1997, responsible for the Technical Support and Services Business unit. He was then appointed as Director of Marketing Services on 1 October 2000 where he was responsible for the solution units that eventually evolved into the Enterprise Solutions Division. Yeow is now the Director of Solutions, Services and Technology and Head of Northern Region.

WONG KENG HOE
Director of Project Management and Solutions Marketing (PMSM)

Wong Keng Hoe began his career in Mesiniaga in 1990 when he was appointed as Information Systems Trainee. He proved his mettle by rising up the ranks to various managerial positions. He became a manager for the Network Services Unit in 1996 and was subsequently made Senior Manager in the year 2000. Two years later, Wong took on the post of General Manager for Network Services and Project Management. In February 2008, Wong became the Director of Project Management and Solutions Marketing. Wong graduated with a Bachelor in Computer Science from Universiti Sains Malaysia.

NORDIN MAT ISA
Director of Sales, Public Sector and Infrastructure Services Business

Nordin Mat Isa joined Mesiniaga in 2008 as Head of Public Sector Business. Within two years, he successfully led his team to expand the scope of public sector sales and increase its revenue. He was subsequently further entrusted with the Infrastructure Services Sales portfolio and in December 2010, he became the Director of Sales for Public Sector and Infrastructure Business. Prior to joining Mesiniaga, he was the Head of Public Sector Sales in Hewlett Packard Malaysia Sdn Bhd. Nordin has had 20 years of experience in the corporate world and graduated with a Bachelor in Computer Science, Mathematics and Statistics from Australian National University.

EFFENDI AZMI HASHIM
Director of Sales, Enterprise Business

Effendi Azmi Hashim's involvement in the company began in 2005 when he was appointed as consultant for the Office of Strategic Initiatives. He was previously in iPerintis Sdn Bhd, the IT Outsourcing arm of Petronas Berhad. He also has extensive management consulting experience especially in formulating growth strategies and business development initiatives for various multinationals and government ministries. His background made him the ideal candidate for the dual post of General Manager for Strategy, Technology and Innovation and General Manager for GLC Sales when he became an employee of Mesiniaga in 2008. Thereafter he was appointed as Director of Sales for Enterprise Business in December 2010. An MIM Young Manager of the Year in 2008, Effendi holds a Masters in International and Comparative Corporate Law from London.

SAFARUDDIN JAIS, *CA (M), ACMA*
General Manager,
Finance and Corporate Services

Safaruddin Jais has had a long-standing career with Mesiniaga starting with his first job as Accounts Assistant Trainee in 1985. Within the space of ten years, he climbed up the ranks to become Accounting Services Manager. After four years in this position, his scope of responsibility was increased and he was appointed as the General Manager for Finance and Corporate Services responsible for the organisation's entire financial operations. He is an Associate Member of the Chartered Institute of Management Accountant (CIMA) and a member of the Malaysian Institute of Accountants (MIA). Safaruddin graduated with a Diploma in Accountancy from ITM (now known as UiTM).

PATRICIA CHAN

General Manager, Solutions Integration / Internal Systems / Application Development

Patricia Chan has been with Mesiniaga since 1989 when she first became a Trainee Programmer Analyst. After nine years of serving as a programmer analyst and subsequently a systems analyst, she took on the post of Development Services Manager in 1998. From then on, she has held various managerial positions including for Sales Support, Implementation Services, Systems Integration and Solutions Integration. In December 2010, she was promoted to General Manager in charge of an extensive portfolio comprising Solutions Integration, Internal Systems and Application Development. Patricia graduated with a Bachelor in Computer Science from Universiti Sains Malaysia.

NUR HARYATI HISHAM

General Manager, Human Resource

Nur Haryati Hisham first joined Mesiniaga in 1997 as a Graduate Trainee in the Mesiniaga Entry Level Trainee (ELT) program. After which, she served as an Application Engineer for seven years. In 2004, she became one of Mesiniaga's youngest managers when she was promoted to Information Systems Manager. Three years later, she took up a new challenge as the Human Resource Manager responsible for aligning the company's human capital requirements to its business strategy. She was appointed to her current post in December 2010. Nur Haryati graduated with a Bachelor in Business and Management Studies from the University of Salford and holds an MBA from Universiti Malaya.

WILLIAM CHAU

General Manager, Applied Technology and Innovation

William Chau joined Mesiniaga in 2009 as Head of Applied Technology and Innovation. His responsibility is to spearhead the Concept Proposal Unit aimed at promoting value creation to customers' business. He is also responsible for the Mesiniaga Intelligent and Connected Community (ICC) programme where innovative technology is applied to create new generation of connected services in smart townships and cities. Today, he also heads the strategic outsourcing arm, Mesiniaga Alliances Sdn. Bhd. (MASB) and aims to establish MASB as the premier IT outsourcing service provider. Prior to joining Mesiniaga, William served as Head of Technology Services for iPerintis Sdn. Bhd. One of the recipients of the 2011 MIM Public Bank Manager of the Year Award, William graduated with a Bachelor in Mathematics, Computer Science Information Systems from University of Waterloo and holds an MBA from University of Leicester.

SIGNIFICANT AWARDS AND PARTNERSHIP STATUS

MESINIAGA RECEIVED A NUMBER OF SIGNIFICANT AWARDS AND PARTNERSHIP STATUS THROUGHOUT 2011. THESE ACCOLADES REFLECT OUR CREDIBLE BUSINESS PERFORMANCE AND LOYALTY TO OUR BUSINESS PARTNERS. THEY ARE ALSO IN RECOGNITION OF OUR SUBSTANTIAL CONTRIBUTIONS TO THEIR REVENUE AND CONTINUED COMMITMENT TO EXCELLENCE IN DELIVERING SOLUTIONS AND SERVICES.

SIGNIFICANT AWARDS AND PARTNERSHIP STATUS

Cisco Strategic Deal of the Year 2010

Synergycentric Overall Top Performer Award 2011

IBM Lotus Business Partner of the Year 2010 Malaysia Award

Juniper Malaysia Partner of the Year 2010

SIGNIFICANT EVENTS

MoU Signing Ceremony with MoHE

As part of our corporate responsibility initiatives, we are involved in the academic programme, industrial training and curriculum development for the Advanced Networking diploma course for Politeknik Ungku Omar. This collaboration was formalised by the signing of a Memorandum of Understanding (MoU) with the Ministry of Higher Education (MoHE) on 30 May 2011 at Putrajaya International Convention Centre.

Official Launch of MSTB Quality–Test Assist Programme (Q-Tap)

We were proud to be involved in Malaysian Software Testing Board (MSTB) Q-Tap, the aim of which is to help local companies and organisations build software testing capabilities. The event was launched by Datuk Haji Fadillah bin Haji Yusof, Deputy Minister of Science, Technology and Innovation on 21 April 2011 at Prince Hotel and Residence, Kuala Lumpur.

Launch of MYREN Cloud

Together with our partner, NovaGlobal, we took part in the launch of MYREN Cloud organised by Multimedia Development Corporation (MDeC), where we set up a booth to showcase high performance computing. The event was officiated by Dato'Seri Mohamed Khaled bin Nordin, Minister of Higher Education on 9 March 2011 at Mines Convention Centre.

Smart Sourcing Summit 2011 – Globalisation of Services in a Techno-Savvy Era

We participated in this two-day event where delegates had the opportunity to explore strategic and tactical issues with regards to outsourcing across functions, region, industries and technologies. Head of Strategy from Mesiniaga Alliances, Bernard Sia, participated in the round table discussion on Convergence, Infrastructure Services and Cloud. The event was held from 19 to 20 October 2011 at the Palace of the Golden Horses Hotel, Kuala Lumpur.

Microsoft Business Productivity Online Suite

Together with Microsoft, we organised this event so our clients could experience the best cloud-based services through Microsoft Online Services – a solution which provides innovative messaging and collaboration capabilities via the power of the internet. The event was held on 5 April 2011 at Eastin Hotel, Queensbay, Penang.

Virtualisation Workshop

We organised monthly workshops aimed at providing knowledge to customers on how they could reduce IT costs while increasing efficiency, utilisation and flexibility of their existing assets through virtualisation.

Hitachi Data Systems, VMware & Mesiniaga Virtualisation Workshop

Together with Hitachi, we organised a workshop to provide information on Data Storage and Virtualisation. This workshop was targeted at CXOs from all industries and was held on 3 March 2011 in Klang Valley and on 12 May 2011 in Penang.

Virtual Desktop Infrastructure (VDI) Workshop

We organised the VDI workshop for IT administrators to showcase how VDI can help their organisations enjoy low maintenance and enhance security on their desktops. The event was held on 18 August 2011 at Menara Mesiniaga.

"What's New in vSphere 5" Workshop

We organised the vSphere 5 workshop to introduce and promote the new version of VMware software. The vSphere 5 is able to help our customers save costs on licensing and storage. This event was held on 18 October 2011 at Menara Mesiniaga.

IBM Smarter Business Technology Series – Lotusphere and Information on Demand Comes to You

We participated in this event to showcase the IBM Lotus application solutions. Our customers learnt how to turn vast amount of data and content into useful information. This event was held on 10 March 2011 at One World Hotel, Bandar Utama.

Cyber-Threat Discovery Workshop

This event was organised by Mesiniaga and Trend Micro to help our customers assess the performance of their security infrastructure and acquire an exclusive in-depth coverage of Trend Micro Threat Management Services. It was held on 23 March 2011 at the Business Productivity Centre (BPC), Menara Mesiniaga.

Mesiniaga Kick-Off Meetings

The company held bi-annual Kick-Off meetings to update employees on company performance and direction for the year. It is also an event where we present our long-service employees and high performers with awards as a sign of appreciation for their contributions to the company.

Mesiniaga 29th Annual General Meeting (AGM)

Our 29th AGM was held on 15 June 2011 at Auditorium Ismail Sulaiman, Menara Mesiniaga. It was attended by all members of the Board and more than 100 shareholders and proxies.

CELEBRATING 30 YEARS OF EXCELLENCE

We celebrate our 30th Anniversary this year. Our longevity in this business is a source of pride for us. We feel that this achievement is due to our refusal in accepting mediocre standards and quality. We also credit it to our ability in reinventing ourselves to remain relevant in our customer's eyes.


30 years
of
excellence

CORPORATE RESPONSIBILITY

WE VIEW CORPORATE RESPONSIBILITY (CR) ACTIVITIES AS STRATEGIC TASKS THAT WILL INTEGRATE OUR BUSINESS AND EMPLOYEES WITH THE SURROUNDING COMMUNITY AND ENVIRONMENT, WHILE CREATING SUSTAINABLE VALUE FOR THE COMPANY AND ALL OUR STAKEHOLDERS. THIS IS IN LINE WITH THE MESINIAGA CARE FRAMEWORK WHICH IS REFLECTIVE OF OUR LONG-TERM COMMITMENT TO SUSTAINABLE DEVELOPMENT.

The Mesiniaga Care Framework

PROMOTING BUSINESS ETHICS AND BEST PRACTICES

We are committed to conducting our business with integrity. Our statement on Corporate Governance also makes clear our commitment in complying with all other regulatory requirements. As a complement to this, we have the Mesiniaga Business Conduct Guidelines – a stated policy in the Employee e-Handbook, serving as a reference to employees in their daily conduct. The guidelines cover areas of personal conduct; fairness in business; relationship with other organisations, use and dissemination of proprietary and confidential information; fraud; and whistle blowing. Our commitment to ethical and best practices was evident when we continued to maintain our ISO 9001:2008 accreditation; as well as win the 2011 Genuine Corporate Award by Business Software Alliance in recognition of our commitment and support to using genuine software and for instituting good software asset management practices.

ENSURING WORK-LIFE BALANCE

We are committed to promoting work life balance to our employees. As such, our office premises are equipped with facilities such as a swimming pool, recreational room and nursing room. Last year, we made significant enhancements to our facilities by converting half of one office floor into a more modern recreational room. Employees can now play miniature golf, pool, video games and darts, or use the massage chairs available in the area named Chill8. We subsidise a portion of our employees' aerobics classes and external gym membership. Table tennis and badminton matches are held weekly and fully-funded by the company.

The Mesiniaga Sports and Recreational Club (MSRC) and the Penang Recreational Club (PRC) are also on hand to organise a range of fun and social activities. Among our yearly activities are the Mesiniaga Health Week and Finance Week, where our employees can benefit from health and financial advice from professionals. Another annual activity was the Bring Your Kids to Work Day where employees' children have the opportunity visit their parents' workplace and participate in various educational activities.

CREATING A HEALTHY AND SAFE WORKING ENVIRONMENT

We also proactively cultivate and maintain a safe and healthy environment through company policies, commitment from top management and organised activities. Examples of safety related policies include the Health and Safety Policy, Fire Safety Policy, Smoking Policy, First Aid Policy and Infectious Diseases Outbreak Policy. The Human Resources Department together with our Emergency Management Team (EMT) monitor the enforcement of these policies.

In 2011, we continued to execute various health and safety-related activities as a follow through from these policies. Among these activities included a fire drill exercise where our own employees acted as volunteer members of the Fire, Search & Rescue; and First Aid Squads.

ENCOURAGING INNOVATION, CELEBRATING DIVERSITY.

