Mesiniaga

reaching new horizons

annual report 2005

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< BUSINESS TRACK RECORD >

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Mesiniaga was born out of a bold idea, inspired by a vision to create a successful local company in the then fledgling computing industry. The notion of a local ICT company, playing a pioneering role in the emerging ICT landscape, seemed a much unconventional strategy for many at that time.

But Mesiniaga proved the detractors wrong, brushing aside their pessimism and pushing forward, as a bold new company, in an exciting new industry. The company was to grow from strength to strength, ultimately manifesting itself as a spawning ground for the development of home grown ICT excellence and capability.

In the early 70's, IBM was looking for means to respond to Malaysia's New Economic Policy (NEP) to increase Bumiputra participation in corporate equity ownership. The result was a strategic plan to cultivate local entrepreneurial talent by creating a Bumiputra company that would serve as IBM's sole Malaysian hardware dealer and agent. And so Mesiniaga came into being on 17 December 1981.

Ismail Sulaiman, formerly General Manager of IBM Malaysia, together with a team of senior ex-IBM personnel, helmed the company. As a pioneer in the field, Mesiniaga embodied the values of boldness, the infusion of energy and creativity, and a passion for success. Though small in stature, Mesiniaga had big ambitions and was charging forward to claim its place in the industry. Through the determined spirit of Ismail and his young team, the company grew from strength to strength. With every passing year, the business flourished and today, almost 25 years later, Mesiniaga is a 600-strong ICT player; a giant standing tall, towering over the ICT landscape it had helped shaped.

Mesiniaga started with a paid-up capital of RM500, 000, which has grown to RM60.4 Million. The company was listed on the KLSE main board (now known as Bursa Malaysia) on 17 November 1999 and was the first local ICT company to hit the 5 million and 10 million mark in profits.

From serving as an IBM hardware vendor, Mesiniaga today has evolved into a comprehensive ICT solutions provider and integrator, delivering a complete range of offerings. Mesiniaga's current portfolio ranges from providing the basic building blocks of any IT architecture to providing cutting edge, best-of-breed business answers that empower productivity, competitive advantage and profitability. Our solutions are classified into several spheres based on the value we deliver to customers - Build, Manage, Protect, Accelerate, Advise and Support.

Indeed Mesiniaga has come far. But our sights are set on new horizons. Our desire to grow remains as strong as ever. Mesiniaga looks to the future with optimism and confidence, and remains poised for greater accomplishments in the future! We are a growing company, growing with today's business landscape that we helped to build.

OUR INDISPUTABLE TRACK RECORD

Since our inception, Mesiniaga has remained profitable, displaying solid year-on-year growth, with strong bottom lines. Drawing from our organisational experience and competence and our human talent, our business has grown consistently, recording excellent revenue, profit and expansion. In the ICT industry, where most businesses don't last long, our staying power is an achievement. We are stable and possess a strong foundation built on a track record of almost 25 years of excellence.

STRONG CUSTOMER BASE

The government, the oil and gas industry, the manufacturing and telecommunications sectors, financial services and education...we serve customers from a vast range of businesses. We are a cross-functional and cross-industry solutions provider and integrator - successfully meeting the diverse ICT needs of a variety of local and international organisations. Their continued confidence is a measure of our competence and ability and continued business growth.

SUPPORTED BY GLOBAL TECHNOLOGY PARTNERS

Mesiniaga today is the strategic partner of several world-renowned technology vendors. Apart from IBM, Mesiniaga is a strategic partner to Microsoft and Cisco. We have achieved Cisco Gold Partner Status 3 years in a row, the highest level awarded to partners. In the pursuit of offering comprehensive solutions to our customers, Mesiniaga is also partnered with other technology vendors such as Citrix (Silver Advisor), Trend Micro, Lotus and F5.

Our strong business relationships with various technology partners serve as a testament to our versatility in delivering the best solutions, quality products and services for any business.

EXCELLENT HUMAN TALENT

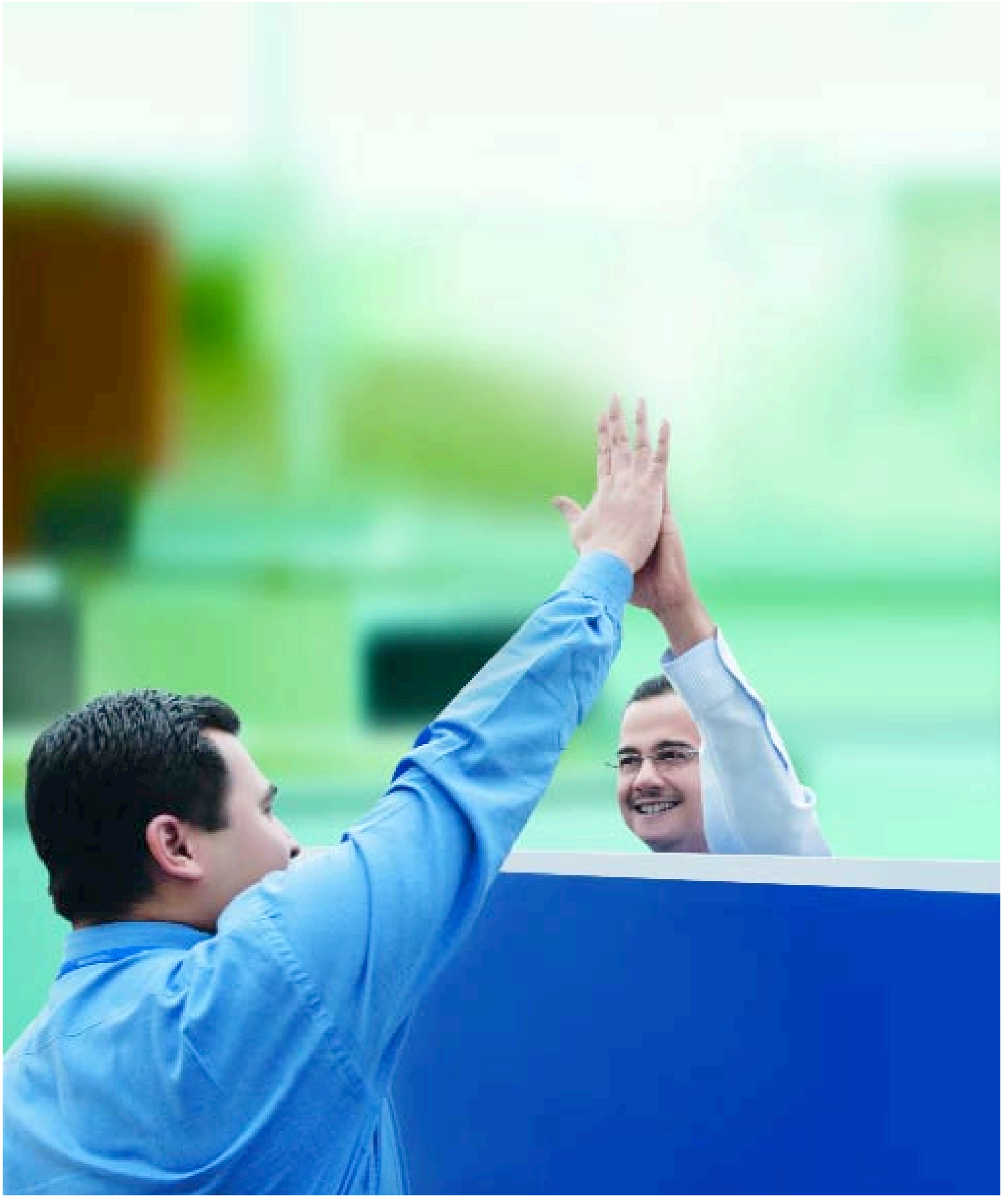
Our people are our unrivalled competitive edge. Comprising a rich and diverse blend of talents, Mesiniaga has some of the best people who possess vast expertise and experience. Many of our staff possess industry recognised professional certifications, which acknowledge them as highly skilled specialists in their respective areas.

