Mesiniaga

ADVANCING THROUGH AGILITY AND INNOVATION

43RD ANNUAL GENERAL MEETING

Thursday, 5 June 2025

2.30 p.m.

1st Floor,
Auditorium Ismail Sulaiman
Menara Mesiniaga
1A, Jalan SS16/1
47500 Subang Jaya
Selangor Darul Ehsan

Scan this QR Code to download our Annual Report 2024

To contact us, please refer to page 06 under Registered Office information

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SABAH
1. Kota Kinabalu
2. Lahad Datu

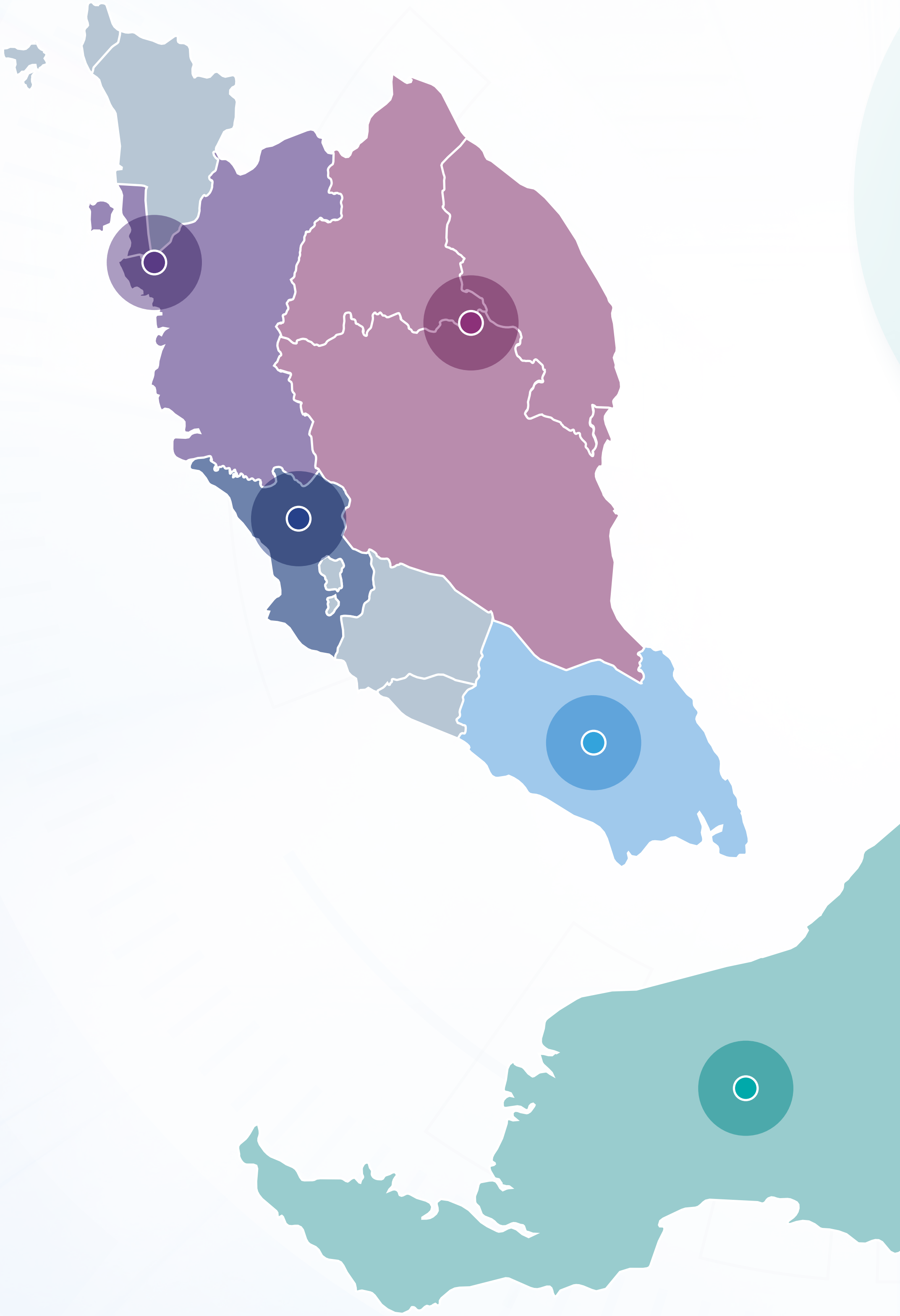
SARAWAK
3. Bintulu
4. Kuching

NORTHERN REGION
5. Pulau Pinang
6. Taiping

EAST COAST
7. Kota Bharu
8. Kuala Terengganu
9. Kuantan

SOUTHERN REGION
10. Batu Pahat
11. Johor Bahru

CENTRAL REGION
12. Subang Jaya



Facts at a Glance

12 Nationwide Service Locations

Incorporated on
17 December 1981

Staff strength of **911** employees
(as of 31 December 2024)