Our employees are our most important asset so we value their opinions and ideas. We practise an open door policy and we have in place, our Ideas to Innovate programme to encourage innovation and idea sharing from our employees. Employees are also

provided with the opportunity to explore new areas through internal transfers or enhance their current careers through the Accelerated Development Programme. The programme identifies top performers and nurtures their strengths and capabilities. While the main objective is to enhance employee development, the company also has the added assurance of a succession of dynamic future leaders.

We offer our employees a wide range of courses for professional certifications, soft skills and technical skills. Employees also enjoy partial tuition fees reimbursement when they enrol for courses in tertiary institutions. In 2011, we invested up to 2.8% of our total staff cost for training and skills development purposes.

Significant investments in developing talents will be meaningless unless coupled with a thriving working environment. We believe that workplace diversity can contribute positively to creating such an environment. With this, we remain committed to providing equal opportunities regardless of race, gender or religious background. As of December 2011, we have more than 1,000 employees, out of which 80% are Malays, 15% are Chinese, 3% are Indians and 2% are from other ethnic groups. 34% of our employees are female.

Apart from workplace diversity, we also provide both defined contribution and benefits plans. Defined contributions plan are EPF contributions for all employees and defined benefit plans are retirement plans that apply to 26% of permanent employees. In 2011, this retirement plan amounted to nearly RM475,000. Other fringe benefits include health, accident and life insurance; medical, dental and maternity expenses; as well as car and housing loan interest subsidies. On top of this, deserving employees are regularly given due recognition through various ways such as the Mesiniaga Diamond Club and Director Merit Awards. A total of 11% of staff cost was spent for employee recognition programmes.

As a testament to the success of our efforts, we are happy to report a retention rate of 83% among permanent employees in 2011.

ENHANCING CUSTOMER EXPERIENCE

We believe that customer satisfaction is the key to achieving a sustainable competitive advantage. As such, we continuously monitor our customer satisfaction levels by conducting annual surveys. We are pleased to report that our Customer Preference Index rose by 12 percentage points to 74% in 2011. We also reinforced our message on the importance of customer satisfaction by making our employees' bonus payment contingent upon our survey score.

Deserving employees are also recognised as Customer Satisfaction Champions. These champions are employees who receive commendations from customers on their outstanding performance.

Our Customer Service Improvements (CSI) Executive works with various internal groups and customers to ensure prompt resolution of issues as well as facilitates the changes needed to increase our customer satisfaction level.

EDUCATING OUR YOUTHS

The main objective of our community CR programmes is to address issues contributing to graduate unemployment in Malaysia. Besides our on-going Mesiniaga Academy programme where we equip college students with marketable and relevant practical work experiences, Mesiniaga once again signed a Memorandum of Understanding with the Ministry of Higher Education (MoHE) in 2011, to be part of the academic programme, industrial training and curriculum development for work-based-learning Advanced Diploma in Networking course for Politeknik Ungku Omar. This is the second time Mesiniaga was selected to participate and support our government's efforts in creating a knowledge society. The first was when we participated in MoHE's Work-based Learning (WBL) programme by helping to produce employable graduates who will evolve into a highly skilled workforce.

Protect and Save the Children

Another educational initiative is our collaboration with Protect and Save The Children, an NGO that educates adults and children on the prevention of child sexual abuse. Our children's well-being is instrumental to our country's future development. Therefore, it is important that we provide them with a safe and nurturing environment. In support of this objective, we took the initiative to spearhead the development of an interactive learning CD. This CD is targeted at primary school children and will teach them personal safety skills.

CARING FOR THE ENVIRONMENT

Even though our company's impact on the environment is relatively low, this does not stop us from acting responsibly towards the environment. Our office buildings, Menara Mesiniaga and Mutiara Mesiniaga are renowned for their green features. Both buildings are bioclimatic in design in order to minimise their impact on the environment. Another green concept that we have embraced is through the virtualisation of our servers. This has minimised our need for server space, cooling facilities and power consumption. Our expertise in this area will also benefit customers who wish to reduce their carbon footprint while maintaining optimum levels in business operations. We furthered our commitment to green Menara Mesiniaga by switching to energy efficient light bulbs last year.

We continue our collaboration with property developers such as Sime Darby Property Berhad and UEM Land Holdings Berhad to build sustainable cities. Our involvement will help pave the way in promoting technology as a core element in sustainable living in Malaysia.

On 26 March 2011, we supported the global Earth Hour movement for the third time by switching off lights for one hour. We also continue our practice of recycling items such as non-confidential documents, newspapers, peripherals, cardboards and unused or old computer equipment.

STATEMENT OF CORPORATE GOVERNANCE

CODE

Pursuant to the introduction of the Malaysian Code on Corporate Governance and its incorporation into the Bursa Malaysia Listing Requirements which was put into effect on 30 June 2001, the Board recognises the importance for the Company to practise the Corporate Governance standards in their pursuit of discharging their roles and responsibilities to protect and enhance shareholder value and the financial performance of the Company. The Board of Directors confirms that the Group has complied with the Best Practices as recommended in Part 2 of the Best Practices in Corporate Governance without exception. The following is a summary of the Company's practice of the Code on Corporate Governance:

THE BOARD OF DIRECTORS

The Board is entrusted with leading and overseeing the business of the Group. The Board is responsible for the Group's progress and for ensuring the Group is well managed. It also sets the group's strategic direction and objectives. The Board is also responsible for approving performance targets, monitoring the Management's achievements, providing overall policy guidance and ensuring that policies and procedures for internal control systems are in place.

Throughout 2011, the Board of Directors met four times. Details of the meetings are as follows:

	25 Apr 2011	15 Jun 2011	10 Oct 2011	13 Dec 2011
DATUK WAN MOHAMED FUSIL WAN MAHMOOD	Y	Y	Y	Y
MOHD PUZI AHAMAD	Y	Y	Y	Y
VOON SENG CHUAN	Y	Y	Y	Y
FATHIL SULAIMAN ISMAIL	Y	Y	Y	Y
ABD TALIB BABA	Y	Y	Y	Y
WONG FOOK HON	Y	Y	Y	Y
DATO' AB RASHID MAT ADAM	Y	Y	Y	Y
IR. DR. MUHAMAD FUAD ABDULLAH	Y	Y	Y	Y

Key: Y - Attended

All meetings were held at the Conference Room, 11th Floor, Menara Mesiniaga, 1A, Jalan SS16/1, 47500 Subang Jaya, Selangor Darul Ehsan. The Directors exercised independent judgements to bear on all issues presented at the Directors' meetings which among others incorporate issues on strategies, performance and resources.

Board Balance

As at 31 December 2011, the Board consists of three Executive Directors and five Non-Executive Directors, three of whom are Independent Non-Executive Directors.

The representation of the members of the Board is as follows:

		%
Executive Directors	3	37.5
Non-Independent Non-Executive Directors	2	25.0
Independent Non-Executive Directors	3	37.5

The composition complied with the listing requirements of Bursa Securities, which requires that at least one third of the Board should comprise independent directors.

Together, the Directors bring a wide range of business, commercial and financial experience relevant to the Company. A brief description on the background of each Director is presented in the Directors Profile column on pages 26 to 30.

Supply of Information

The Board is provided with written reports and supporting information ahead of meetings of the Board and in sufficient time to enable the Directors to obtain further explanations, where necessary, in order to be sufficiently well-informed before the meeting.

At each Directors Meeting, a special briefing on the Company's operations by the Company's Senior Managers was also presented. The special briefings by the Senior Managers were to allow the Board Members to actively and effectively participate in determining the Company's direction.

All Directors have access to the service of the Company Secretary and if so required, could also engage independent professional advice at the Company's expense.

Re-election

In accordance with the Company's Articles of Association, all Directors are to retire from office at least once every three years but shall be eligible for re-elections.

Directors' Training

All Board members have attended the Mandatory Accreditation Programme (MAP) organised by Bursa Securities. In addition, Board members have also attended various training programmes which the Board believes have aided them in discharging their duties as Directors of the Company.

DIRECTORS' REMUNERATION

The Executive Directors remuneration is determined by the Remuneration Committee, which is headed by Voon Seng Chuan. Considerations such as Director's responsibilities, experience and market rates are taken into account when deciding remuneration.

Details of the remuneration for the Directors are as follows:

	Basic Salary RM	Fees RM	Bonus RM	Benefits-in-kind RM	Pension RM	Others RM	Total RM
Executive Directors	1,393,660	0.00	64,680	113,400	254,080	0.00	1,825,820
Non-Executive Directors	0.00	186,000	0.00	0.00	0.00	18,000	204,000

Directors' Remuneration in Bands

	No. of Executive Directors	No. of Non-Executive Directors
Below RM50,000	0	4
RM50,000 to RM100,000	0	1
RM400,000 to RM449,999	0	0
RM500,000 to RM649,999	3	0

BOARD COMMITTEES

The main Board has delegated specific responsibilities to Board committees which operate within clearly-defined terms of reference. The committees are empowered to deliberate and examine issues delegated to them and report back to the Board with their recommendation and comments.

The various Board Committees and their composition are as listed on pages 20 to 21.

SHAREHOLDERS

Dialogue between the Company and Investors

The Managing Director holds discussions with analysts and shareholders from time to time especially after the announcement of the Company's quarterly financial results. The Company's web site www.mesiniaga.com.my is also accessible for further information.

The Annual General Meeting

At each Annual General Meeting, the Board presents the progress and performance of the business and encourages shareholders to participate in the question and answer session. All Directors attend the Annual General Meeting.

An explanatory statement for the proposed resolution, to facilitate full understanding and evaluation of issues involved, will accompany each item of special business included in the notice of the meeting.

ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual financial statements and quarterly announcements to shareholders, the Directors aim to present a balanced and easily understandable assessment of the Company's position and prospects. The Audit Committee assists the Board in ensuring accuracy and adequacy of information by reviewing the information for disclosure.

The Statement of Directors Responsibility pursuant to Section 169 of the Companies Act, 1965 is set out on page 53 of this Annual Report. The signed statement by Fathil Sulaiman Ismail and Mohd Puzi Ahamad is duly incorporated into the Company's audited financial statements for year ending 2011 as set out on page 64 of this Annual Report.

Internal Control

The Directors acknowledge their responsibility for the Company's system of internal controls which covers financial, operational and compliance controls, as well as risk management. The internal control system is designed and maintained to ensure that the risks faced by the business in pursuit of its objectives are identified and managed at known acceptable levels.

The Internal Audit department undertakes the internal audit functions in the Company. The Company will continually review the adequacy and integrity of its system of internal control.

RELATIONSHIP WITH AUDITORS

The role of the Audit Committee is as stated on pages 55 to 57. Through the Audit Committee of the Board, the Company has established transparent and appropriate relationships with the Company's Auditors, both internal and external. When required, the External Auditors attend the meetings of the Committee.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of statement of comprehensive income and cash flow of the Company for the financial year.

The Directors consider that, in preparing the financial statements of the Company for the year ended 31 December 2011, the Company has adopted appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. The Directors have also considered that all applicable accounting standards have been followed and confirm that the financial statements have been prepared on the going concern basis.

The Directors are responsible for ensuring that the Company maintains adequate accounting records which disclose with reasonable accuracy the financial position of the Company to enable them to ensure that the financial statements comply with the requirements of the Companies Act, 1965.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company.

STATEMENT ON INTERNAL CONTROL

The Board has overall responsibility for the Company's system of internal control. This requires the establishment of an appropriate framework and control environment, involving the financial, organisational and operational aspects of the Company.

The Board recognises that in pursuing business objectives, internal controls can only provide reasonable and not absolute assurance against the risk of material errors, losses, fraud or occurrences of unforeseeable circumstances. The Company's system of internal control has been designed to place greater emphasis on the control of items of material significance in order to provide reasonable assurance that the major effects of these risks are minimised.

The key elements of the framework of the Company's internal controls are as follows:

1. Defined lines of authority, responsibility and accountability within the Company;

2. Documented internal procedures;

3. The existence of an Internal Audit Department to provide the Board with assurance regarding the adequacy and integrity of internal control systems within the Company. The Internal Audit Department performs on going reviews of processes and activities within the Company and reports to the Audit Committee of Directors (AC). The AC has full access to both internal and external auditors.

The Board remains committed towards the establishment of a sound system of internal control and therefore recognises that the system must continuously evolve to support growth. In striving for continuous improvement, the Company will put in place appropriate action plans, when necessary, to further enhance the Company's system of internal control.

The above internal control framework does not cover associate companies.

BOARD OF DIRECTORS
MESINIAGA BERHAD

AUDIT COMMITTEE

CHAIRPERSON

ABD TALIB BABA
Independent Non- Executive Director

MEMBERS

WONG FOOK HON
Independent Non-Executive Director

DATO' AB RASHID B MAT ADAM
Independent Non- Executive Director

SECRETARY

SIM SOON PHENG

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

Size and Composition

The Committee shall be appointed by the Board of Directors of Mesiniaga from amongst their members and shall consist of not less than three members, the majority of whom shall be independent Directors.

At least one member of the Committee:

a. must be a member of the Malaysian Institute of Accountants; or

b. if he/she is not a member of the Malaysian Institute of Accountants, he/she must have at least three years' working experience and:

   i. he/she must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
   ii. he/she must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
   iii. Fulfils such requirements as prescribed by Bursa Securities.

The Chairperson of the Committee shall be an Independent Director.