Through our people competence, we are able to deliver organisation-wide excellence, high performance and high quality output from all units, all departments and every Mesiniagan. Ideas, innovation and creativity - these are our most precious, unrivalled competitive factors. They stem from our people. And we continuously hire, train and retain the best talent to maintain our human competitive edge.

< Delivering Business Solutions of Greatest Added Value >

We clearly recognise the distinction between ***technical*** and ***business*** solutions. Business solutions are our customers' priority while ***technology is merely a means to achieving a business end.*** We deliver solutions that meet customers' requirements and empower them with productivity, competitive advantage and profitability. We think beyond technology and embrace the business needs of our customers.

our mission



<To Be The Malaysian IT Partner of Choice>

FOR OUR CUSTOMERS

We will be the primary reference point for our customers' IT needs. This can only be achieved by a perfect alignment of our goals with those of our customers. It involves deeply understanding how our customers create business value and deploying technology in its attainment.

FOR OUR EMPLOYEES

We acknowledge that employees are the lifeblood of our business. We must attract the best talent, enable them to exploit their full potential, deploy them to greatest benefit and merit their continued service and commitment. We recognise that success in meeting employee goals is a precondition to meeting organisation goals. We will be vested in this crucial partnership.

FOR OUR VENDORS

We believe that our approach to customers constitutes deep loyalty that will be reciprocated and mutually benefit our vendors and us. We will demand the greatest commitment from our vendors whilst offering the same to them, both of whose success is contingent upon that of our customers'.

FOR OUR SHAREHOLDERS

We will create the greatest business value for our customers in order to enjoy superior returns on our efforts. These returns will compensate our shareholders for their faith in us. We will also promote employee stock ownership which promises congruence between employee and shareholder goals.

our vision

our values

1 passion for customers' success and satisfaction

Our satisfaction comes from knowing that we have delivered value to our customers, be it internal or external. In everything we do, we strive towards meeting or exceeding expectations. We provide answers that show deep insights and understanding to truly support businesses. Our success isn't measured based on just how well we perform, but how well we can enable our customers to perform. We link our success to our customers.

2 respect for people we work with

We aim for organisation-wide respect, showing mutual consideration and courtesy to all parties. Everyone is important, be they our colleagues, superiors, subordinates or external parties such as customers and suppliers. For us, respect is a give-and-take attribute, a door that moves both ways; a two-way street.

3 innovation in everything we do

We pride ourselves on our ability to think out of the box; to offer fresh perspectives for inspired results. Ours is a culture built on creativity, where ideas are encouraged and nurtured. We constantly seek to improve to realise better results and rewards.

We take responsibility to be the best we can be and to deliver the highest work quality. We motivate ourselves by setting examples for others to follow. We lead the industry with a proactive vision, by being responsive to change and focusing on the future. Everyone has to assume leadership, regardless of his or her position in the company. Everyone is responsible in guiding the company to greater success.

4 dynamic leadership

5 excel & thrive on challenges and accomplishments

We relish the constant pursuit of new horizons and overcoming of challenges. The prospect of new opportunities and barriers inspires us to excel further. We will transcend all barriers to ultimately relish the thrill of achievement and create new possibilities for ourselves. Success increases our desire for greater accomplishment.

corporate history

MILESTONES

1981
- Conceived as IBM's response to the New Economic Policy to encourage Bumiputra Entrepreneurship

1982
- Company was officially operational

1992
- Menara Mesiniaga was completed. Designed by architect Ken Yeang of TR Hamzah & Yeang, to meet the company's aspirations

1993
- Formed Network Services Unit (NSU) to offer networking solutions
- Formed iNet & Workgroup Solutions Team (IWS) to offer collaborative and Web-based business solutions

1994
- Awarded MS ISO 9001 Certification by SIRIM

1995
- Formed Systems Integration and Project Management Unit (SI/PM) to provide end-to-end integrated solutions architecture, design and implementation.

1997
- Recognised as IBM/Lotus Premier Partner

1999
- Listed on KLSE main board (now known as Bursa Malaysia)
- Appointed Microsoft Managed Partner

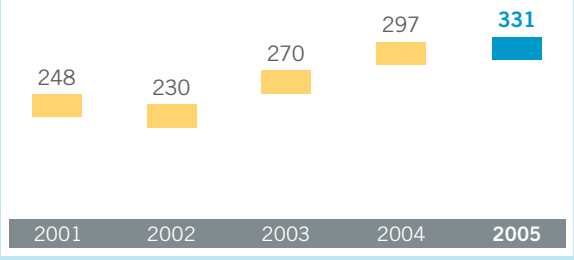
2003
- Company-wide ISO Certification
- Mutiara Mesiniaga in Penang was completed
- Achieved Microsoft Gold Partner
- Became First Malaysian and Bumiputra company to be certified as Cisco Gold Partner

2004
- Appointed as Microsoft Large Account Reseller

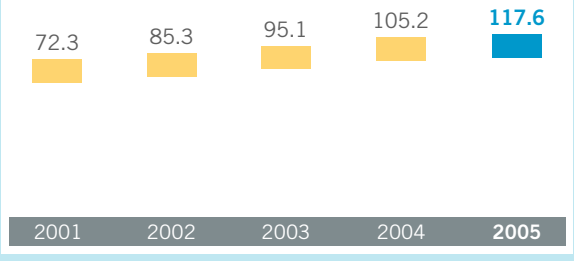
2005
- Appointed as Citrix (Silver Advisor) Partner
- Formed Office of Strategic Initiatives (OSI) to drive the corporate strategies
- Established the Mesiniaga Academy to help enhance the quality of the workforce for the country
- Launched the Business Productivity Centre (BPC) in Menara Mesiniaga. A joint venture with Microsoft and the first in Asia to offer an Executive Briefing Center for Microsoft Solutions
- Launched the Mesiniaga's New Website & Solutions Manual

five year performance statistics

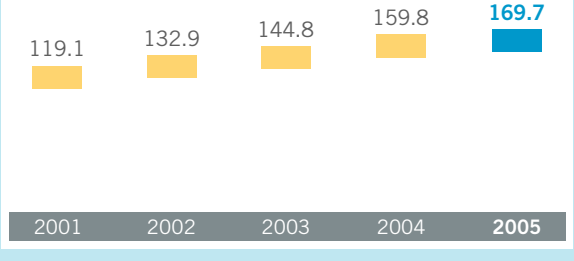
REVENUE (RM Million)



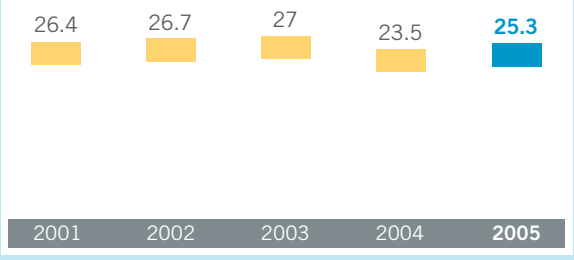
NET CURRENT ASSETS (RM Million)



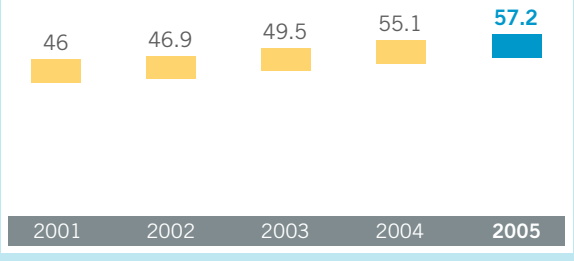
NET TANGIBLE ASSETS (RM Million)



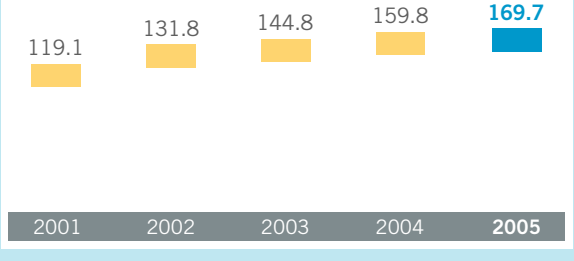
PROFIT BEFORE TAX (RM Million)