Headquarters
Subang Jaya, Selangor Darul Ehsan

Key Office Locations
Mesiniaga Pulau Pinang
Mesiniaga Johor Bahru

Paid-up Capital of **60.4 million** ordinary shares

Listed on Bursa Malaysia Securities Berhad (Main Market) on
17 November 1999

Corporate Profile

Mesiniaga has been in the technology business for more than four decades. We started as a company selling IBM office products and have evolved into a multi-platform business solutions provider with a paid-up capital of 60.4 million ordinary shares.

Within the last 43 years, the technology landscape has changed tremendously. New trends have emerged resulting in changes in how companies do business. Across the board, companies are constantly looking for solutions that will give them an edge over their competitors. As such, we are continually striving for ways to provide our customers with an experience that will allow them to achieve their business objectives.

This is why we have made it our Mission to Help Customers Succeed, by delivering technology and business solutions to improve customers' business efficiency, productivity and competitive edge, as well as to create new business opportunities for them. We must understand their business needs, environment and challenges to fulfil our mission. This is achieved through close engagement with customers, applying industry best practices and maintaining a business-oriented approach.

Another vital element in enhancing customer experience is through managing customer satisfaction. Hence, we have implemented multiple initiatives to improve service delivery and our understanding of customer needs. Our people are already acknowledged as having superior technical skills, mainly because we encourage them to pursue or upgrade their professional certifications. They undergo considerable soft skills training sessions to improve their understanding of customer requirements and how best to meet them. The end objective of these initiatives is to give our customers full confidence to deal with Mesiniaga.

The strategies implemented to drive customer business performance and enhance customer satisfaction will ultimately translate into improving our business performance. This will allow us to reward our shareholders for their faith in us. To fulfil this promise, we have committed to improving our productivity yield. We are now a group of 911 employees. We have invested significantly in developing measurements of our resource utilisation because all our resources must be employed to their optimum potential.

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

Corporate Profile

OUR VISION

To be the Malaysian IT Partner of Choice

OUR MISSION

Helping Customers Succeed

OUR VALUES

RESPECT
Good conduct towards people, roles, procedures and processes

INTEGRITY
Positive virtues with strong business ethics and professionalism

COMMITMENT
Dedicated to keep our promises to our customers

INNOVATION
Relevant and differentiated products and services in the market

TEAMWORK
Leveraging on our multiple skills and strengths to complement one another as a team

LEADING PARTNERSHIP STATUS

Current Details

- Broadcom VMWare Division Select Partner
- Cataleya Strategic Partner
- Cisco Gold Partner
- Commvault Premier Solution Provider
- Dell EMC Authorised Partner
- Dynatrace Authorised Partner
- F5 Networks Authorised Partner
- Fortinet Select, MSSP Partner
- HP Inc. Authorised Reseller Partner
- HPE Aruba Silver Partner
- HPE Authorised Reseller Partner
- Huawei Silver Partner
- IBM Silver Partner
- Juniper Elite Partner
- Lenovo 360 Infrastructure Solutions Gold Partner
- Lenovo 360 Intelligent Devices Authorised Partner
- Microsoft Gold Partner for Messaging, Application Integration, Data Analytics, Cloud Productivity
- Microsoft Silver Partner for Application Development, Collaboration and Content, Cloud Platform, Small & Midmarket Cloud Solutions, Windows & Devices and Security
- Nutanix Enrolled Partner
- Oracle Partner
- Procera Networks Inc. Authorised Partner
- Red Hat Ready Partner
- Sangfor Authorised Partner
- Trellix Partner
- Trend Micro Bronze Partner
- Ubiqube (Ireland) Limited - Primary Partner
- Veeam Silver Value - Added Reseller Partner
- Veritas Silver Partner

Corporate Information

BOARD OF DIRECTORS

DATUK WAN MOHAMED FUSIL
Executive Chairman

FATHIL ISMAIL
Non-Independent
Non-Executive Director

SIM HONG KEE
Independent
Non-Executive Director

DATUK NOOR AZIAN SHAARI
Independent
Non-Executive Director

DATO' DARAWATI HUSSAIN
Non-Independent
Non-Executive Director

ZAIM HUSNI OMAR
Non-Independent
Non-Executive Director

DR. VEERINDERJEET SINGH A/L TEJWANT SINGH
Independent
Non-Executive Director
(Appointed on 1 August 2024)

VOON SENG CHUAN
Independent
Non-Executive Director
(Retired on 4 June 2024)