Frequency of Meetings

Meetings shall be held not less than four times a year and as and when required during the financial year. The quorum for a meeting shall be at least two Directors.

Secretary

The Secretary of the Audit Committee shall be the Head of Internal Audit of the Company. Minutes of meetings shall be recorded.

Purpose of the Committee

The primary objective of the Audit Committee is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting and internal control.

Functions and Duties

The functions and duties of the Audit Committee are:

(1) To consider the appointment of the external auditor, the audit fee and any questions of their resignation or dismissal.

(2) To review the scope, functions and resources of the internal audit function.

(3) To review the internal audit programme and monitor its implementation.

(4) To review the internal audit reports and follow-up on the action taken to implement the recommendations of the internal auditor.

(5) To review the year-end financial statements, prior to the approval by the Board of Directors.

(6) To review and approve the release of the quarterly results.

(7) To review the related party transactions and conflict of interest situations within the company or group.

(8) To perform other related duties as directed by the Board of Directors.

Meetings Held

Date	23 Feb 2011	22 Apr 2011	30 May 2011	11 Aug 2011	10 Nov 2011
Abd Talib Baba	Y	Y	Y	Y	Y
Wong Fook Hon	Y	Y	Y	Y	Y
Dato Ab Rashid Mat Adam	Y	Y	Y	Y	Y

Summary of Activities

1. Review and approve financial results announcement to Bursa Securities.

2. Review and adopt quarterly financial results.

3. Review yearly financial statements and recommend to the Board of Directors for adoption of yearly financial results.

4. Review related party transactions.

5. Review internal audit plan, functions and resources.

6. Review internal audit reports.

7. Participate in training programmes in related areas.

8. Review with the external auditor, the audit plan, evaluation of the system of internal controls, audit report and assistance given by the company's officers to the auditors.

9. Attend independent meetings with external auditor.

Summary of Internal Audit Functions

1. Prepare annual audit plan

2. Perform field audit and assessment to comply with policies and procedures, and operating effectiveness and controls.

3. Present reports on audits carried out.

4. Maintain effective audit programmes.

5. Plan and coordinate ISO quality audit.

6. Prepare Audit Committee meeting reports for review.

7. Perform secretarial functions to the Audit Committee.

8. Provide full cooperation to the external auditors in carrying out their audit.

9. Perform any other functions as instructed by the Audit Committee and the Board of Directors.

OTHER INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

UTILISATION OF PROCEEDS
No funds were raised by the Company from any corporate proposal during the financial year.

SHARE BUYBACK
During the financial year, the Company did not enter into any share buy back transactions.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES
There were no options issued and exercised throughout the year 2011 and the Company did not implement any other options, warrants or convertible securities.

AMERICAN DEPOSITORY RECEIPT (ADR) / GLOBAL DEPOSITORY RECEIPT (GDR)
During the financial year, the Company did not enter into any ADR/GDR transactions.

SANCTIONS AND/OR PENALTIES
There were no sanctions or penalties imposed on the Company and its subsidiaries, directors or Management by the relevant regulatory bodies during the financial year.

NON-AUDIT FEES
An amount of RM64,184.30 was paid for tax services provided by PwC Taxation Services Sdn. Bhd.

VARIATION IN RESULTS
There was no significant difference between the audited and unaudited results.

PROFIT GUARANTEE
The Company has never provided any profit guarantee.

MATERIAL CONTRACTS
There were no material contracts by the Company and its subsidiaries involving directors or substantial shareholders' interest during the financial year.

CONTRACTS RELATING TO LOAN
There were no contracts relating to a loan by the Company during the financial year.

CONFLICT OF INTEREST
Unless otherwise disclosed, the directors were not aware of any conflict of interest among the directors with the Company, existing at the end of the financial year 2011.

REVALUATION OF LANDED PROPERTIES
Certain land and buildings were re-valued based on the Open Market Value in existing use using the Comparison Method and Depreciated Replacement Cost Method by independent professional valuers.

The revaluation surplus arising from the valuation is taken up in the revaluation reserve. The most recent revaluation performed on various Company land and buildings was in December 2008.

EMPLOYEE SHARE OPTION SCHEME
The Company did not implement any employee share options scheme in the Financial Year 2011.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2011.

PRINCIPAL ACTIVITIES

The Company is principally involved in the sale of information technology products and related services. The principal activities of the subsidiaries are described in Note 15 to the financial statements.

There have been no significant changes in the activities of the Group and the Company during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Equity holders of the Company	13,580	11,525
Non-controlling interest	1,739	0
Profit for the year	15,319	11,525

DIVIDENDS

The dividends on ordinary shares declared and paid by the Company since 31 December 2010 are as follows:

	RM'000
In respect of the financial year ended 31 December 2010 as shown in the Directors' Report of that year:	
- final gross dividend of 20 sen per share, less income tax of 25%, paid on 7 July 2011	9,060

The Directors now recommend the payment of a final gross dividend of 21 sen per share of RM1.00 each, less income tax of 25%, amounting to RM9,513,315 subject to the approval of the members at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

DIRECTORS

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

Datuk Wan Mohamed Fusil bin Wan Mahmood
Mohd Puzi bin Ahamad
Voon Seng Chuan
Fathil Sulaiman Ismail
Abdul Talib Baba
Wong Fook Hon
Dato' Ab Rashid bin Mat Adam
Ir. Dr. Muhamad Fuad bin Abdullah

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the Directors' remuneration disclosed in Note 7 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings, particulars of interests of Directors who held office at the end of the financial year in shares in the Company are as follows:

	Number of ordinary shares of RM1.00 each			
	At 1.1.2011 '000	Bought '000	Sold '000	At 31.12.2011 '000
Datuk Wan Mohamed Fusil bin Wan Mahmood[1]	3,576	150	0	3,726
Mohd Puzi bin Ahamad[2]	3,919	0	0	3,919
Fathil Sulaiman Ismail	8,270	0	1,730	6,540
Wong Fook Hon	11	0	10	1
Voon Seng Chuan	0	200	0	200

DIRECTORS' INTERESTS IN SHARES (CONT'D)

(1) Including interests held under nominee accounts with CIMB Trustee Berhad, Citicorp Nominees (Tempatan) Sdn. Bhd., Alliancegroup Nominees (Tempatan) Sdn. Bhd. and Cimsec Nominees (Tempatan) Sdn. Bhd.

(2) Including interests held under nominee accounts with CIMB Trustee Berhad and Citicorp Nominees (Tempatan) Sdn. Bhd.

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

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the statements of comprehensive income and statements of financial positions of the Group and of the Company were made out, the Directors took reasonable steps:

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

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

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

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

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

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

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

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D)

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

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

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

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

In the opinion of the Directors:

(a) the results of the Group's and the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

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

AUDITORS

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

Signed on behalf of the Board of Directors in accordance with their resolution dated 10 April 2012.

FATHIL SULAIMAN ISMAIL
DIRECTOR

MOHD PUZI BIN AHAMAD
DIRECTOR

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

We, Fathil Sulaiman Ismail and Mohd Puzi bin Ahamad, the Directors of Mesiniaga Berhad, state that, in the opinion of the Directors, the financial statements on pages 68 to 125 are drawn up so as to exhibit a true and fair view of the financial position of the Group and the Company as at 31 December 2011 and of its financial performance and the cash flows of the Group and the Company for the financial year ended on that date in accordance with Financial Reporting Standards, the Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards for Entities Other Than Private Entities and the provisions of the Companies Act, 1965 in Malaysia.

The supplementary information set out in Note 32 on page 125 have been prepared in accordance with the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysia Institute of Accountants.

Signed on behalf of the Board of Directors in accordance with their resolution dated 10 April 2012.

FATHIL SULAIMAN ISMAIL
DIRECTOR

MOHD PUZI BIN AHAMAD
DIRECTOR

STATUTORY DECLARATION

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

I, Mohd Puzi bin Ahamad, the Director primarily responsible for the financial management of Mesiniaga Berhad, do solemnly and sincerely declare that the financial statements set out on pages 68 to 125 are, in my opinion, 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.

MOHD PUZI BIN AHAMAD
DIRECTOR

Subscribed and solemnly declared by the abovenamed, Mohd Puzi bin Ahamad, at Subang Jaya, Selangor in Malaysia on 10 April 2012 before me.

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MESINIAGA BERHAD
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Mesiniaga Berhad on pages 68 to 125 which comprise the statements of financial position as at 31 December 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on Notes 1 to 31.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 entity's preparation of financial statements that give a true and fair view 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 entity'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 applicable approved Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2011 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

PricewaterhouseCoopers (AF 1146), Chartered Accountants
Level 10, 1 Sentral, Jalan Travers, Kuala Lumpur Sentral, P.O.Box 10192, 50706 Kuala Lumpur, Malaysia
T: 60(3) 2173 1188 F: 60(3) 2173 1288, www.pwc.com/my

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 have been properly kept in accordance with the provisions of the Act.

(b) 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.

(c) Our 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 REPORTING RESPONSIBILITIES

The supplementary information on Note 32 to the financial statements on page 125 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

AMRIT KAUR
(No. 2482/01/13 (J))
Chartered Accountant

Kuala Lumpur
10 April 2012

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue	6	297,619	321,856	256,596	279,037
Changes in inventories of finished goods		2,012	816	430	(2,243)
Finished goods and services purchased		(181,886)	(219,780)	(191,691)	(221,585)
Staff cost	7	(80,383)	(70,761)	(51,786)	(45,170)
Depreciation of property, plant and equipment		(4,345)	(3,563)	(2,308)	(2,305)
Travelling expenses		(5,109)	(4,837)	(1,159)	(906)
Office administrative expenses		(6,523)	(5,277)	(5,431)	(4,357)
Other operating income		2,140	1,785	10,845	11,010
Other operating expenses		(2,269)	(1,869)	(1,516)	(1,725)
Profit from operations	8	21,256	18,370	13,980	11,756
Finance cost	9	(56)	(269)	(56)	(269)
Profit before taxation		21,200	18,101	13,924	11,487
Tax expense	10	(5,881)	(5,269)	(2,399)	(1,678)
Profit for the year/Total comprehensive income		15,319	12,832	11,525	9,809
Attributable to:					
Equity holders of the Company		13,580	11,201	11,525	9,809
Non-controlling interest		1,739	1,631	0	0
Profit for the year/Total comprehensive income		15,319	12,832	11,525	9,809
Basic/Diluted earnings per share (sen)	11	22.48	18.54		

The notes from 1 to 31 form part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	67,236	60,231	55,696	55,389
Investment property	14	1,443	0	1,443	0
Investment in subsidiaries	15	0	0	1,305	1,681
Finance lease receivables	19	2,945	393	2,945	393
Deferred tax assets	16	230	195	0	60
		71,854	60,819	61,389	57,523
Current Assets					
Inventories	17	15,176	13,164	4,372	3,942
Trade and other receivables	18	162,215	160,959	168,769	144,495
Tax recoverable		4,088	3,543	3,579	3,103
Deposits with licensed financial institutions	20	7,589	7,426	1,103	91
Cash and bank balances	20	11,417	29,592	8,233	26,003
		200,485	214,684	186,056	177,634
TOTAL ASSETS		272,339	275,503	247,445	235,157
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	25	60,402	60,402	60,402	60,402
Share premium	27	4,126	4,126	4,126	4,126
Revaluation reserve	28	15,302	15,302	15,302	15,302
Retained earnings	26	103,923	99,403	78,176	75,711
		183,753	179,233	158,006	155,541
Non-controlling interest		9,247	8,585	0	0
TOTAL EQUITY		193,000	187,818	158,006	155,541

The notes from 1 to 31 form part of these financial statements.