FIXED ASSETS (RM Million)



SHAREHOLDERS' EQUITY (RM Million)



<Value Driven Employees>

We will uphold and progressively drive a culture of delivering business value to our customers, embraced by our employees who have full comprehension of both their customers' environment and challenges. Not only do our employees have a strategic understanding of their customers' industry sectors, but they will further comprehend the IT requirements that businesses demand. We are an organization driven by people who are knowledgeable on our technical solutions, as well as possessing the business acumen to deliver value to customers, through recognising the return on investments made on IT.

our culture

corporate information

DATO' DR. IR. MOHAMAD ZAWAWI ISMAIL

WAN MOHAMED FUSIL WAN MAHMOOD

MOHD PUZI AHAMAD

RAMLI AMAT

DATO' WAN ABDULLAH MOHAMAD

NOR HAYATI MOHD. KASIM

CHUNG THIAN SINN

VOON SENG CHUAN

ZAITON MOHD. HASSAN

FATHIL SULAIMAN ISMAIL

board of directors

NOMINATION COMMITTEE

NOR HAYATI MOHD. KASIM (Chairperson)

CHUNG THIAN SINN

WAN MOHAMED FUSIL WAN MAHMOOD

MOHD PUZI AHAMAD

OPTION COMMITTEE

FATHIL SULAIMAN ISMAIL (Chairperson)

NOR HAYATI MOHD. KASIM

EXECUTIVE REMUNERATION COMMITTEE

NOR HAYATI MOHD. KASIM (Chairperson)

DATO' WAN ABDULLAH MOHAMAD

RAMLI AMAT

NON-EXECUTIVE REMUNERATION COMMITTEE

WAN MOHAMED FUSIL WAN MAHMOOD (Chairperson)

MOHD PUZI AHAMAD

NOR HAYATI MOHD KASIM

AUDIT COMMITTEE

ZAITON MOHD. HASSAN (Chairperson)

CHUNG THIAN SINN

NOR HAYATI MOHD. KASIM

RISK MANAGEMENT COMMITTEE

FATHIL SULAIMAN ISMAIL (Chairperson)

ZAITON MOHD HASSAN

WAN MOHAMED FUSIL WAN MAHMOOD

MOHD PUZI AHAMAD

INVESTMENT COMMITTEE
(Date of formation: 16 September 2005)

FATHIL SULAIMAN ISMAIL (Chairperson)

ZAITON MOHD HASSAN

WAN MOHAMED FUSIL WAN MAHMOOD

MOHD PUZI AHAMAD

CHUNG THIAN SINN

COMPANY SECRETARY

JASNI ABDUL JALIL (MACS 01359)

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 AND REPORTING ACCOUNTANTS

PRICEWATERHOUSECOOPERS
11th Floor, Wisma Sime Darby
Jalan Raja Laut
P.O. Box 10192
50706 Kuala Lumpur
Tel : 03-2693 1077

PRINCIPAL BANKERS

CITIBANK BERHAD

BANK ISLAM MALAYSIA BERHAD

STANDARD CHARTERED BANK
(MALAYSIA) BERHAD

MAYBANK BERHAD

SHARE REGISTRAR

SYMPHONY SHARE REGISTRARS SDN. BHD.
Level 26, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : 03-2721 2222
Fax : 03-2721 2530

STOCK EXCHANGE LISTING

Main Board of BURSA SECURITIES

board of directors

From left to right:

Mohd Puzi Ahamad
Executive Director and Chief Financial Officer

Dato' Dr. Ir. Mohamad Zawawi Ismail
Independent Non-Executive Director and Chairman

Wan Mohamed Fusil bin Wan Mahmood
Executive Director and Chief Executive Officer

From left to right:

Ramli Amat
Independent Non-Executive Director

Zaiton Mohd. Hassan
Independent Non-Executive Director

From left to right:

Voon Seng Chuan
Non-Executive Director

Nor Hayati Mohd Kasim
Independent Non-Executive Director

From left to right:

Chung Thian Sinn
Independent Non-Executive Director

Fathil Sulaiman Ismail
Non-Executive Director

Dato' Wan Abdullah Mohamad
Non-Executive Director

board of directors' profile

Dato' Dr. Ir. Mohamad Zawawi Ismail, DPSK, PhD, HonDEng (Leeds), Hon PhD (UKM), FASM, 60

Independent Non-Executive Director and Chairman

Dato' Dr. Ir. Mohamad Zawawi Ismail was appointed to the Board on 16 November 2001. He was appointed Non-Executive Chairman on 16 May 2002 upon the retirement of the previous Chairman, Ismail Sulaiman. Dato' Dr. Ir. Zawawi is a professional engineer and consultant, and a member of the National Information Technology Council (NITC) and National Aerospace Council (NAC). Apart from Mesiniaga, Dato' Dr. Ir. Zawawi is also a Board member of Bumiputra-Commerce Bank Berhad and Inti Universal Holdings Berhad. Other previous appointments include Deputy Director-General Malaysian Institute of Microelectronics Systems (now Mimos Bhd). He was the founding Vice-Chancellor of Universiti Malaysia Sarawak (Unimas), a position he held until December 2000. He is an honorary Fellow of the Institute of Physics Malaysia and a foundation Fellow of the Academy of Sciences Malaysia. Dato' Dr. Ir. Zawawi holds a degree from the University of Leeds, England. In 1996, he was awarded the honorary degree of Doctor of Engineering by his alma mater.

Wan Mohamed Fusil bin Wan Mahmood, 55

Executive Director and Chief Executive Officer

Wan Mohamed Fusil bin Wan Mahmood was appointed to the Board on 17 December 1981 as part of the team who founded Mesiniaga. Prior to joining Mesiniaga, Wan Fusil was with IBM Malaysia. During his tenure with the company, he served in various managerial positions. This includes serving as Country Manager - Information Products Division. Wan Fusil is also one of the founder 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). Wan Fusil graduated with a Diploma in Accountancy from ITM (now known as UiTM) in 1972.

Mohd Puzi Ahamad RA(M), FCCA, 53

Executive Director and Chief Financial Officer

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

Ramli Amat, 54

Independent Non-Executive Director

Ramli Amat was appointed to the Board on 17 December 1981 as part of the team who founded Mesiniaga. He served as an Executive Director until March 2000, upon which, he assumed his Independent Directorship. Prior to joining Mesiniaga, Ramli served with IBM Malaysia over a period of 10 years. During his tenure, he held several positions, the last being Marketing Manager - IBM Malaysia. Ramli graduated with a Diploma in Business Studies from ITM (now known as UiTM) in 1971.

Dato' Wan Abdullah Mohamad, DPMT, 65

Non-Executive Director

Dato' Wan Abdullah Mohamad was appointed to the Board on 27 December 1995. He began his career with the Terengganu State Agriculture Department. He later joined Rothmans of Pall Mall (M) Berhad as a pioneer and became their Leaf Advisor. Later, he served as Directors of the Leaf Growing Scheme and Leaf Tobacco Development Corporation since 1970. In 1973, Dato' Wan Abdullah was promoted to Director, Rothmans of Pall Mall (Malaysia) Berhad. He assumed the position of Regional Leaf Director Asia-Pacific until his retirement in 1997. Dato' Wan Abdullah graduated from The College of Agriculture Serdang (now known as Universiti Putra Malaysia) in 1962 with a Diploma in Agriculture. He also pursued the Advanced Management Programme (AMP) at Harvard Business School, USA in 1984.

BOARD OF DIRECTORS' PROFILE

Chung Thian Sinn, 63

Independent Non-Executive Director

Chung Thian Sinn was appointed to the Board on 17 September 1999. Chung began his corporate career when he joined Mobil (Malaysia) as a Technical Sales Executive. In 1967, he joined IBM Malaysia as a Systems Engineer. The last position he held at the company was Country Systems Engineering Manager. In 1981, Chung joined Time Engineering Sdn Bhd, and was appointed as Company Secretary and Director, a position from which he later retired in 1990. Chung graduated with Bachelor of Science (Hons).