AUDIT AND RISK MANAGEMENT COMMITTEE

Sim Hong Kee (Chairman)
Datuk Noor Azian Shaari
Zaim Husni Omar
(Appointed on 5 June 2024)
Dr. Veerinderjeet Singh
(Appointed on 1 August 2024)
Dato' Darawati Hussain
(Ceased on 5 June 2024)

NOMINATION AND REMUNERATION COMMITTEE

Sim Hong Kee (Chairman)
(Appointed on 5 June 2024)
Fathil Ismail
Datuk Noor Azian Shaari
(Appointed on 5 June 2024)
Voon Seng Chuan
(Retired on 4 June 2024)

INVESTMENT COMMITTEE

Dato' Darawati Hussain (Chairperson)
Fathil Ismail
Sim Hong Kee
(Appointed on 5 June 2024)
Voon Seng Chuan
(Retired on 4 June 2024)

COMPANY SECRETARY

Deborah Sharmini Benjamin
(MAICSA 7077164)

COMPANY REGISTRATION NUMBER

198101013112 (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 PLT
(LLP0014401-LCA & AF 1146)
Level 10, 1 Sentral
Jalan Rakyat, Kuala Lumpur Sentral
P.O. Box 10192
50706 Kuala Lumpur
Tel : 03-2173 1188
Fax : 03-2173 1288

PRINCIPAL BANKERS

Maybank Islamic Berhad
Standard Chartered Saadiq Berhad
Citibank Berhad
Bank Islam Malaysia Berhad

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7890 4700

STOCK EXCHANGE LISTING

Listed on Main Market of
Bursa Malaysia Securities Berhad
Listing Date : 17 November 1999
Stock Code : 5011
Stock Name : MSNIAGA
Stock Sector : Technology

Corporate Structure

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

100%
MESINIAGA DIGITAL SDN. BHD.
Provision of design, development and implementation of business solutions and product development

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

Mesiniaga

100%
MESINIAGA MSC SDN. BHD.
Dormant

100%
MESINIAGA SERVICES SDN. BHD.
Dormant

100%
MESINIAGA MOBILITY SDN. BHD.
Dormant

Management Discussion and Analysis

OVERVIEW

Several challenges significantly impacted Mesiniaga's performance in 2024, primarily driven by increased competition, deferral of significant projects due to prolonged customer decision-making, and internal workforce disruptions.

Datuk Wan Mohamed Fusil
Executive Chairman

Management Discussion and Analysis

OVERVIEW

Several challenges significantly impacted Mesiniaga's performance in 2024, primarily driven by increased competition, deferral of significant projects due to prolonged customer decision-making, and internal workforce disruptions. Despite these headwinds, we remain committed to our long-term growth strategy, leveraging our strong financial foundation to pivot toward emerging technological trends, such as Artificial Intelligence (AI), and restructuring our operations for greater resilience.

FINANCIAL HIGHLIGHTS

We closed 2024 with a revenue of RM180.39 million and a loss after tax of RM3.95 million, reflecting the challenges encountered throughout the year. Weak sales performance was a key contributor, stemming from a significant turnover of sales staff, and delays in decisions on projects we bid for, particularly in the government sector. Although we have rebuilt our sales team, the impact of this transition will persist into 2025 until the new team builds sufficient momentum. We expect sales to recover in the second half of 2025, which will be a determining factor in achieving profitability for the year.

Despite these setbacks, our shareholders' equity and net tangible assets remained positive at RM109.22 million as of 31 December 2024, supported by a cash position of RM48.34 million. This financial stability enables us to continue investing in growth initiatives, including AI and operational restructuring.

CHALLENGES AND OPPORTUNITIES

In 2024, we faced intense competition in the government sector, losing several key projects as more players entered the market. Additionally, decisions on large government projects we bid on were deferred to 2025, directly impacting our revenue targets. Internally, the departure of a large number of sales staff significantly affected our market coverage. To address this, we are enhancing our workforce through specialised professional development programs and revised compensation structures aligned with industry standards while rebuilding our sales capabilities.

Amid these challenges, we see significant opportunities. We are intensifying efforts to improve productivity, drive better margins, and lower the revenue threshold for cost recovery. This will support competitive pricing to secure new customer accounts, strategically emphasising expanding into the private sector to balance our business portfolio. Our pivot from traditional IT infrastructure projects to higher-margin areas like application development and managed services, though slower to yield results than anticipated, remains a cornerstone of our growth strategy.