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-current liabilities					
Post-employment benefits obligations	23	2,389	2,328	2,389	2,328
Finance lease liabilities	24	4,133	9,659	4,133	9,659
Deferred tax liabilities	16	3,005	1,146	382	0
		9,527	13,133	6,904	11,987
Current liabilities					
Trade and other payables	21	59,189	73,544	71,590	67,516
Borrowing	22	9,920	0	9,920	0
Taxation		703	1,008	1,025	113
		69,812	74,552	82,535	67,629
TOTAL LIABILITIES		79,339	87,685	89,439	79,616
TOTAL EQUITY AND LIABILITIES		272,339	275,503	247,445	235,157

The notes from 1 to 31 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Note	Attributable to equity holders of the Company							
		Issued and fully paid ordinary shares of RM1.00 each							
	Note	Number of shares '000	Nominal value RM'000	Share premium (Note 27) RM'000	Revaluation reserve (Note 28) RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total RM'000
At 1 January 2010		60,402	60,402	4,126	15,302	98,288	178,118	7,444	185,562
Effect of adoption of FRS 139		0	0	0	0	(1,479)	(1,479)	0	(1,479)
At 1 January 2010 (as restated)		60,402	60,402	4,126	15,302	96,809	176,639	7,444	184,083
Transactions with owners									
Final dividends:									
- 31 December 2009	12	0	0	0	0	(8,607)	(8,607)	(735)	(9,342)
Issue of ordinary shares		0	0	0	0	0	0	245	245
		60,402	60,402	4,126	15,302	88,202	168,032	6,954	174,986
Profit for the year/Total comprehensive income		0	0	0	0	11,201	11,201	1,631	12,832
At 31 December 2010		60,402	60,402	4,126	15,302	99,403	179,233	8,585	187,818
At 1 January 2011		60,402	60,402	4,126	15,302	99,403	179,233	8,585	187,818
Transactions with owners									
Final dividends:									
- 31 December 2010	12	0	0	0	0	(9,060)	(9,060)	(882)	(9,942)
Repayment of capital		0	0	0	0	0	0	(195)	(195)
		60,402	60,402	4,126	15,302	90,343	170,173	7,508	177,681
Profit for the year/Total comprehensive income		0	0	0	0	13,580	13,580	1,739	15,319
At 31 December 2011		60,402	60,420	4,126	15,302	103,923	183,753	9,247	193,000

The notes from 1 to 31 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

		Issued and fully paid ordinary shares of RM1.00 each		Non-distributable			
	Note	Number of shares '000	Nominal value RM'000	Share premium (Note 27) RM'000	Revaluation reserve (Note 28) RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2010		60,402	60,402	4,126	15,302	75,988	155,818
Effect of adoption of FRS 139		0	0	0	0	(1,479)	(1,479)
At 1 January 2010 (as restated)		60,402	60,402	4,126	15,302	74,509	154,339
Transactions with owners							
Final dividends:							
- 31 December 2009	12	0	0	0	0	(8,607)	(8,607)
		60,402	60,402	4,126	15,302	65,902	145,732
Profit for the year/Total comprehensive income		0	0	0	0	9,809	9,809
At 31 December 2010		60,402	60,402	4,126	15,302	75,711	155,541
At 1 January 2011		60,402	60,402	4,126	15,302	75,711	155,541
Transactions with owners							
Final dividends:							
- 31 December 2010	12	0	0	0	0	(9,060)	(9,060)
		60,402	60,402	4,126	15,302	66,651	146,481
Profit for the year/Total comprehensive income		0	0	0	0	11,525	11,525
At 31 December 2011		60,402	60,402	4,126	15,302	78,176	158,006

The notes from 1 to 31 form part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Group		Company	
	2011 **RM'000**	**2010** **RM'000**	**2011** **RM'000**	**2010** **RM'000**
OPERATING ACTIVITIES				
Profit after taxation	15,319	12,832	11,525	9,809
Adjustments for:				
Tax expense	5,881	5,269	2,399	1,678
(Reversal)/Impairment of receivables	(246)	(193)	(201)	121
Depreciation of property, plant and equipment	4,345	3,563	2,308	2,305
Write-off of property, plant and equipment	29	25	20	25
Gross dividend income from subsidiaries	0	0	(7,224)	(8,020)
Interest expense	56	269	56	269
Interest income	(1,992)	(1,607)	(1,766)	(1,415)
Retirement benefits	536	0	536	0
Write-off of investment	0	0	52	0
Impairment of investment	0	0	121	0
Unrealised foreign exchange (gain)/loss	(169)	140	(162)	144
	23,759	20,298	7,664	4,916
Changes in working capital:				
Inventories	(2,012)	(816)	(430)	2,243
Receivables	(3,449)	(35,458)	(26,512)	(17,404)
Payables	(13,220)	30,197	5,202	10,654
Cash generated from/(used in) operations	5,078	14,221	(14,076)	409
Interest paid	(56)	(269)	(56)	(269)
Retirement benefits paid	(475)	(320)	(475)	(320)
Tax paid	(4,907)	(3,527)	(1,215)	(154)
Net cash (used in)/generated from operating activities	(360)	10,105	(15,822)	(334)

The notes from 1 to 31 form part of these financial statements.

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(11,379)	(4,254)	(2,635)	(1,554)
Addition on investment property		(1,079)	0	(1,079)	0
Purchase of shares in a subsidiary		0	0	0	(350)
Interest received		1,516	710	1,290	518
Net dividends received from subsidiaries		0	0	6,918	7,765
Proceeds from winding up of a subsidiary		0	0	203	0
Net cash (used in)/generated from investing activities		(10,942)	(3,544)	4,697	6,379
FINANCING ACTIVITIES					
Dividends paid to shareholders of the Company		(9,060)	(8,607)	(9,060)	(8,607)
Dividends paid to non-controlling interest		(882)	(735)	0	0
Issuance of shares to non-controlling interest		0	245	0	0
Repayment of vendor financing		(749)	(3,166)	(749)	(3,166)
Proceeds from finance lease liabilities		0	16,532	0	16,532
Repayment of finance lease liabilities		(5,744)	(5,492)	(5,744)	(5,492)
Drawdown of borrowing		9,920	0	9,920	0
Repayment of capital to non-controlling interest		(195)	0	0	0
Net cash used in financing activities		(6,710)	(1,223)	(5,633)	(733)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		(18,012)	5,338	(16,758)	5,312
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		37,018	31,680	26,094	20,782
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	20	19,006	37,018	9,336	26,094

The notes from 1 to 31 form part of these financial statements.

1 GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and the Company's shares are publicly traded on the Main Market of Bursa Malaysia Securities Berhad.

The Company is principally involved in the sale of information technology products and related services. The principal activities of the subsidiaries are described in Note 15 to the financial statements. There have been no significant changes in the nature of the principal activities of the Group and the Company during the financial year.

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

11th Floor, Menara Mesiniaga,
1A, Jalan SS16/1,
47500 Subang Jaya.

2 BASIS OF PREPARATION

The financial statements of the Group and the Company are prepared under the historical cost convention unless otherwise indicated in the summary of significant accounting policies in Note 4 to the financial statements. The financial statements comply with the Financial Reporting Standards, the MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the provisions of the Companies Act, 1965.

The preparation of financial statements in conformity with the Financial Reporting Standards requires the Directors to make certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Group's and 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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statement are disclosed in Note 3 to the financial statements.

2 BASIS OF PREPARATION (CONT'D)

(a) The new accounting standards, amendments and improvements to published standards and interpretations that are effective for the Group's and Company's financial year beginning on or after 1 January 2011 are as follows:

- Amendment to FRS 1: First Time Adoption of Financial Reporting Standards
- Amendment to FRS 3: Business Combinations
- Revised 127: Consolidated and Separate Financial Statements
- Amendments to FRS 2: Share-based Payment – Group Cash-settled Share-based Payment Transactions
- Amendment to FRS 7: Financial Instruments – Improving Disclosures about Financial Instruments
- Amendment to FRS 132: Financial Instruments: Classification of Rights Issues
- FRS 1: First-time Adoption of Financial Reporting Standards
- IC Interpretation 17: Distributions of Non-cash Assets to Owners
- Amendment to IC 9: Reassessment of Embedded Derivatives
- Amendment to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- Amendment to IC Interpretation 4: Determining Whether an Arrangement Contains a Lease
- Amendment to IC Interpretation 18: Transfers of Assets from Customers
- Improvements to FRSs (2010)

The adoption of all the standards and interpretations above do not have any material impact on the financial position of the Group and the Company.

(b) Standards early adopted by the Group and the Company

There are no standards early adopted by the Group and the Company.

(c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective

In the next financial year, the Group and the Company will be adopting the new IFRS-compliant framework, Malaysian Financial Reporting Standards ("MFRS"). In adopting the new framework, the Group and the Company will be applying MFRS 1 "First-time Adoption of MFRS".

2 BASIS OF PREPARATION (CONT'D)

(c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective (cont'd)

The Group and the Company will apply the new standards, amendments to standards and interpretations in the following period:

(i) For financial year beginning on or after January 1, 2012

- The revised MFRS 124 "Related Party Disclosures" (effective from 1 January 2012) removes the exemption to disclose transactions between government-related entities and the government, and all other government-related entities. The following new disclosures are now required for government-related entities:

  - The name of the government and the nature of their relationship;
  - The nature and amount of each individually significant transactions; and
  - The extent of any collectively significant transactions, qualitatively or quantitatively.

  The amendment to the existing standard will only impact the presentation aspects of the financial statements; it is not expected to have an impact on earnings per share.

- Amendment to MFRS 112 "Income Taxes" (effective from 1 January 2012) introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. MFRS 112 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in MFRS 140 "Investment Property". As a result of the amendments, IC Interpretation 121 "Income Taxes - Recovery of Revalued Non-depreciable Assets" will no longer apply to investment properties carried at fair value. The amendments also incorporate into MFRS 112 the remaining guidance previously contained in IC Interpretation 121 which is withdrawn.

  The Group is in the process of assessing the impact of the revised standard.

- Amendments to IC Interpretation 14 "MFRS 119 - The Limit on a Defined Benefit Assets, Minimum Funding Requirements and Their Interaction" (effective from 1 July 2011) permits an entity to recognise the prepayments of contributions as an asset, rather than an expense in circumstances when the entity is subject to a minimum funding requirement and makes an early payment of contributions to meet those requirements.

  The Group is in the process of assessing the impact of the revised standard.

2 BASIS OF PREPARATION (CONT'D)

(c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective (cont'd)

(i) For financial year beginning on or after January 1, 2012 (cont'd)

- Amendment to MFRS 7 "Financial Instruments: Disclosures on Transfers of Financial Assets" (effective from 1 January 2012) promotes transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfer of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets.

  The Group is in the process of assessing the impact of the revised standard.

(ii) For financial year beginning on or after January 1, 2013

- MFRS 10 "Consolidated Financial Statements" (effective from 1 January 2013) changes the definition of control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. It establishes control as the basis for determining which entities are consolidated in the consolidated financial statements and sets out the accounting requirements for the preparation of consolidated financial statements. It replaces all the guidance on control and consolidation in MFRS 127 "Consolidated and Separate Financial Statements" and IC Interpretation 112 "Consolidation – Special Purpose Entities".

  The Group is in the process of assessing the impact of the revised standard.

- MFRS 11 "Joint Arrangements" (effective from 1 January 2013) requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations arising from the arrangement, rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.

- MFRS 12 "Disclosure of Interests in Other Entities" (effective from 1 January 2013) sets out the required disclosures for entities reporting under two new standards, MFRS 10 and MFRS 11, and replaces the disclosure requirements currently found in MFRS 128 "Investments in Associates". It requires entities to disclose information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

  As the adoption of the standard will only impact the presentation aspects of the financial statements, it is not expected to have any impact on earnings per share.

2 BASIS OF PREPARATION (CONT'D)

(c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective (cont'd)

(ii) For financial year beginning on or after January 1, 2013 (cont'd)

- MFRS 13 "Fair Value Measurements" (effective from 1 January 2013) aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across MFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The enhanced disclosure requirements are similar to those in MFRS 7 "Financial Instruments: Disclosures", but apply to all assets and liabilities measured at fair value, not just financial ones.

  The Group is in the process of assessing the impact of the revised standard.

- The revised MFRS 127 "Separate Financial Statements" (effective from 1 January 2013) includes the provisions on separate financial statements that are left after the control provisions of MFRS 127 have been included in the new MFRS 10.

  The Group is in the process of assessing the impact of the revised standard.

- The revised MFRS 128 "Investments in Associates and Joint Ventures" (effective from 1 January 2013) includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of MFRS 11.

  The Group is in the process of assessing the impact of the revised standard.

- Amendment to MFRS 101 "Presentation of Items of Other Comprehensive Income" (effective from 1 July 2012) requires entities to separate items presented in 'other comprehensive income' (OCI) in the statement of comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. The amendments do not address which items are presented in OCI.

  As the adoption of the standard will only impact the presentation, aspects of the financial statements, it is not expected to have an impact on earnings per share.

- MFRS 119 "Employee Benefits" (effective from 1 January 2013) makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. Actuarial gains and losses will no longer be deferred using the corridor approach. MFRS 119 shall be withdrawn on application of this amendment.

  The Group is in the process of assessing the impact of the revised standard.

2 BASIS OF PREPARATION (CONT'D)

(c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective (cont'd)

(ii) For financial year beginning on or after January 1, 2013 (cont'd)

- MFRS 9 "Financial instruments - Classification and Measurement of Financial Assets and Financial Liabilities" (effective from 1 January 2015) replaces the multiple classification and measurement models in MFRS 139 with a single model that has only two classification categories: amortised cost and fair value. The basis of classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

  The accounting and presentation for financial liabilities and for de-recognising financial instruments has been relocated from MFRS 139, without change, except for financial liabilities that are designated at fair value through profit or loss ("FVTPL"). Entities with financial liabilities designated at FVTPL recognise changes in the fair value due to changes in the liability's credit risk directly in other comprehensive income (OCI). There is no subsequent recycling of the amounts in OCI to profit or loss, but accumulated gains or losses may be transferred within equity.

  The guidance in MFRS 139 on impairment of financial assets and hedge accounting continues to apply.

  MFRS 7 requires disclosures on transition from MFRS 139 to MFRS 9.

- Amendment to MFRS 132 "Financial Instruments: Presentation" (effective from 1 January 2014) does not change the current offsetting model in MFRS 132. It clarifies the meaning of 'currently has a legally enforceable right of set-off' that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria.

  The Group is in the process of assessing the impact of the revised standard.

- Amendment to MFRS 7 "Financial Instruments: Disclosures" (effective from 1 January 2013) requires more extensive disclosures focusing on quantitative information about recognised financial instruments that are offset in the statement of financial position and those that are subject to master netting or similar arrangements irrespective of whether they are offset.

  The Group is in the process of assessing the impact of the revised standard.