Nor Hayati Mohd Kasim, 59

Independent Non-Executive Director

Nor Hayati Mohd Kasim was appointed to the Board of Directors on 17 September 1999. She started her corporate career with Bank Negara Malaysia in 1971 as a Human Resource Officer. Subsequently, she joined IBM Malaysia as Personnel Assistant in 1974, later serving as Human Resource Manager. In 1997, Nor Hayati was appointed as Management Development Manager of IBM ASEAN in 1997, a position she later retired from in June 1999. Nor Hayati holds a Bachelor of Arts degree from Universiti Malaya awarded in 1970 and a Master of Arts (Organisation Psychology) from the University of Lancaster awarded in 1983.

Voon Seng Chuan, 47

Non-Executive Director

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. In January 2000, he became General Manager of IBM Malaysia Sdn Bhd. He was then appointed as Managing Director of IBM Malaysia Sdn. Bhd. and remains in this position today. Voon holds a Bachelor in Mathematics from University of Malaya.

Zaiton Mohd. Hassan, FCCA, MICPA, 49

Independent Non-Executive Director

Zaiton Mohd. Hassan was appointed to the Board on 16 November 2001. She is a Member of MICPA (Malaysian Institute of Certified Public Accountants) and a Fellow Member of Chartered Association of Certified Accountants. She was formerly the President and Chief Executive Officer of Malaysian Rating Corporation Berhad (MARC). Apart from Mesiniaga, Zaiton is also a Board Member of Malaysian Industrial Development Finance Berhad (MIDF), Amanah Millenia Fund Berhad (formerly known as Amanah Smallcap Fund Berhad), Credit Guarantee Corporation Malaysia Berhad, Bank Islam Malaysia Berhad, BIMB Holdings Berhad and the Companies Commission of Malaysia. Prior to joining MARC, she served 12 years with Maybank, in various senior positions, the last being General Manager of Corporate Planning. Before Maybank, she was also with Price Waterhouse, Bank Pembangunan (M) Berhad and PFM Capital Holdings Sdn Bhd (a subsidiary of Permodalan Nasional Berhad).

Fathil Sulaiman Ismail, 42

Non-Executive Director

Fathil Sulaiman Ismail was appointed as a Non-Executive Director of the Company on 1 June 2002. An accountant by training, Fathil served with Ernst & Young and then 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 (presently known as ING Benefits) for six years until late 2001. Fathil is a Malay College Kuala Kangsar alumni and had graduated from the Chartered Association of Certified Accountants.

All Board Members are Malaysian citizens. All the Board Members have no other relationship among themselves or with any of the substantial shareholders of the Company except for Fathil Sulaiman 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 for any offences other than traffic offences within the past 10 years. Other than the Director positions held by Dato' Dr. Ir. Mohamad Zawawi Ismail and Zaiton Mohd Hassan in other public companies as stated in their respective 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 page 30 and 31.

key management group

Yeow Daw Swee
Director of Enterprise Solutions Division

Noorizan Ali
Director of Customer Services Division

Zuraida Jamaluddin
Director of Sales

Wan Mohamed Fusil bin Wan Mahmood
Executive Director and Chief Executive Officer

Mohd Puzi Ahamad
Executive Director and Chief Financial Officer

Wan Mohamed Fusil bin Wan Mahmood, 55

Chief Executive Officer

Refer to profile given on Board of Directors page.

Mohd Puzi Ahamad, RA(M), FCCA, 53

Chief Financial Officer

Refer to profile given on Board of Directors page.

Zuraida Jamaluddin, 42

Director of Sales

Zuraida Jamaluddin was appointed as Director of Sales in 2003. Prior to her appointment, Zuraida joined Mesiniaga in 1987 as a Systems Engineer, where she served in a technical capacity. However, through her 19-year career, she has held various positions in the company in business development and sales. Her last position prior to becoming Director was General Manager of Public Sector Sales. Zuraida holds a degree in Electrical Engineering (BSc) from George Washington University, United States.

Yeow Daw Swee, 44

Director of Enterprise Solutions Division

He commenced his career in Mesiniaga in 1982 as a Product Support Representative, and was promoted to Product Analyst in 1984. After spending 5 years in the technical support area, he was promoted to Advisory Systems Engineer in 1988. In 1989, he was promoted to Technical Support Manager with the responsibility of managing the technical support unit and subsequently, to Country Support Manager in 1993. He was appointed General Manager - Services in 1997, responsible for the Technical Support and Services Business unit. He was appointed Director - Marketing Services on 1st October 2000. He has since been responsible for the solution units that eventually evolved into the Enterprise Solutions Division of Mesiniaga. He has a total of 24 years in the IT Industry.

Noorizan Ali, 48

Director of Customer Services Division

Noorizan Ali was appointed as Director in 2002. Prior to becoming Director, Noorizan has served Mesiniaga in various capacities throughout his 24-year career. Noorizan started his IT career as a Customer Engineer with IBM Malaysia in 1979. He then joined Mesiniaga in 1982, continuing to serve as Customer Engineer. Six years later, he was made Field Manager and further advancing in the company, became Senior Services Manager in 1995. His position prior to becoming Director was General Manager - Technical Services Department, which he assumed in 1998. Noorizan brings vast experience and expertise to the company through his hands-on approach in managing customers' satisfaction.

Passion for customers' success and satisfaction

Respect for people we work with

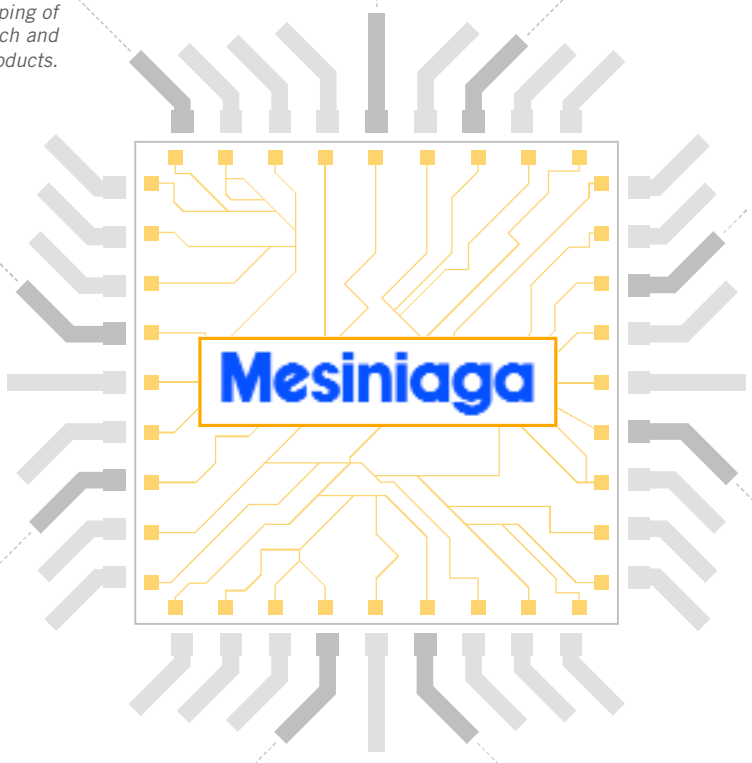
Innovation in everything we do

Dynamic leadership

Excel & Thrive on challenges and accomplishments

our values

corporate
structure



100%
Mesiniaga Services Sdn. Bhd
Provision of outsourcing services

100%
Mesiniaga Techniques Sdn. Bhd.
Business Development of new product technologies and markets.

100%
Mesiniaga MSC Sdn. Bhd.
Provision of services in the areas of research and prototyping of application software, research and development of application products.

60%
Mesiniaga-SCS Sdn. Bhd.
Provision of management training & consulting services to the public & private sectors in strategic planning, strategic management implementation, management training & development, strategic sales & marketing consulting & human resource management consulting.