  There are no other interpretations, amendments or revisions to existing standards that are not yet effective that would be expected to have a material impact on the financial statements of the Group or Company.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated 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 a 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 the carrying amounts of assets and liabilities within the next financial year are outlined below:

(i) Deferred tax assets

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

(ii) Provision of post-employment benefits obligations - defined benefit plan

Provision of defined benefit plan is determined using actuarial valuation prepared by an independent actuary. The actuarial valuation involved making assumptions including expected turnover, mortality and disability experiences of the current scheme members, discount rate, rate of return scheme assets, salary increase rate and early or normal retirement age.

(b) Critical judgements in applying the Group's accounting policies

There are no critical judgements made in applying the Group's accounting policies.

4 SIGNIFICANT ACCOUNTING POLICIES

The following principal accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

(a) Basis of consolidation

Subsidiaries are entities in which the Group has the power to control over the financial and operating policies so as to obtain benefits from their activities, generally accompanying a shareholding of more than one half of voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

The Group has taken advantage of the exemption provided by FRS 122_{2004} and FRS 3 to apply these Standards prospectively. Accordingly, business combinations entered into prior to the respective effective dates have not been restated to comply with these Standards.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in statement of comprehensive income.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the financial year end date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Under the purchase method of accounting, subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisition of subsidiaries is accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. See accounting policy on goodwill in Note 4(e). Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in statement of comprehensive income.

Non-controlling interest is measured at the non-controlling's share of the carrying value of the subsidiary companies' identifiable assets and liabilities at the acquisition date and non-controlling's shares of changes in the subsidiary companies' equity since that date.

Change in accounting policy

The Group has changed its accounting policy on business combinations and accounting for non-controlling interest when it adopted the revised FRS 3 "Business Combinations" and FRS 127 "Consolidated and Separate Financial Statements".

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

Previously, contingent consideration in a business combination was recognised when it is probable that payment will be made. Acquisition-related costs were included as part of the cost of business combination. Any non-controlling interest in the acquiree was measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group was accounted for as a revaluation.

The Group has applied the new policies prospectively to transactions occurring on or after 1 January 2011. As a consequence, no adjustments were necessary to any of the amounts previously recognised in the financial statements.

Previously, the Group had stopped attributing losses to the non-controlling interest because the losses exceeded the carrying amount of the non controlling interest. The Group has applied this policy prospectively. On the date of adoption of the new policy, the non-controlling interest reflects its previous carrying amount (that is, zero).

The adoption of the revised to FRS 3 does not have any material impact on the financial position of the Group.

(b) Transactions with non-controlling interests

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired is deducted from equity. For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also recognised in equity.

Change in accounting policy

Previously, the Group applied a policy of treating transactions with non-controlling interest as transactions with parties external to the Group. Accordingly, disposals resulted in gains or losses and purchases resulted in the recognition of goodwill, being the difference between consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired. The Group has applied this policy prospectively to transactions occurring on or after 1 January 2011.

(c) Jointly controlled entities

Jointly controlled entities are corporations, partnerships or other entities over which there is contractually agreed sharing of control by the Group with one or more parties where the strategic financial and operating decisions relating to the entities require unanimous consent of the parties sharing control.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Associated companies

Associates are entities in which the Group exercises significant influence but which it does not control, generally accompanying a shareholding of between 20% and 50% of voting rights, and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investments is excluded from the carrying amount of the investments and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

When the Group's share of losses in the associate equals or exceeds its interest in the associate, including any long-term interest that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not conterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in statement of comprehensive income.

Change in accounting policy

The Group has changed its accounting policy for increasing its stake in an existing investment and the investment becomes an associate from 1 January 2011 when it adopted the revised FRS 3 "Business Combinations".

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Associated companies (cont'd)

Previous, when the Group increases its stake in an existing investment and the investment becomes an associate for the first time, goodwill is calculated at each stage of the acquisition. The Group revalues its previously owned share of net assets to fair value with a corresponding credit to revaluation reserve. No adjustment is made to other comprehensive income to account for a share of profits (net of dividends) and share of equity movements relating to the previously held interest. Acquisition-related costs were included as part of the cost of business combination.

The Group has applied the new policies prospectively to transactions occurring on or after 1 January 2011. As a consequence, no adjustments were necessary to any of the amounts previously recognised in financial statements.

(e) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

For the purposes of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combinations, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

(f) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Property, plant and equipment and depreciation (cont'd)

Land and buildings are subsequently shown at revaluation, less subsequent depreciation for buildings and impairment losses. Revaluation is based on valuations by external independent valuers when the fair value of the asset differs materially from its carrying amount. Generally revaluation is performed once in five years. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Increases in the carrying amount arising on revaluation of land and buildings are credited to revaluation reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged against revaluation reserves directly in equity, all other decreases are charged to the statement of comprehensive income.

Freehold land has an infinite life and therefore is not depreciated. Depreciation on capital work-in-progress commences when the asset is ready for its intended use.

Depreciation of other property, plant and equipment is calculated on a straight-line basis to write off the cost of each asset to its residual value over their expected useful lives, at the following annual rates:

Building	2%
Machines	14% - 33%
Office equipment, furniture and fittings	7% - 33%
Motor vehicle	25%

Fully depreciated assets still in use are retained in the financial statements.

The residual values, useful lives and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefit embodied in the items of property, plant and equipment.

All items of property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in the statement of comprehensive income and the unutilised portion of the revaluation surplus on those items is taken directly to retained earnings.

At each financial year end date, the group assess if there is impairment. If such indication exists, an analysis is performed to assess if the carrying amount of the asset is recoverable. A writedown is made if the carrying amount exceeds the recoverable amount. See accounting policy on 4(i)(i) on impairment of non-financial assets.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Investment property

Investment property is property which is held to earn rental yields or for capital appreciation or for both and is not occupied by the Group. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is initially measured at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided for on a straight line basis over the estimated useful life.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfer is made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note (d) up to the date of change in use.

Leasehold land is amortised over its remaining lease period of 96 years. The principal annual rates used for building is 2% per annum.

(h) Financial assets

The Group's financial assets are loans and receivables. The Group has loans and receivables which are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for financial assets with maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Such assets are recognised initially at fair value and subsequently at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables, accrued unbilled revenue, amount due from related corporations and cash and cash equivalents.

(i) Impairment of assets

(i) Non-financial assets

The carrying amounts of assets, other than inventories and deferred tax assets are reviewed at each financial year end date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment of assets (cont'd)

(i) Non-financial assets (cont'd)

For goodwill the recoverable amount is estimated at each financial year end date or more frequently when indicators of impairment are identified.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimate future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units on a pro-rata basis.

An impairment loss is recognised in the statement of comprehensive income in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(ii) Financial assets carried at amortised cost

A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes significant financial difficulty of the issuer or obligor, a breach of contract, such as a default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise and indications that a debtor will enter bankruptcy or receivership.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale. Cost, which includes purchase price and incidental charges, is determined on a weighted average basis.

(k) 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.

Financial instruments are recognised in the statement of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

In assessing the fair value of financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each financial year end date. Other techniques, such as option pricing models and estimated discounted value of future cash flows, are used to determine fair value for the remaining financial instruments. In particular, the fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

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

(l) Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposit held at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the statement of financial position.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Trade payables

(a) Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received. Trade payables are initially recognised at fair value and subsequently at amortised cost.

(b) Other long term liabilities

Payables with settlement dates more than 12 months from the financial year end date are accounted at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(n) Share capital

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the substance of the particular instrument.

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

Distribution to holders of a financial instrument, classified as an equity instrument is charged directly to equity. Dividends to shareholders are recognised as a liability in the period in which they are declared.

(o) Foreign currencies

(i) Functional and presentation currency

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

(ii) Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rate prevailing at the dates of the transactions. At each financial year end date, monetary items denominated in foreign currencies are translated at the rates prevailing on the financial year end date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Foreign currencies (cont'd)

(ii) Transactions and balances (cont'd)

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(p) Finance leases

(i) Group as a lessee

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

Finance leases are capitalised at the lower of the fair value of the leased property and the estimated present value of the minimum lease payments at the date of inception. Each lease payment is allocated between the liability and charges so as to achieve a constant rate on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in payables. The interest element of the finance charges is charged to the statement of comprehensive income over the lease period.

Property, plant and equipment acquired under finance leases are depreciated over the estimated useful life of the asset. Where there is no reasonable certainty that the ownership will be transferred to the Group, the asset is depreciated over the shorter of the lease term and its estimated useful life.

(ii) Group as a lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of interest on the balance outstanding. When assets are leased out under an operating lease, the asset is included in the property, plant and equipment based on the nature of the asset. Lease income is recognised over the term of the lease on a straight-line basis.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(iii) Defined benefit plans

The Company operates a funded defined benefit plan, which is an approved defined benefit plan under Section 150 of the Income Tax Act, 1967.

The liability in respect of a defined benefit plan is the present value of the defined benefit obligations at the financial year end date minus the fair value of plan assets, together with adjustments for actuarial gains/losses and past service cost. The Company determines the present value of the defined benefit obligation and the fair value of the plan assets with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the financial year end date.

The defined benefit obligation, calculated using the projected unit credit method, is determined by independent actuaries, considering the estimated future cash outflows using market yields at financial year end date of government securities and corporate bonds, which have currency and terms of maturity approximating the terms of the related liability.

Plan assets in excess of the defined obligation are subject to the asset limitation specified in FRS 119_{2004}.

Actuarial gains and losses arise from experience adjustments and changes in actuarial assumptions. The amount of net actuarial gains and losses recognised in the statement of comprehensive income is determined by the corridor method in accordance with FRS 119_{2004} and is charged or credited to income over the average remaining service lives of the related employees participating in the defined benefit plan.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Employee benefits (cont'd)

(iii) Defined benefit plans (cont'd)

Past service costs are recognised immediately in income, unless the changes to the plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight line basis over the vesting period.

(r) Income tax

Income tax on profit or loss for the year comprises current and deferred tax. Current tax is determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon taxable profits and is measured using the tax rates that have been enacted at the financial year end date.

Deferred tax is recognised in full, using the liabilities method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at tax rate that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the financial year end date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(s) Revenue recognition

Revenue for the Group comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services, net of taxes, rebates and discounts, and after eliminating sales within the Group. Revenue arising from the sale of hardware and software is recognised upon delivery of goods/services or when significant risk and rewards of ownership of goods are transferred to the customers. Revenue arising from the rendering of services is recognised in the period the services are rendered. Accrued unbilled revenue represents unbilled value of goods delivered and services rendered to be billed in accordance with respective terms and conditions agreed with customers.

Dividend income is recognised when the right to receive payment is established. Rental income is recognised on an accrual basis. Interest income is recognised on a time proportion basis that reflects the effective yield on the asset.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Borrowings

Borrowings are initially recognised initially at fair value, net of transaction costs incurred and are subsequently carried at amortised cost. 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 statement of comprehensive income over the period of the borrowings.

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

(u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Managing Director of the Company, who is the Group's chief operating decision maker, and responsible for allocating resources and assessing performance of the operating segments.

(v) Fair value estimation

The carrying amount of receivables and payables, carried at amortised cost approximate their fair values.

(w) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks from its operations including market risk, credit risk and liquidity risk. The Group's overall financial risk management objectives are to ensure that the Group creates value for its shareholders and to ensure that adequate financial resources are available for the development of the Group's businesses. The Group operates within clearly defined guidelines that are approved by the Board and seeks to minimise potential adverse effects on its financial performance. Such guidelines are reviewed annually by the Board of Directors and periodic reviews are undertaken to ensure that the Group's policy guidelines are complied with. Financial risk is managed by a risk management committee who in turn ensures adherence to the policies approved by the Board of Directors.

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Market risk

Market risk refers to the risk that changes in market prices such as foreign exchange rates, interest rates and prices will affect the Group's financial position and cash flows.

(i) Foreign currency exchange risk

The Group is exposed to currency risk as a result of foreign currency transactions entered into currencies other than their measurement currency, mainly United States Dollar denominated payables to suppliers. The Group's policy is to minimise the exposure of transaction risk by making payment within credit terms which are short term.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the functional currencies in respect of Group and Company are RM6,907,000 (2010: RM3,037,000) and RM6,643,000 (2010: RM2,582,000) respectively.

(ii) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in interest rates. Interest rate exposure arises from the Group's vendor financing and deposits, and is managed through the use of fixed rate borrowings and deposits with short term tenure.

(iii) Price risk

For key contracts, the Group establishes price levels that the Group considers acceptable and also enters into supply agreements where necessary, to achieve these levels.

The Group does not have exposure to share price risk as it does not hold investment in quoted equity instruments.

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group.

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amounts of each class of financial assets recognised in the statements of financial position.

(i) Receivables

The Group's exposure to credit risk is monitored on an ongoing basis. The risk is managed through the application of the Group's credit management procedures which include the application of credit approvals whereby credit evaluations are performed on all customers requiring credit over a certain amount and period, adherence to credit limits, regular monitoring and follow up procedures.

The Group's customers are mainly significant entities in the information, communication and telecommunication industry. The Group considers the risk of material loss in the event of non-performance by a customer to be unlikely.

The credit quality of trade receivables that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates. Accrued unbilled revenue represents unbilled value of goods delivered and services rendered to be billed in accordance with respective terms and conditions agreed with customers. Credit risk arising from non-trade receivable is not significant.

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Counterparties without external credit rating				
- Existing customers with no defaults in the past	57,497	69,136	46,503	48,215
Accrued unbilled revenue	100,643	85,338	94,577	85,338

(ii) Intercompany balances

Intercompany balances with subsidiaries are largely trade in nature. The Company monitors the results of the subsidiaries regularly. As at 31 December 2011, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that intercompany receivables are stated at the realisable values. As at 31 December 2011, there was no indication that the intercompany receivables from subsidiaries are not recoverable.

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Credit risk (cont'd)

(iii) Bank balances

Bank balances are with approved financial institutions and reputable banks.

As at the end of the reporting period, the maximum exposure to credit risk arising from cash and bank balances is represented by the carrying amounts in the statement of financial position.

In view of the sound credit rating of counterparties, management does not expect any counterparties to fail to meet their obligations. The credit quality of the financial institutions in respect of bank balances are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
AAA	18,996	31,657	9,326	25,829
A	0	5,351	0	259

The credit quality of the above bank balances are assessed by reference to RAM Ratings Services Berhad.

(c) Liquidity

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group or the Company has sufficient cash and bank balances and maintains standby credit lines to ensure availability of funding to meet operational requirements. The Group's borrowings and standby credit lines are provided by financial institutions with sound credit ratings.

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Liquidity (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2011			
	On demand or within one year RM'000	**One to two years RM'000**	**Two to five years RM'000**	**Total RM'000**
Group				
Financial Liabilities				
Payables	53,663	0	0	53,663
Finance lease liabilities	5,526	4,133	0	9,659
Other long term liabilities	0	0	0	0
Total undiscounted financial liabilities	59,189	4,133	0	63,322
Company				
Financial Liabilities				
Payables	66,063	0	0	66,063
Finance lease liabilities	5,526	4,133	0	9,659
Other long term liabilities	0	0	0	0
Total undiscounted financial liabilities	71,589	4,133	0	75,722

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Liquidity (cont'd)

	2010			
	On demand or within one year RM'000	One to two years RM'000	Two to five years RM'000	Total RM'000
Group				
Financial Liabilities				
Payables	67,051	0	0	67,051
Finance lease liabilities	5,760	5,527	4,133	15,420
Other long term liabilities	749	0	0	749
Total undiscounted financial liabilities	73,560	5,527	4,133	83,220
Company				
Financial Liabilities				
Payables	61,023	0	0	61,023
Finance lease liabilities	5,760	5,527	4,133	15,420
Other long term liabilities	749	0	0	749
Total undiscounted financial liabilities	67,532	5,527	4,133	77,192

(d) Capital Risk

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders.

In the future, in order to maintain an appropriate capital structure, the Group may consider adjusting the amount of dividends paid to shareholders, returning capital to shareholders, issuing new shares or selling assets to reduce debt.

There were no changes in the Group's approach to capital management during the year.

6 REVENUE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue from:				
- hardware	110,001	137,326	91,177	123,022
- software	38,452	62,513	38,452	62,513
- services	149,166	122,017	126,967	93,502
	297,619	321,856	256,596	279,037

7 STAFF COST (INCLUDING DIRECTORS' EMOLUMENTS)

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Wages, salaries, bonus and other employment benefits	72,618	63,944	48,799	42,989
Defined contribution retirement plan	7,229	6,817	2,451	2,181
Defined benefit retirement plan	536	0	536	0
	80,383	70,761	51,786	45,170

Details of the defined contribution and defined benefit plans of the Group and Company are set out in Note 23 to the financial statements.

7 STAFF COST (INCLUDING DIRECTORS' EMOLUMENTS) (CONT'D)

The aggregate amount of emoluments received and receivable by Directors of the Group and Company during the financial year is as follows:

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Non-executive Directors				
- fees	186	185	186	185
- others	18	16	18	16
Executive Directors				
- salaries and bonus	1,458	1,301	1,458	1,301
- defined contribution plan	208	156	208	156
- defined benefit retirement plan	46	0	46	0
	1,916	1,658	1,916	1,658

Estimated money value of benefits-in-kind of Directors for the Group and Company is RM113,400 (2010: RM259,986 respectively).

8 PROFIT FROM OPERATIONS

Profit from operations is arrived at after charging/(crediting):

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Auditors' remuneration				
- Audit	182	150	90	88
- Non-audit	0	79	0	13
Depreciation of property, plant and equipment	4,345	3,563	2,308	2,305
Gross dividend income from subsidiaries	0	0	(7,224)	(8,020)
Interest income	(1,516)	(710)	(1,290)	(518)
Net realised foreign exchange gain	(2,580)	(3,791)	(2,043)	(3,283)
Unrealised foreign exchange (gain)/loss	(169)	140	(162)	144
Property, plant and equipment written off	29	25	20	25
Impairment of investment in subsidiaries	0	0	121	0
Write-off of investment	0	0	52	0
Rental income from rental of premises	(120)	(88)	(360)	(328)
Rental of premises	203	118	19	21
(Reversal)/Allowance for impairment of trade receivables	(246)	(193)	(201)	121

9 FINANCE COST

	Group and Company	
	2011 RM'000	**2010 RM'000**
Interest expense on:		
- bank overdraft	5	10
- borrowing	35	48
- lease financing	16	211
	56	269

10 TAX EXPENSE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current tax:				
Current year - Malaysian income tax	4,057	5,082	1,957	1,879
Deferred tax:				
Current year (Note 16)	1,824	187	442	(201)
	5,881	5,269	2,399	1,678

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

	Group		Company	
	2011 %	2010 %	2011 %	2010 %
Numerical reconciliation between the average effective tax rate and the Malaysian tax rate				
Malaysian tax rate	25	25	25	25
Tax effects of:				
- income not subject to tax	0	0	(11)	(15)
- expenses not deductible for tax purposes	3	4	3	5
Average effective tax rate	28	29	17	15

The amount of unutilised tax losses and unabsorbed capital allowances for which no deferred tax assets is recognised in the statement of financial position is as follows:

	Group	
	2011 RM'000	2010 RM'000
Unutilised tax losses	2,559	3,068
Unabsorbed capital allowances	82	82
	2,641	3,150

11 BASIC EARNINGS PER SHARE

Basic earnings per share ("EPS") of the Group is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2011	**2010**
Net profit attributable to ordinary equity holder of the Company (RM'000)	13,580	11,201
Weighted average number of ordinary shares in issue ('000)	60,402	60,402
Basic earnings per share (sen)	22.48	18.54

Basic and diluted EPS are the same in both periods.

12 DIVIDENDS

Dividends paid during the financial year are as follows:

	Group and Company	
	2011 RM'000	**2010 RM'000**
Final dividends in respect of financial year 2010/2009:		
20 sen per share, less income tax at 25%	9,060	
(2010: 19 sen per share, less income tax at 25%)		8,607

The Directors have recommended the payment of a final gross dividend of 21 sen per share, less income tax 25%, amounting to RM 9,513,315 subject to the approval of the members at the forthcoming Annual General Meeting.

The financial statements do not reflect the proposed final dividends for the financial year ended 31 December 2011, which will only be accrued as a liability in the financial year ending 31 December 2012, after approval by the shareholders.

13 PROPERTY, PLANT AND EQUIPMENT

	Freehold land, at valuation RM'000	Building, at valuation RM'000	Machines, at cost RM'000	Office equipment, furniture and fittings, at cost RM'000	Motor vehicle, at cost RM'000	Total RM'000
Group						
2011						
Cost/Valuation						
At 1 January 2011	26,262	35,836	5,629	35,094	155	102,976
Additions	0	0	0	11,379	0	11,379
Assets written off	0	0	0	(275)	0	(275)
At 31 December 2011	26,262	35,836	5,629	46,198	155	114,080
Accumulated depreciation						
At 1 January 2011	0	10,604	5,629	26,460	52	42,745
Charge for the financial year	0	718	0	3,588	39	4,345
Assets written off	0	0	0	(246)	0	(246)
At 31 December 2011	0	11,322	5,629	29,802	91	46,844
Net book value						
At 31 December 2011	26,262	24,514	0	16,396	64	67,236

13 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land, at valuation RM'000	Building, at valuation RM'000	Machines, at cost RM'000	Office equipment, furniture and fittings, at cost RM'000	Motor vehicle, at cost RM'000	Total RM'000
Group						
2010						
Cost/Valuation						
At 1 January 2010	26,262	35,809	5,629	31,262	151	99,113
Additions	0	27	0	4,223	4	4,254
Assets written off	0	0	0	(391)	0	(391)
At 31 December 2010	26,262	35,836	5,629	35,094	155	102,976
Accumulated depreciation						
At 1 January 2010	0	9,887	5,629	24,019	13	39,548
Charge for the financial year	0	717	0	2,807	39	3,563
Assets written off	0	0	0	(366)	0	(366)
At 31 December 2010	0	10,604	5,629	26,460	52	42,745
Net book value						
At 31 December 2010	26,262	25,232	0	8,634	103	60,231

13 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land, at valuation RM'000	Building, at valuation RM'000	Machines, at cost RM'000	Office equipment, furniture and fittings, at cost RM'000	Motor vehicle, at cost RM'000	Total RM'000
Company						
2011						
Cost/Valuation						
At 1 January 2011	26,262	35,836	5,629	27,038	155	94,920
Additions	0	0	0	2,635	0	2,635
Assets written off	0	0	0	(245)	0	(245)
At 31 December 2011	26,262	35,836	5,629	29,428	155	97,310
Accumulated depreciation						
At 1 January 2011	0	10,604	5,629	23,246	52	39,531
Charge for the financial year	0	718	0	1,551	39	2,308
Assets written off	0	0	0	(225)	0	(225)
At 31 December 2011	0	11,322	5,629	24,572	91	41,614
Net book value						
At 31 December 2011	26,262	24,514	0	4,856	64	55,696

13 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land, at valuation RM'000	Building, at valuation RM'000	Machines, at cost RM'000	Office equipment, furniture and fittings, at cost RM'000	Motor vehicle, at cost RM'000	Total RM'000
Company						
2010						
Cost/Valuation						
At 1 January 2010	26,262	35,809	5,629	25,850	151	93,701
Additions	0	27	0	1,523	4	1,554
Assets written off	0	0	0	(335)	0	(335)
At 31 December 2010	26,262	35,836	5,629	27,038	155	94,920
Accumulated depreciation						
At 1 January 2010	0	9,887	5,629	22,007	13	37,536
Charge for the financial year	0	717	0	1,549	39	2,305
Assets written off	0	0	0	(310)	0	(310)
At 31 December 2010	0	10,604	5,629	23,246	52	39,531
Net book value						
At 31 December 2010	26,262	25,232	0	3,792	103	55,389

Freehold land and buildings were revalued based on the Open Market Value in existing use using the Comparison Method and Depreciated Replacement Cost Method by independent professional valuers with an effective date of 2 December 2008.

13 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The net book value of the revalued freehold land and building had these assets been carried at cost less accumulated depreciation are as follows:

	Group and Company	
	2011 RM'000	**2010 RM'000**
Freehold land	3,805	3,805
Building	16,102	16,623

14 INVESTMENT PROPERTY

	Group and Company
	2011 RM'000
Cost	
At 1 January 2011	0
Addition	1,443
At 31 December 2011	1,443
Accumulated depreciation	
At 1 January 2011	0
Charge for the financial year	0
	0
Net carrying amount	1,443
Fair value of investment property	1,443

The fair value of the property was estimated at RM1,400,000 (2010: RM nil) by independent professionally qualified valuer by reference to open market value of properties in the vicinity.

14 INVESTMENT PROPERTY (CONT'D)

The following are recognised in profit or loss in respect of investment properties:

	Group and Company 2011 RM'000
Rental income	43
Direct operating expenses:	
- non-income generating investment property	15

15 INVESTMENT IN SUBSIDIARIES

	Company	
	2011 RM'000	2010 RM'000
Unquoted shares, at cost	2,331	2,331
Capital repayment on liquidation	(203)	0
Write-off of investment	(52)	0
Accumulated impairment losses	(771)	(650)
	1,305	1,681

The shares of all subsidiaries are held directly by the Company.

15 INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries, all of which are incorporated in Malaysia, unless otherwise stated, are as follows:

		Group's effective interest	
Name of company	**Principal activities**	**2011 %**	**2010 %**
Mesiniaga Techniques Sdn. Bhd.	Dormant	100	100
Mesiniaga Services Sdn. Bhd.	Provision of maintenance and managed services	100	100
Mesiniaga MSC Sdn. Bhd.	Provision of solution services and technology research and development	100	100
Mesiniaga SSO Sdn. Bhd. (previously known as Mesiniaga SCS Sdn. Bhd.)	Dormant	100	100
Navigis Sdn.Bhd.	Dormant	100	100
VA Dynamics Sdn. Bhd.	Sales of networking cables and related products	51	51
PT Mesiniaga Sdn. Bhd.*	Investment holding company	0	51
Mesiniaga Alliances Sdn. Bhd.	Provision of strategic information technology outsourcing services	100	100

All the above subsidiaries are audited by PricewaterhouseCoopers, Malaysia.

* PT Mesiniaga Sdn. Bhd. has been liquidated during the year by way of a voluntary winding up.