70%
Navigis Sdn. Bhd
Provision of training, management advisory & consultancy services, provision of professional personnel and development & deployment of enterprise systems

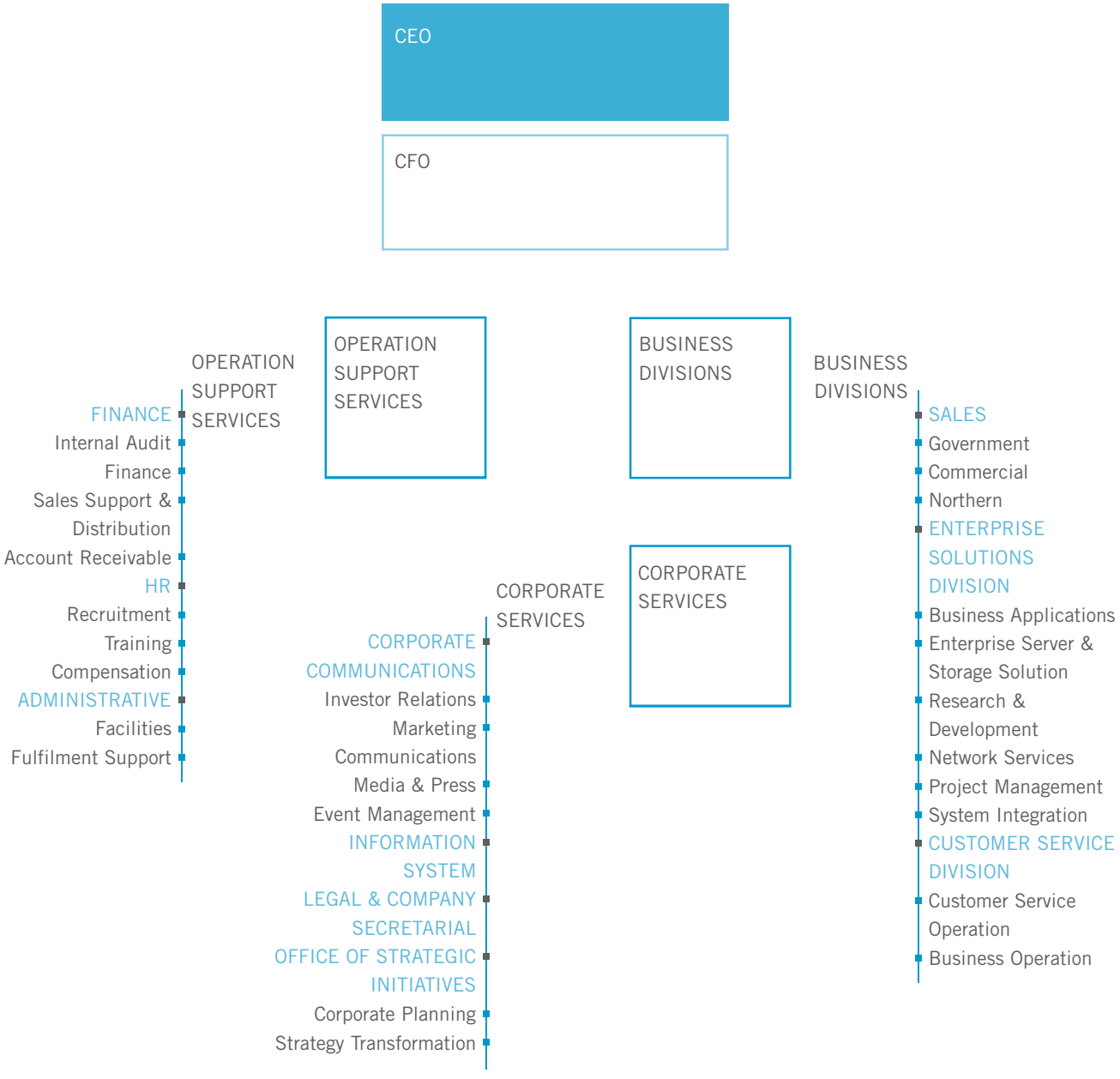
51%
VA Dynamics Sdn Bhd
Sales of networking cables and related products

35%
SJA Infotech Sdn. Bhd.
Development & maintenance of web sites

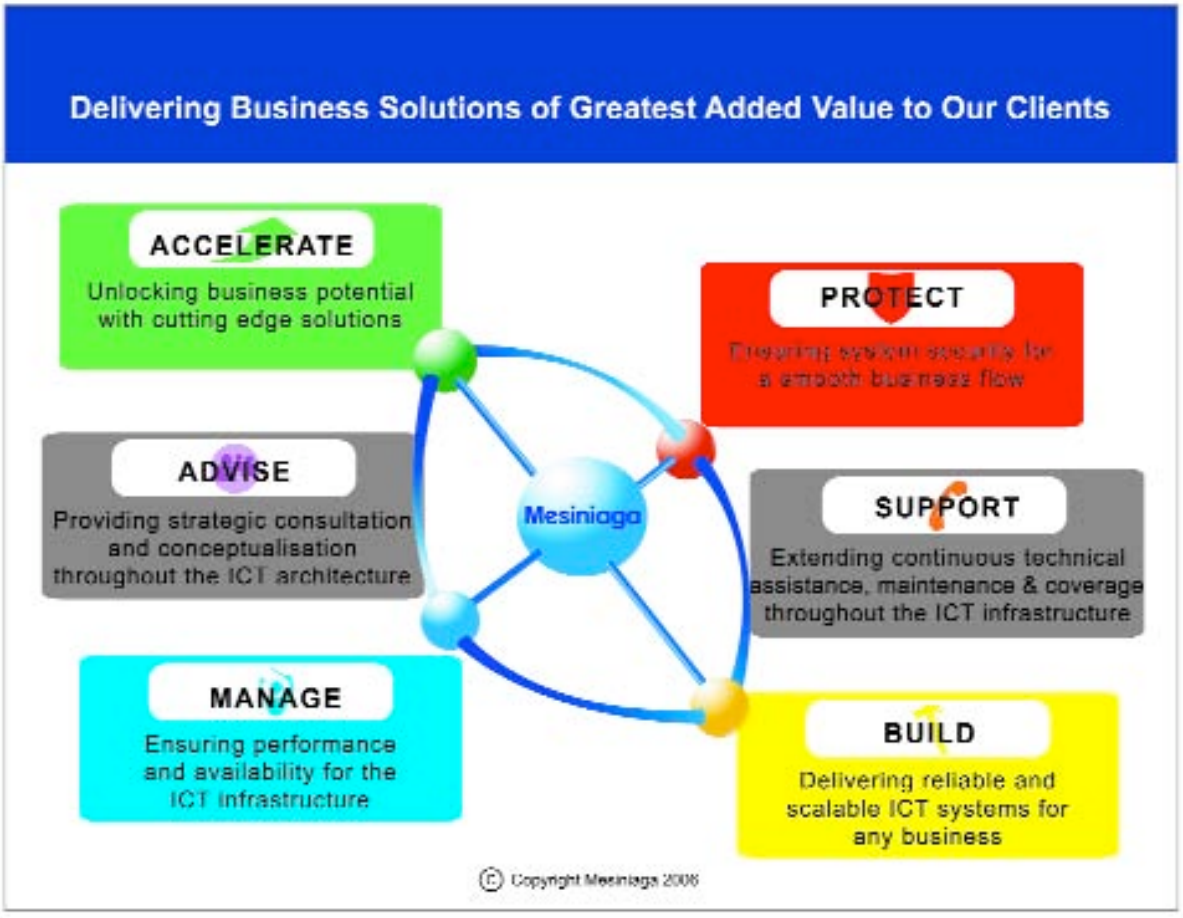
30%
PWR Powerlan (Malaysia) Sdn Bhd
Dormant.

30%
Advantage Systems Sdn. Bhd.
Provision of Data Connectivity and Communication services.

organisation chart



business solutions



The Mesiniaga Solutions Map

The Mesiniaga Solution Map was established as part of our strategy to connect our offerings to our customers in a clear and structured manner. Our solutions are aligned to the functional requirements of our customers' organisation, ensuring that their ICT infrastructure supports their business needs.

At the foundation level, we enable our customers to 'build' a reliable and scalable ICT infrastructure. In achieving performance optimisation, availability and security, we provide solutions that 'manage' and 'protect' our customers ICT and business environment. At the top of the value chain we provide business solutions that allow our customers to improve their business processes, to gain the highest efficiency and Return on IT Investment.

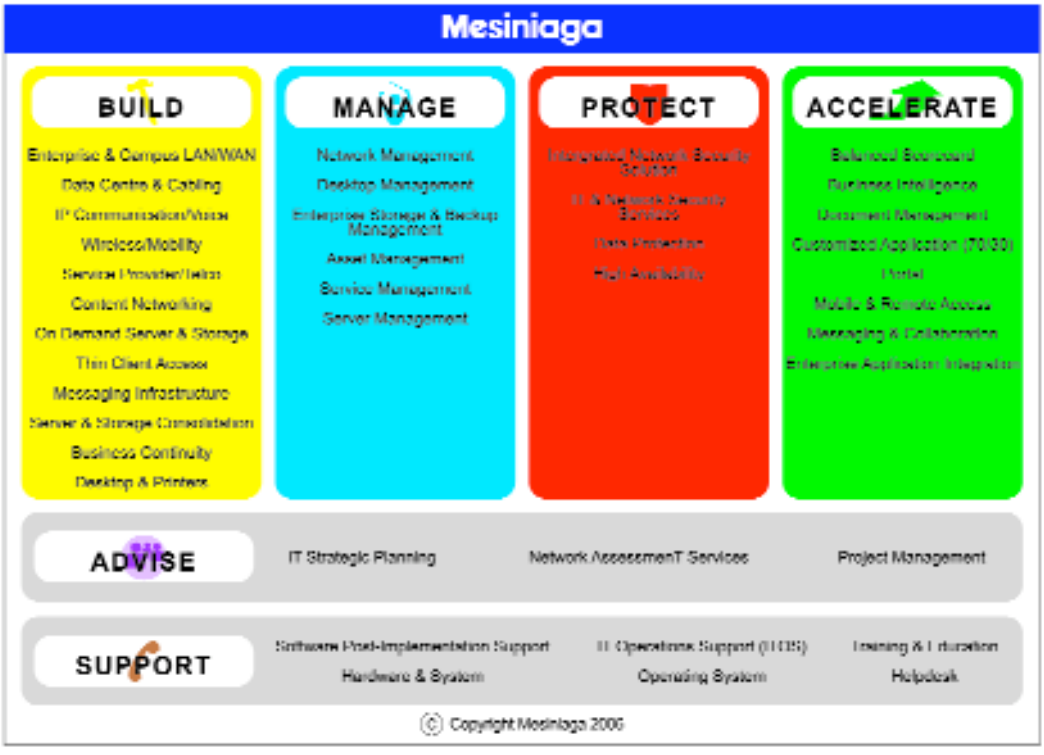
Our customers are ensured the continuous 'advice' and 'support' from Mesiniaga in delivering solutions of greatest added value to them. Our commitment to our customers are represented by the Molecule and Diamond concept, that illustrates our promise in delivering solutions of highest quality.

The Molecule & Diamond:

The molecule consists of various atoms linked together, symbolises strength, stability, and sustainability. It illustrates how different components fuse together, creating a complete offering; a firm foundation upon which further endeavours can be built on.

The diamond is a precious stone and one of the world's hardest structures. Its strength is crystallised in its basic molecule structure.

The diamond and molecule reflects the promise of Mesiniaga's solutions - a complete, robust and valuable answer which customers can depend on to achieve success.



The Mesiniaga Solutions Map

BUSINESS SOLUTIONS

The products and services that Mesiniaga offers have been grouped together as market relevant ICT solutions, that meet and exceed customers' requirements. These solutions have been segmented into how they empower businesses. The segmentations are: ***Build, Manage, Protect, Accelerate, Support and Advise.***

Build

We build reliable and scalable ICT systems for any business. Regardless of the requirements, Mesiniaga can deliver the building blocks needed for a solid ICT infrastructure. This encompasses systems hardware and software, connectivity solutions and other fundamental components.

Manage

In ensuring optimum performance and availability for ICT infrastructures, Mesiniaga provides winning answers that allow businesses to align and control system processes and resources. Managing systems allows customers to measure the performance and productivity of their systems and gain improved efficiency and effectiveness throughout the organisation.

Protect

Mesiniaga safeguards customers from both external and internal ICT threats. Our protection offerings ensure system security for smooth business flow and peace of mind.

Accelerate

Delivering a competitive edge to businesses, Mesiniaga offers a suite of cutting edge solutions. These best of breed answers allow for maximisation of business potential, allowing businesses to better harness resources and gain a winning advantage in the marketplace.

Support

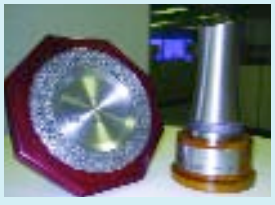
We extend continuous technical assistance, maintenance and coverage throughout the entire ICT infrastructure. Customers' business needs are well addressed and they gain a solid foundation to fall back on, when and where required.

Advise

We provide strategic consultation and conceptualisation throughout the ICT architecture. This consists of expert insight and professional counsel from our team of ICT specialists to ensure that systems achieve the best fit with organisational requirements.

awards & achievements

Throughout the years, Mesiniaga has achieved a number of performance, achievement and satisfaction awards from global technology partners. These accolades testify to our excellence as a leading IT solutions provider in Malaysia. In 2005, we continued our proud award winning tradition clinching several top industry honours:



IBM Highest Growth Services Partner & IBM Platinum Club Award

At the 2005 IBM Kickoff, Mesiniaga attracted much attention by winning the IBM Highest Growth Services Partner as well as being reselected for the IBM Platinum Club Award. For significantly contributing to IBM's business and reinforcing ourselves as a valuable part of the IBM's Business Partners community, we bagged the Platinum Club Award, an elite distinction among IBM business partners. The IBM Highest Growth Services Partner was given to Mesiniaga to recognise the highest growth rate for IBM services exceeding three hundred percent over the previous year.

Mesiniaga recognised at regional level by IBM

IBM's recognition of Mesiniaga goes beyond the country level with the presentation of the IBM ASEAN Global Services Business Partner Leadership Award. Mesiniaga has continuously demonstrated a differentiation in the Malaysian IT Landscape by adding value to IBM business teams, ensuring many successful delivery and highest quality engagement. Through this award IBM recognises Mesiniaga as a strategic partner for its future growth.

Cisco Best Performance Systems Integrator

Showcasing our capability as leading connectivity solutions specialist, Mesiniaga clinched the Cisco Best Performance Systems Integrator on a track record of strong performance, networking business growth and meeting Cisco's stringent standards for business partners.

AWARDS & ACHIEVEMENTS

Mesiniaga Top IBM Hardware Integrator

Mesiniaga was awarded the Top IBM Hardware Integrator accolade for the 1st Half of 2005. We were cited for being able to differentiate ourselves from our competitors to win in the marketplace. Our key strength - the ability to provide a total integrated solution to customers every time! This is a testimony towards our competence and track record as a leading IT solutions provider and Systems Integrator.

Mesiniaga Wins Top Contributor Award from Pericomp

We took home the Top Contributor Award from ECS Pericomp - IBM software. Pericomp gave us the accolade for an outstanding performance in the IBM software area throughout the first half of 2005.

IBM Portal Competition Winner

Displaying creativity, skill and the ability to think outside of the box, our IWS Application Development team emerged as a winner at the recent IBM Portal Competition. Our team outshone other software partners to take home the Technical Vigilance award and we were cited for delivering one of the best portals in the competition.

Mesiniaga Wins HP Award!

Surpassing 419 other authorised dealers, Mesiniaga clinched Hewlett Packard's 2005 Commercial Imaging & Printing Top Business Partner award. We were cited for our outstanding sales performance in delivering new business as well as repeat sales in the Imaging and Printing category. We were also heralded for our strong support towards HP imaging and printing products.