16 DEFERRED TAX ASSETS/LIABILITIES

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 tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Deferred tax assets	230	195	0	60
Deferred tax liabilities	(3,005)	(1,146)	(382)	0
At 1 January	(951)	(764)	60	(141)
(Charged)/Credited to income statement (Note10):				
- property, plant and equipment	(2,003)	(347)	(370)	(19)
- accruals	99	130	89	130
- post employment benefit obligations	(53)	15	(53)	15
- allowances	105	15	(139)	75
- other	28	0	31	0
	(1,824)	(187)	(442)	201
At 31 December	(2,775)	(951)	(382)	60
Subject to income tax:				
Deferred tax assets (before offsetting)				
- post employment benefit obligations	529	582	529	582
- allowances	478	424	146	285
- accruals	283	133	222	132
- Others	28	0	31	0
	1,318	1,139	928	999
Offsetting	(1,088)	(944)	(928)	(939)
Deferred tax assets (after offsetting)	230	195	0	60
Deferred tax liabilities (before offsetting)				
- property, plant and equipment	(4,093)	(2,090)	(1310)	(939)
Offsetting	1,088	944	928	939
Deferred tax liabilities (after offsetting)	(3,005)	(1,146)	(382)	0

17 INVENTORIES

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Equipment	4,362	3,944	4,362	3,939
Spare parts	6,785	4,874	1	1
Supplies	86	159	4	0
Cable	3,943	4,187	5	2
	15,176	13,164	4,372	3,942

18 RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Trade receivables	58,054	69,939	47,060	48,973
Impairment of receivables	(557)	(803)	(557)	(758)
	57,497	69,136	46,503	48,215
Accrued unbilled revenue	100,643	85,338	94,577	85,338
Finance lease receivables (Note 19)	1,964	4,321	1,964	4,321
Other receivables	1,193	1,321	736	732
Deposits and prepayments	918	843	809	787
Amounts due from subsidiaries	0	0	24,180	5,102
	162,215	160,959	168,769	144,495

Trade receivables, other receivables and deposits (except prepayments) are denominated in Ringgit Malaysia.

Credit terms of trade receivables range from 30 days to 90 days (2010: 30 days to 90 days).

Accrued unbilled revenue, other receivables and amount due from subsidiaries are neither past due nor impaired.

The Group's and Company's historical experience in collection of trade receivables falls within the recorded impairment. Due to these factors, the Directors believe that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's and Company's trade receivables.

18 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

Ageing analysis of trade receivables and accrued unbilled revenue

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Neither past due nor impaired	132,421	135,707	118,686	120,230
1 to 30 days past due and not impaired	6,264	6,943	6,086	4,121
31 to 90 days past due and not impaired	16,080	5,742	14,514	4,640
More than 91 days past due and not impaired	3,375	6,082	1,794	4,562
More than 91 days past due and impaired	557	803	557	758
	158,697	155,277	141,637	134,311
Less: Impairment of receivables	(557)	(803)	(557)	(758)
	158,140	154,474	141,080	133,553

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment history. A significant number of these debtors are significant entities within the information, communication and technology industry. None of the Group's and Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Trade receivables that are past due but not impaired

As at 31 December 2011, the Group and Company has trade receivables amounting to RM25,719,000 (2010: RM18,767,000) and RM22,394,000 (2010: RM13,323,000) respectively that are past due at the reporting date but not impaired.

Trade receivables that were past due but not impaired relate to customers that have a track record with the Group and Company. Based on past experience and no adverse information to date, the directors of the Group and Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.

18 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

Trade receivables that are impaired

The Group's and Company's trade receivables that are impaired as at 31 December 2011 and the movement of the allowance accounts to record the impairment are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade receivables – nominal amounts	557	803	557	758
Less: Impairment of receivables	(557)	(803)	(557)	(758)
	0	0	0	0

These primarily relate to a few industrial customers which are in financial difficulties.

Movement in impairment of receivables:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At 1 January	803	996	758	637
(Reversal)/Allowance of impairment of receivables	(246)	(193)	(201)	121
	557	803	557	758

19 FINANCE LEASE RECEIVABLES

	Group and Company	
	2011 RM'000	2010 RM'000
Gross receivables	4,909	4,714
Less: Unearned finance income	0	(285)
Present value of lease receivables	4,909	4,429

19 FINANCE LEASE RECEIVABLES (CONT'D)

The present value of lease receivables may be analysed as follows:

	Group and Company	
	2011 **RM'000**	**2010** **RM'000**
Receivable within 12 months (Note 18)	1,964	4,321
Receivable after 12 months		
- between 1 and 2 years	2,729	177
- between 2 and 5 years	216	216
	4,909	4,714
Less: Unearned finance income	0	(285)
	4,909	4,429
Current (Note 18)	1,964	4,321
Non-current	2,945	393
	4,909	4,714

The weighted average effective interest rates for finance lease receivables are 5% (2010: 5%) per annum. The finance lease receivables are denominated in Ringgit Malaysia. Fair values of the lease receivables approximated their carrying amounts.

20 CASH AND CASH EQUIVALENTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash and bank balances	11,417	29,592	8,233	26,003
Deposits with licensed financial institutions	7,589	7,426	1,103	91
	19,006	37,018	9,336	26,094

Bank balances are deposits held at call with banks and earn no interest.

The Group's and Company's effective weighted average interest rate of deposits at the end of the financial year is 2.8% (2010: 2.7%) per annum.

Deposits of the Group and Company as at 31 December 2011 are time deposits, which have an average maturity period of 90 days (2010: 90 days).

Cash and cash equivalents are denominated in Ringgit Malaysia.

21 PAYABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade payables	38,180	53,476	35,421	45,602
Payroll liabilities	12,969	10,282	8,359	4,778
Accruals	2,514	3,293	1,979	2,377
Finance lease liabilities (Note 24)	5,526	5,744	5,526	5,744
Vendor financing	0	749	0	749
Amounts due to subsidiaries	0	0	20,305	8,266
	59,189	73,544	71,590	67,516

21 PAYABLES (CONT'D)

The currency exposure profile of trade payables is as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Ringgit Malaysia	31,273	50,439	28,778	43,020
US Dollar	6,907	3,037	6,643	2,582
	38,180	53,476	35,421	45,602

All other liabilities are denominated in Ringgit Malaysia.

Credit terms of trade payables range from 7 days to 90 days (2010: 7 days to 90 days).

Amounts due to subsidiaries are unsecured, interest free and repayable on demand.

22 BORROWING (UNSECURED AND INTEREST BEARING)

	Group and Company	
	2011 RM'000	2010 RM'000
Onshore foreign currency loan	9,920	0

The interest rate of the short term borrowing is as follows:

	Group and Company	
	2011 %	2010 %
Onshore foreign currency loan	1.43	0

22 BORROWING (UNSECURED AND INTEREST BEARING) (CONT'D)

The currency exposure profile of the short term borrowing is as follows:

	Group and Company	
	2011 RM'000	2010 RM'000
Ringgit Malaysia	9,920	0

23 POST-EMPLOYMENT BENEFITS OBLIGATIONS

(a) Defined contribution plan

The Company and its subsidiaries, which are all incorporated in Malaysia, contribute to the Employees Provident Fund, the national defined contribution plan. Once contributions have been paid, the Group has no further payment obligations.

(b) Defined benefit plan

The Group operates a funded defined benefit plan, which is an approved defined benefit plan under Section 150 of the Income Tax Act, 1967. The defined benefit plan is applicable for eligible employees who have completed at least 15 years of service at the time of retirement and are employed prior to 2 July 2002.

The assets of the funded plan are held in separate trustee administered funds.

The latest actuarial valuation of the plan as at 31 December 2011 was carried out on 15 March 2012.

The movements during the year in the amounts recognised in the statements of financial position are as follows:

	Group and Company	
	2011 RM'000	2010 RM'000
At 1 January	2,328	2,648
Charged to statement of comprehensive income	536	0
Contributions and benefits paid	(475)	(320)
At 31 December	2,389	2,328

23 POST-EMPLOYMENT BENEFITS OBLIGATIONS (CONT'D)

(b) Defined benefit plan (cont'd)

Actuarial benefit charge was recognised within administrative expenses in the statements of comprehensive income. The amounts recognised in the statements of financial positions may be analysed as follows:

	Group and Company				
	2011 RM'000	2010 RM'000	2009 RM'000	2008 RM'000	2007 RM'000
At 31 December					
Present value of funded obligations	6,566	4,694	4,363	5,394	4,860
Fair value of plan assets	(3,260)	(3,183)	(2,401)	(2,103)	(2,124)
Liability	3,306	1,511	1,962	3,291	2,736
Unrecognised transition liability*	0	0	0	0	0
Unrecognised actuarial (loss)/gain*	(917)	817	686	(674)	(168)
Net liability	2,389	2,328	2,648	2,617	2,568

* These are recognised in accordance to accounting policy Note 4(q).

The expense recognised in the statements of comprehensive income may be analysed as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current service cost	187	188	187	188
Interest cost	277	258	277	258
Expected return on plan assets	86	(120)	86	(120)
Actuarial gain recognised during the financial year	(14)	(326)	(14)	(326)
Total defined benefit retirement plan	536	0	536	0
Defined contribution retirement plan	7,229	6,817	2,451	2,181
Total included in staff cost (Note 7)	7,765	6,817	2,987	2,181

23 POST-EMPLOYMENT BENEFITS OBLIGATIONS (CONT'D)

(b) Defined benefit plan (cont'd)

The present value of the defined benefit plan depends on a number of factors that are determined on an actuarial basis using a number of assumptions as follows. Any changes in any of these assumptions would impact the carrying amount of the defined benefit obligations. In determining the appropriate discount rate, the Group considers the interest rates of government deposits, bonds and securities denominated in Ringgit Malaysia, and that have maturity approximating the terms of the related defined benefit liability.

	Group and Company	
	2011	**2010**
	%	**%**
At 31 December		
Discount rates	6.0	6.0
Expected return on plan assets	4.9	4.4
Expected rate of salary increases		
- prior to age 34	7.0	10.0
- from age 35 to 44	6.0	7.0
- thereafter	4.0	6.0
Turnover (per annum)		
- up to age 34	10.0	10.0
- from age 35 to 44	5.0	5.0
- thereafter	0.0	0.0
Retirement age:		
- normal retirement age, 60	50	100
- early retirement age, 55	50	0

	Group and Company	
	2011	**2010**
	RM'000	**RM'000**
Actual return on plan assets	139	119

24 FINANCE LEASE LIABILITIES

This represents future instalments under finance lease agreements, repayable as follows:

	Group and Company	
	2011 RM'000	**2010 RM'000**
Minimum lease payments:		
Repayable within 12 months	5,527	5,760
Repayable after 12 months		
- between 1 and 2 years	4,133	5,527
- between 2 and 5 years	0	4,133
	9,660	15,420
Future finance charges on finance leases	(1)	(17)
Present value of the finance lease liability	9,659	15,403
Current (Note 21)	5,526	5,744
Non-current	4,133	9,659
	9,659	15,403

The finance lease liabilities are secured as the rights to the leased assets revert to the lessor in the event of default. Fair value of finance lease liabilities approximated the carrying amount on the statements of financial position.

25 SHARE CAPITAL

	Group and Company	
	2011 RM'000	**2010 RM'000**
Ordinary shares of RM1.00 each:		
Authorised:	100,000	100,000
Issued and fully paid:		
At 1 January and 31 December	60,402	60,402

26 RETAINED EARNINGS

Under the single-tier tax system which came into effect from the year of assessment 2008, 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 exempt in the hands of shareholders. However, companies who have not utilised fully their Section 108 credits balances up to 31 December 2007 may continue to pay franked dividends until the Section 108 credits are exhausted or 31 December 2013 whichever is earlier unless they opt to disregard the Section 108 credits under the special transitional provisions of the Finance Act 2010 and pay single-tier dividends.

The Company did not elect for the irrevocable option to disregard the Section 108 balance.

As at 31 December 2011, subject to the agreement by the tax authorities, the Company has sufficient Section 108 tax credits and tax exempt income to pay in full all the retained earnings of the Company as franked and exempt dividends.

In addition, the Company has tax exempt income as at 31 December 2011 arising from the Income Tax (Amendment) Act, 1999, relating to tax on income earned in 1999 being waived and first tier exempt dividend income amounting to approximately RM1,016,520 and RM832,500 (2010: RM1,016,520 and RM832,500) respectively available for distribution as tax exempt dividends to shareholders. This tax exempt income is subject to agreement by the tax authorities.

27 SHARE PREMIUM

Share premium are in respect of the Company issue the Company’s equity share capital to shareholders, the consideration received are more than par value of the share, are credited into the share premium account.

28 REVALUATION RESERVE

The revaluation reserves are in respect of unreliased fair value gain on land and building.

29 SIGNIFICANT RELATED PARTY DISCLOSURES

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions.

The related party transactions described above were carried out on terms and conditions obtainable in transactions with unrelated parties.

29 SIGNIFICANT RELATED PARTY DISCLOSURES

(a) The significant related party transactions are as follows:

	Company	
Related party	**2011 RM'000**	**2010 RM'000**
Fellow subsidiary companies		
- Purchase of goods	575	555
- Purchase of services	60,481	49,860
- Sales of services	2,230	1,559
- Sales of goods	1,033	0

(b) Key management compensation

Key management are categorised as Directors, and head or senior management officers of key operating divisions within the Group. The key management compensation (excluding Directors' remuneration) is disclosed as follows:

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Salaries and other short-term employees benefits	2,321	1,081	1,107	786
Defined contribution plan	277	126	132	91
Defined benefit plan	33	0	33	0
	2,631	1,207	1,272	877

There are no significant balances from or to key management personnel as at the end of the financial year. Refer Note 7 for details of directors' remuneration.