Mesiniaga Shines At Microsoft Partner Awards

Mesiniaga walked away with the Best Customer Experience award at the Microsoft Partners Award Night on December 9, 2005. We were selected based on our strong customer relations and ability to create positive interactions with key customers. It is a testament to our professionalism and quality as a leading Microsoft solutions provider and partner. All awards were awarded to partners based on their performance from 1 July 2004 to 30 June 2005.

Going Gold Three Years In A Row!

Once again, Mesiniaga was certified as a Cisco Gold Partner in 2005. Achieving the Cisco Gold Certification is a reflection of Mesiniaga's outstanding performance in delivering Cisco solutions as well as in meeting Cisco's world-class quality standards. We continue to satisfy Cisco's stringent requirements in terms of personnel, support, specialisation and customer satisfaction and earned the recognition and acknowledgment from the global leader.

corporate
events highlights

Mesiniaga Holds Career Talk

It was a different scene at the auditorium when 40 IT undergraduates from Taylor's College attended a half-day career talk at Mesiniaga. The students from the RMIT school of Computing had an informative and fun time, learning about the career prospects of the industry, the prospects of working in a dynamic industry and the exciting possibilities that await them as knowledge workers.

Mesiniaga Launches Business Productivity Centre (BPC)

The first in Malaysia and the third in the Aisa, the BPC is a significant strategic step for both Mesiniaga and Microsoft to enhance their competitive advantage by providing a unique means for businesses to gain greater productivity and competitive advantage. Housing various best-of-breed solutions and manned by trained specialists, the BPC enables companies to visualise solutions used by companies around the world and how these offerings boost efficiency, effectiveness and profitability. Present to officiate the launching was the Guest-of-Honour, YB Dato' Sri Dr. Jamaludin Bin Dato' Mohd Jarjis, Minister of Science, Technology And Innovation (MOSTI)

Mesiniaga's HR In the 21st Century!

As a joint effort with Microsoft and Hewitt Associates, Mesiniaga co-hosted a seminar on 'HR in the 21st Century', a strategic knowledge session to help customers tap the workforce's unique potential. The session was also aimed at showcasing how HR can be realigned to support organisational goals.

Mesiniaga Launches Academy

Mesiniaga opened its doors to its first batch of academy inductees consisting of 11 IT graduates from various local tertiary institutions. The Academy, part of our Corporate Social Responsibility (CSR) Programme, represents Mesiniaga's proactive stance in supporting government initiatives to help unemployed graduates.

A helping hand to Malaysian Red Crescent Society

Always ready to lend a helping hand, Mesiniaga made a PC donation to the Malaysian Red Crescent Society (MRCS). The donation was a welcome contribution to the Society's IT unit and will be a major help in assisting the unit with their work, particularly in administrative areas.

Mesiniaga Brings The Power Of Citrix To Customers

To raise awareness of the power of Citrix Access Infrastructure solutions to customers, Mesiniaga recently held a Citrix Awareness event for customers from the commercial sector. The session specifically addressed various business challenges and exposed attendees to strategic offerings such as Workforce Mobility, Remote Office Connectivity, Application Deployment and Business Continuity.

Launch Of Mesiniaga's New Website And Solutions Manual

The new website and manual are clear signals of the business transformation process taking shape within the company. Communicating the excitement and prospects of a brighter, better future, the website and manual reflect the company's new spirit and the arrival of a more innovative and dynamic Mesiniaga.

employee
events highlights

YearStart KickOff

Mesiniaga held its 2005 YearStart KickOff on 17 February 2005 at Sheraton Subang Hotel, Subang Jaya. This KickOff set the tone for a more inspired and successful 2005.

Embracing Change! Who Moved My Cheese?

In helping staff better adapt and embrace the changes under the Business Transformation process, the 'Who Moved My Cheese' program was held in Mesiniaga over several days. Staff responded well to the sessions, citing it as educational and empowering.

Fondly Remembered Cherished Always

Paying tribute to the 'Grand Old Man' and founder of Mesiniaga, Mesiniaga renamed its auditorium in honour of the late Ismail Sulaiman, in a simple yet touching tribute ceremony, attended by both staff and members of Ismail's family. A fitting honour for a great man.

Friendly Futsal Match

A friendly futsal game held at the Subang Racquet and Golf centre, kept the sporting spirit between the IBM and Mesiniaga teams high and charged!

Movie Blockbusters!

As a way to help employees unwind and relax after office hours, a bi-monthly movie screening was introduced at the Auditorium Ismail. Our first film screening, 'Mr and Mrs Smith' was well received by Mesiniaga moviegoers. Adding to the excitement was a lucky draw, with the eventual winner receiving a special prize of GSC tickets!

Final Lap

Heralding Mesiniaga's journey through business transformation, Mesiniaga held its Final Lap Corporate Meet in a fun and entertaining environment. Providing a review of the business as well as outlining future plans, the Final Lap was a well-received event and set the tone for change in the company - creating awareness and excitement for the change process.

Deeparaya At Mesiniaga World!

Mesiniaga treated employees to an evening of good food, entertainment and an all-round of experience of fun and enjoyment at our festive Open House.

Golf Tournament

The golf enthusiasts at Mesiniaga took to the fairway on Sunday, 27 November 2005 for the Enterprise Solutions Division (ESD) Invitational tournament. The event was held at the Bangi Golf Resort and ended up with a lady golfer champion!

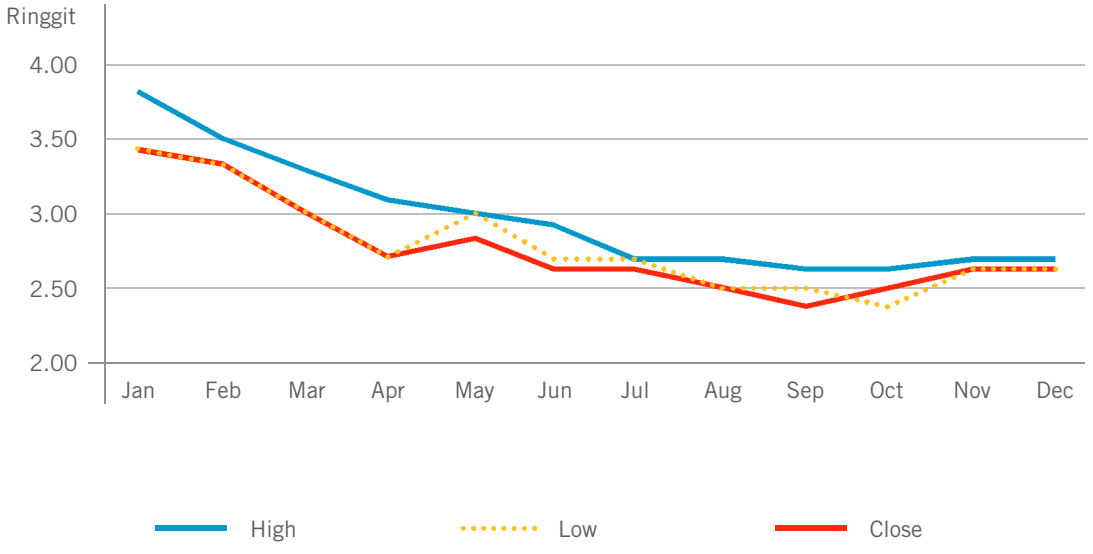
< Transforming Business Through Innovation >

We continuously energise our customers' business and ourselves with renewed ideas, solutions and offerings that create transformational capability - to go beyond current capabilities and to unleash full business potential. Our core competency is our ability to re-invent, be different and deliver a unique value proposition that delivers positive results to all organisations.

our tagline

share price
movements in year 2005

MONTH	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Low	3.40	3.30	3.00	2.70	2.80	2.60	2.60	2.50	2.40	2.50	2.60	2.60
High	3.80	3.50	3.30	3.10	3.00	2.90	2.70	2.70	2.60	2.60	2.70	2.70
Close	3.40	3.30	3.00	2.70	3.00	2.70	2.70	2.50	2.50	2.60	2.70	2.70



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 practice 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 in 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 2005, the Board of Directors met 4 times. Details of the meetings are as follows:

Date & Time	14th April 2005 2.35 p.m.	9th June 2005 10.30 a.m.	27th Sept 2005 9.30 a.m.	15th Dec 2005 9.30 a.m.
DATO' DR. IR. MOHAMAD ZAWAWI ISMAIL	✓	✓	✓	✓
WAN MOHAMED FUSIL WAN MAHMOOD	✓	✓	✓	✓
MOHD PUZI AHAMAD	✓	✓	✓	✓
RAMLI AMAT	✓	✓	A	✓
DATO' WAN ABDULLAH MOHAMAD	✓	✓	✓	✓
NOR HAYATI MOHD. KASIM	✓	A	✓	✓
CHUNG THIAN SINN	✓	✓	✓	✓
VOON SENG CHUAN	✓	✓	✓	A
ZAITON MOHD. HASSAN	✓	✓	✓	✓
FATHIL SULAIMAN ISMAIL	✓	✓	✓	✓

Key: ✓ Attended **A** Absent with apologies

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.

STATEMENT OF CORPORATE GOVERNANCE

Board Balance

The Board consists of two Executive Directors and eight Non-Executive Directors, five of whom are Independent Non-Executive Directors.

As at 31st December 2005, the representation of the members of the Board is as follows:-

		%
Executive Directors	2/10	20
Non-Independent Non-Executive Directors	3/10	30
Independent Non-Executive Directors	5/10	50

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

There is a clear division of responsibility between the Chairman and the Chief Executive Officer to ensure that there is a balance of power and authority.

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 page 34 to 37.

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 by rotation was also presented. The Special Briefings by the Senior Managers was 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.

Appointments to the Board

There were no new directors appointed to the Board during the year.

Re-election

In accordance with the Company's Articles of Association, at least one third of the Directors shall retire and be eligible for re-election by rotation at each Annual General Meeting. All Directors are to retire from office at least once every three years.

Directors' Training

All Board Members have attended the mandatory accreditation programme organised by Bursa Securities. Subsequently, with the exception of Voon Seng Chuan and Fathil Sulaiman Ismail, all Board Members continued and completed the training programmes under the Continuing Education Programme (CEP) within the stipulated timeframe. Both affected directors have undertaken to make themselves available for trainings in Year 2006.

Trainings attended by the Directors encompass fields of laws and regulations, strategic and risk management, valuation and investment.

DIRECTORS' REMUNERATION

The remuneration of Executive Directors is determined by the Remuneration Committee, which is headed by Nor Hayati Mohd. Kasim. 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	Benefit-in-kind RM	Pension RM	Others RM	Total RM
Executive Directors	703,800	0	0	107,963	0	131,536	943,299
Non-Executive Directors	0	153,000	0	0	0	26,880	179,880

Directors' Remuneration in Bands

	No. of Executive Directors	No. of Non-Executive Directors
Below RM 50,000	0	8
RM 350,000 to RM 399,999	1	0
RM 500,000 to RM 549,999	1	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 page 30 and 31.

STATEMENT OF CORPORATE GOVERNANCE

SHAREHOLDERS

Dialogue between the Company and Investors

The Chief Executive Officer 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 announcement 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 pursuant to Section 169 of the Companies Act, 1965 is set out on page 61 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 be continuously reviewing the adequacy and integrity of its system of internal control.

RELATIONSHIP WITH AUDITORS

The role of the Audit Committee is as stated on pages 63 to 65. 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' responsibilities 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 the income statement 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 2005, 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 control environment and framework for risk management, 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 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 implementation of the risk management framework on an enterprise-wide basis is currently ongoing and involves assessing on a regular basis, the degree of risk, the effectiveness of the controls in place and the requirement for additional controls.

The risk management controls focus on methods, tools or responsibilities, culminating as far as possible in measures, checklists or approval requirements.

Risk management is carried out through regular discussions with the management of the Company via ongoing presentations to the Risk Management Committee ("RMC").

Thereafter, the RMC shall form an opinion as to the adequacy of the controls affecting risks which are of material significance to the Company.

The RMC meets four (4) times a year to review the controls required to manage risks. A report on the adequacy of the controls on significant risks is presented to the Board.

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 ongoing reviews of processes and activities within the Company and reports to the Audit and Examination Committee of Directors (AECD). The AECD has full access to both internal and external auditors.

The Board, acknowledging that risk management is an ongoing process, remains committed towards the establishment of a sound system of internal control and therefore recognises that the system must continuously evolve to support the growth and dynamics of the Company's business. As such, the Board, in striving for continuous improvement, will put in place appropriate action plans, when necessary, to further enhance the Company's system of internal control.

The Board of Directors
Mesiniaga Berhad

the audit committee

CHAIRPERSON

ZAITON MOHD. HASSAN
Independent Non-Executive Director

MEMBERS

CHUNG THIAN SINN
Independent Non-Executive Director

NOR HAYATI MOHD KASIM
Independent Non-Executive Director

SECRETARY

SIM SOON PHENG

TERMS OF REFERENCE

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 3 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 (3) 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 chairman of the Committee shall be an Independent Director.

Frequency of Meetings

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

THE AUDIT COMMITTEE

Secretary

The secretary of the Audit Committee shall be the head of internal audit of the company. All meetings shall be minuted.

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 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 recommendation 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 review and verify the allocation of share options granted to eligible staff.
(9) Perform other related duties as directed by the Board of Directors.

Meetings Held

Date	Zaiton Mohd. Hassan	Chung Tian Sinn	Nor Hayati Mohd. Kasim
10/03/2005	✓	✓	✓
23/03/2005	✓	✓	✓
04/05/2005	✓	✓	✓
05/08/2005	✓	✓	✓
25/10/2005	✓	**A**	✓

- ✓ Attended
- **A** Absent with apology

Summary Of Activities

1. Review and approval of financial results announcement to Bursa Securities.
2. Review and adoption of quarterly financial results and yearly financial statements.
3. Review of the related party transactions.
4. Review of the internal audit plan, functions and resources.
5. Review of internal audit reports.
6. Participate in training programmes in related areas.
7. 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.
8. Independent meetings with external auditor.

Summary of Internal Audit Function

1. Preparation of annual audit plan.
2. Perform field audit and assessment for compliance with policies and procedures as well as operating effectiveness and controls.
3. Presentation of reports on audits carried out.
4. Maintenance of effective audit programmes.
5. Planning and coordination of ISO quality audit.
6. Preparation of Audit Committee meeting reports for its review.
7. Secretarial function to the Audit Committee.
8. Provide full cooperation to the external auditors in carrying out their audit.
9. 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 BUY BACK

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 2005 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 RM10,785 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 2005.

REVALUATION OF LANDED PROPERTIES

The freehold land and buildings are revalued by independent professional valuers once in every five years.

The Company did not carry out any revaluation exercise on its landed properties during the financial year.

The latest valuation was done in the previous financial year.

SHARE SCHEME FOR EMPLOYEES

The Audit Committee confirmed that there were no Options allocated pursuant to Employees Share Option Scheme in the financial year 2005.

cover rationale

reaching new horizons

OUR COVER for this year's annual report embodies the spirit of our new vision and mission. Our city skyline along with the world-famous national landmark Petronas Twin Towers, signifies our established presence within the country's ICT industry, and our vision in aspiring to be the 'Malaysian IT Partner of Choice'.

After being in business for a quarter of a century, Mesiniaga is now embarking on a Business Transformation Process as an effort to revitalize ourselves. The theme “reaching new horizons” symbolizes our drive to go beyond our laurels, to aim for new pinnacles and explore new opportunities in advancing our business. We believe that our most important asset is our people. Their ability to work cohesively as an innovative, collaborative, and dynamic team in providing comprehensive business solutions, will result in greatest added value being delivered to our clients.

Mesiniaga Berhad (76914-V)
Menara Mesiniaga
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47500 Subang Jaya
Selangor Darul Ehsan
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