30 SEGMENT REPORTING

The Group is primarily engaged in one business segment, namely the sales and service of information technology products in Malaysia. Accordingly, there are no differing risks and returns in the sales of products and provision of services by its business segment.

30 SEGMENT REPORTING (CONT'D)

The reports provided and reviewed by the Managing Director ('MD') that are used to make strategic decision are from the overall Group's and Company's perspective.

All non-current assets of Group and Company are located in Malaysia.

31 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 10 April, 2012.

32 SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

On 25 March 2011, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses. On 20 December 2011, Bursa Malaysia further issued guidance on the disclosure and the format required.

The breakdown of retained profits of the Group and the Company as at the reporting date, into realised and unrealised profits, pursuant to the directive, is as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Realised	107,273	100,362	76,447	75,686
Unrealised	(3,350)	(959)	776	25
	103,923	99,403	77,223	75,711

The determination of realised and unrealised profits is based on the Guidance of Special Matter No 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysia Institute of Accountants on 20 December 2011.

PROPERTIES OWNED BY THE GROUP
As At 31 December 2011

Address	Description	Usage	Tenure	Terms of Tenant's Leases or Under Leases	Approximate Age	Net Book Value (RM'000)
HS(D) 65056, PT 12204, Mukim of Damansara, District of Petaling, Selangor (Menara Mesiniaga, 1A, Jalan SS16/1, 47500 Subang Jaya, Selangor)	Commercial land comprising a 15-storey office building	Office building	Freehold	Nil	Eighteen (18) years	35,895
Lot 1047, Sek. 13, District of Timur Laut, Georgetown, Pulau Pinang (Mutiara Mesiniaga, No. 56, Jalan Larut, 10050 Georgetown, Pulau Pinang)	Commercial land comprising a 4-storey office building	Office building	Freehold	Nil	Eleven (11) years	9,087
Lot PT 277, Mukim of Damansara, District of Petaling, Selangor (No. 3, Jalan TP 6, Taman Perindustrian UEP Subang Jaya, 47600 Subang Jaya, Selangor)	Industrial premises	Office building and store	Freehold	Nil	Four (4) years	5,794
No. A-07-01, A-07-02, A-07-03, Worldwide @7, Jalan Lazuardi 7/29, Seksyen 7, 40000 Shah Alam, Selangor	Commercial land comprising a $3^1/_2$-storey commercial building	Commercial building	Leasehold	99 years	Eight (8) years	1,443

SHAREHOLDING STATISTICS

Shareholding Structure
as at 16 April 2012

Authorised Share Capital	:	RM100,000,000
Issued and Paid-up Capital	:	RM60,402,000
Class of Shares	:	There is only one class of shares, namely Ordinary Shares of RM1.00 each

Analysis of Shareholdings
as at 16 April 2012

Size of Shareholding	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	33	1.09	1,112	0.00
100 - 1,000	1,154	38.05	1,082, 898	1.79
1,001 - 10,000	1,491	49.16	6,376,353	10.56
10,001 - 100,000	309	10.19	8,932,400	14.79
100,001 - 3,020,100 (Less than 5% of issued shares)	42	1.38	19,173,056	31.74
3,020,101 and above (5% and above of issued shares)	4	0.13	24,836,181	41.12
TOTAL	**3,033**	**100.00**	**60,402,000**	**100.00**

Substantial Shareholders (Excluding Bare Trustees and Deemed Interests)
as at 16 April 2012

No.	Names	Direct Shareholdings	%
1	AMANAHRAYA TRUSTEES BERHAD [SKIM AMANAH SAHAM BUMIPUTERA]	11,335,249	18.77
2	FATHIL SULAIMAN ISMAIL	6,509,939	10.78
3	SAFIAH SULAIMAN ISMAIL	3,662,053	6.06
4	HOR YEE @ HO CHEONG FATT	3,328,940	5.51

Directors Direct and Deemed Interests
as at 16 April 2012

No.	Names	Direct Shareholdings	Deemed Interest	%
1	DATUK WAN MOHAMED FUSIL WAN MAHMOOD	1,675,940	2,050,000[1]	6.17
2	MOHD PUZI AHAMAD	1,737,940	2,181,000[2]	6.49
3	FATHIL SULAIMAN ISMAIL	6,509,939	0	10.78
4	VOON SENG CHUAN	260,000	0	0.43
5	ABD TALIB BABA	0	0	0.00
6	WONG FOOK HON	1,000	0	0.02
7	DATO' AB RASHID MAT ADAM	0	0	0.00
8	IR. DR. MUHAMAD FUAD ABDULLAH	0	0	0.00

Note:

[1] Interest held under his nominee accounts with CIMB Islamic Trustee Berhad, Alliancegroup Nominess (Tempatan) Sdn. Bhd., Citicorp Nominees (Tempatan) Sdn. Bhd. and Cimsec Nominees (Tempatan) Sdn. Bhd.

[2] Interest held under his nominee accounts with CIMB Islamic Trustee Berhad and Citicorp Nominees (Tempatan) Sdn. Bhd.

30 Largest Shareholders
as at 16 April 2012

No.	Names	Holdings	%
1	AMANAHRAYA TRUSTEES BERHAD [SKIM AMANAH SAHAM BUMIPUTERA]	11,335,249	18.77
2	FATHIL SULAIMAN ISMAIL	6,509,939	10.78
3	SAFIAH SULAIMAN ISMAIL	3,662,053	6.06
4	HOR YEE @ HO CHEONG FATT	3,328,940	5.51
5	PHARIDA SULAIMAN @ PHILOMENA SULAIMAN	2,699,976	4.47
6	CIMB TRUSTEE BERHAD [MOHD PUZI AHAMAD]	2,000,000	3.31
7	MOHD PUZI AHAMAD	1,737,940	2.88
8	WAN MOHAMED FUSIL WAN MAHMOOD	1,675,940	2.74
9	CIMB TRUSTEE BERHAD [WAN MOHAMED FUSIL WAN MAHMOOD]	1,000,000	1.66

**30 Largest Shareholders
as at 16 April 2012 (Cont'd)**

No.	Names	Holdings	%
10	DB (MALAYSIA) NOMINEE (ASING) SDN BHD [EXEMPT AN FOR BRITISH AND MALAYAN TRUSTEES LIMITED (YEOMAN 3-RIGHTS)]	895,800	1.48
11	WONG TA NOOY @ WONG KENG YONG	712,000	1.18
12	CITICORP NOMINEES (ASING) SDN BHD [UBS AG FOR NEON LIBERTY WEI JI MASTER FUND LP]	654,000	1.08
13	SRI SUSAYATI RAMLAN	620,000	1.03
14	ALLIANCE GROUP NOMINEES (TEMPATAN) SDN BHD [PLEDGED SECURITIES ACCOUNT FOR WAN MOHAMED FUSIL WAN MAHMOOD]	550,000	0.91
15	CHOY CHOONG YEEN	439,000	0.73
16	LOW KONG BOO	430,000	0.71
17	CITICORP NOMINEES (TEMPATAN) SDN BHD [PLEDGED SECURITIES ACCOUNT FOR WAN MOHAMED FUSIL WAN MAHMOOD (473685)]	400,000	0.66
18	LIM POH TIONG	360,000	0.60
19	NEOH CHOO EE & COMPANY SDN BHD	354,100	0.59
20	TEO TIN LIN	266,600	0.44
21	VOON SENG CHUAN	260,000	0.43
22	HO WAI KOK	257,000	0.43
23	NOR HASLINA MD DAHARI	250,000	0.41
24	LIM POH TIONG	240,000	0.40
25	HO WAI HOE	239,000	0.40
26	MAYBAN SECURITIES NOMINEES (TEMPATAN) SDN BHD [PLEDGED SECURITIES FOR NORDIN MAT ISA (MARGIN)]	230,000	0.38
27	CIMSEC NOMINEES (TEMPATAN) SDN BHD [CIMB BANK FOR GAN NYAP LIOU @ GAN NYAP LIOW (MY0747)]	215,000	0.36
28	TOH KAM CHOY	198,000	0.33
29	HDM NOMINEES (ASING) SDN BHD [DBS VICKERS SECS (S) PTE LTD FOR LIM MEE HWA]	195,000	0.32
30	AFFIN NOMINEES (TEMPATAN) SDN BHD [PLEDGED SECURITIES ACCOUNT FOR LOO SWEE LIN]	183,000	0.30

NOTICE OF 30TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirtieth Annual General Meeting of the Company will be held at Auditorium Ismail Sulaiman, Menara Mesiniaga, 1A, Jalan SS16/1, 47500 Subang Jaya on Wednesday, 13 June 2012 at 2.30pm for the following purposes:

Agenda

1.	To receive the Audited Accounts for the year ended 31 December 2011 together with the Reports of Directors and Auditors thereon.	
2.	To approve a First and Final Gross Dividend of 21 sen less tax at 25% for the year ended 31 December 2011.	**Resolution 1**
3.	To approve Directors' Fees for the year ended 31 December 2011.	**Resolution 2**
4.	To re-elect the following Directors retiring pursuant to Article 104 of the Company's Articles of Association:	
	i. Datuk Wan Mohamed Fusil Wan Mahmood	**Resolution 3**
	ii. Fathil Sulaiman Ismail	**Resolution 4**
	iii. Wong Fook Hon	**Resolution 5**
	iv. Dato' Ab Rashid Mat Adam	**Resolution 6**
5.	To re-appoint Messrs PricewaterhouseCoopers as the Company's Auditors and to authorise the Directors to fix their remuneration.	**Resolution 7**

BY ORDER OF THE BOARD

JASNI ABDUL JALIL (MACS 01359)
Company Secretary
Subang Jaya
18 May 2012

Note:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its attorney.
3. All forms of proxy must be deposited at the Company's Share Registrar's Office at Symphony Share Registrars Sdn. Bhd., Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

ADDITIONAL STATEMENTS

1. As stated in the Notice of Annual General Meeting on page 130 of this Annual Report, the Directors standing for re-election pursuant to Article 104 are:

   Pursuant to Article 104 of the Company's Articles of Association:

   i. Datuk Wan Mohamed Fusil Wan Mahmood
   ii. Fathil Sulaiman Ismail
   iii. Wong Fook Hon
   iv. Dato' Ab Rashid Mat Adam

2. Details of Board Meetings and the attendance of Directors at those meetings are as stated on page 49.

3. The Thirtieth Annual General Meeting of the Company will be held at Auditorium Ismail Sulaiman, Menara Mesiniaga, 1A, Jalan SS16/1, 47500 Subang Jaya on Wednesday, 13 June 2012 at 2.30pm.

4. Details of the Directors standing for re-election are as stated in the Directors' profile column on pages 26 to 30. Their securities holdings in the Company are as stated on page 128.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the forthcoming Annual General Meeting, a first and final dividend of 21 sen less tax at 25% will be paid on 6 July 2012 to shareholders whose names appear in the Record of Depositors on 21 June 2012.

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

a. Securities transferred into the Depositor's securities account before 4.00pm on 21 June 2012 in respect of transfers; and
b. Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

JASNI ABDUL JALIL (MACS 01359)
Company Secretary
Subang Jaya
18 May 2012

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PROXY FORM

Mesiniaga 30 years 1982 2012

I/We .... of .... being a member of the abovementioned Company, hereby appoint .... of .... or failing him .... of .... as my/our proxy to vote for me/us and on my/our behalf at the **Thirtieth Annual General Meeting of the Company,** to be held on **Wednesday, 13 June 2012 at 2.30pm** and at any adjournment thereof. The proxy is to vote on the resolutions set out in the Notice of Meeting as indicated, with an "X" in the appropriate space. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his discretion.

RESOLUTIONS	FOR	AGAINST
1. To approve a First and Final Gross Dividend of 21 sen less tax at 25% for the year ended 31 December 2011.		
2. To approve Directors' Fees for the year ended 31 December 2011.		
3. To re-elect Datuk Wan Mohamed Fusil Wan Mahmood who is retiring pursuant to Article 104 of the Company's Articles of Association.		
4. To re-elect Fathil Sulaiman Ismail who is retiring pursuant to Article 104 of the Company's Articles of Association.		
5. To re-elect Wong Fook Hon who is retiring pursuant to Article 104 of the Company's Articles of Association.		
6. To re-elect Dato'Ab Rashid Mat Adam who is retiring pursuant to Article 104 of the Company's Articles of Association.		
7. To re-appoint Messrs PricewaterhouseCoopers as the Company's Auditors and to authorise the Directors to fix their remuneration.		

Signature of Member / Common Seal

Number of shares held	

Note:

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its attorney. All forms of proxy must be deposited at the Company's Share Registrar's Office at Symphony Share Registrars Sdn. Bhd., Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

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STAMP

SYMPHONY SHARE REGISTRARS SDN. BHD.

Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

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Mesiniaga Berhad (79244-V)

Menara Mesiniaga
1A, Jalan SS16/1
47500 Subang Jaya
Selangor Darul Ehsan

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