TECHNOLOGICAL TRENDS AND MALAYSIA'S ADOPTION OF ARTIFICIAL INTELLIGENCE

In line with global and local trends, we continue to invest in skill development in Software Application Development, Cybersecurity, and Generative Artificial Intelligence (GenAI). These efforts ensure we meet evolving customer needs and stay ahead of industry shifts. Our Software Engineering team's SWIFT Framework accelerates custom application development by 30%, exemplifying our focus on efficiency and innovation. Meanwhile, our comprehensive cybersecurity solutions address the rising threats commercial enterprises and government agencies face in an increasingly digital landscape.

Recognising the growing importance of AI, we anticipate generating revenue in 2025 through AI-driven solutions that enhance customer productivity. Key developments in 2024, such as Chatgu, Meeting Minutes Taker, which boosts productivity by at least 30%, and our AI Education and Adoption Tracking Portal, position us to meet the rising demand for AI tools. Our investment in prompt engineering training covering over 30% of our knowledge workers further strengthens our capability to leverage GenAI, driving internal efficiency and customer value. These initiatives, alongside our continued growth in application development, offer better margins than traditional ICT infrastructure and align with government priorities and market trends, enhancing our competitive edge.

Management Discussion and Analysis

BUSINESS CONTINUITY RISKS AND MITIGATION MEASURES

With the increased use of cloud and AI models, cyber threats have grown more sophisticated. We have bolstered our security posture with industry-leading tools, comprehensive training, and regular drills, minimising disruptions and safeguarding our data and that of our clients.

SUSTAINABLE PRACTICES AND CORPORATE SOCIAL RESPONSIBILITY

Our commitment to sustainability remains strong. We have reduced energy consumption through LED lighting, optimised ventilation systems, and remote work options while fostering an eco-conscious culture among employees. Socially, we support inclusivity through employee engagement, diversity initiatives, and sponsorship of programs for children with autism, embedding these values into our business strategy. We have also initiated the replacement of the ageing lifts in Menara Mesiniaga to ensure the safety of our employees and visitors.

OUTLOOK FOR 2025

Despite a challenging 2024, we are confident in our path forward. Restructuring efforts aim to improve productivity and reduce overhead costs; financial benefits are expected in 2025. Our refined sales approach will support recovery, targeting corporate and enterprise sectors alongside government projects. Through these measures, improved performance is anticipated in the second half of the year.

AI innovation, expanded managed services, and software development will drive growth, with new revenue streams from AI solutions enhancing customer productivity. By balancing our portfolio and capitalising on high-margin opportunities, we aim to deliver a stronger, more profitable 2025.

ACKNOWLEDGEMENT

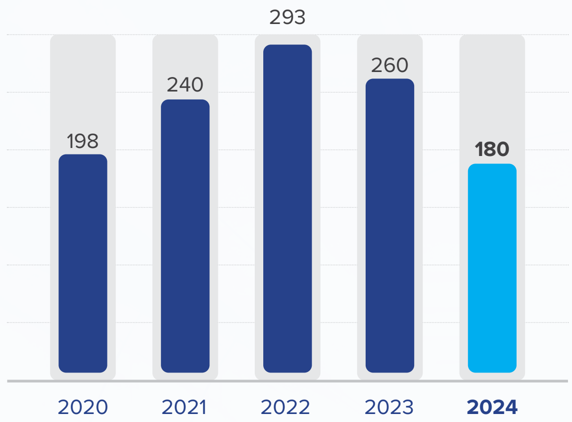
We thank our stakeholders for their unwavering support during this challenging year. We would also like to express our sincere gratitude to Dato' Darawati Hussain for her invaluable contributions and dedicated service. Her leadership and guidance have been instrumental in shaping our journey, and we deeply appreciate her commitment to the Company. As she has decided not to seek re-election at the forthcoming Annual General Meeting, we extend our best wishes for her future endeavours.

Together, we look forward to 2025, a year marked by profitability, growth, and innovation underpinned by transparency and collaboration.

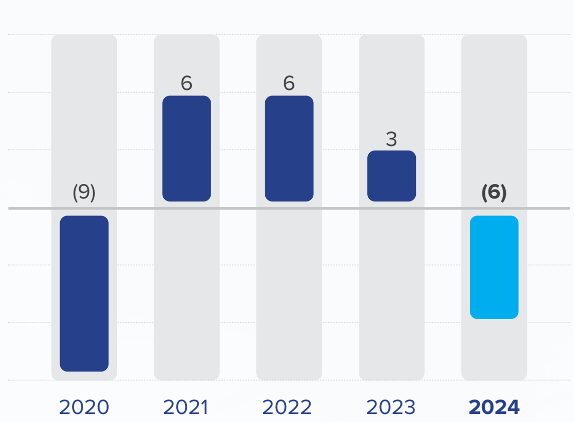
Datuk Wan Mohamed Fusil
Executive Chairman

Five-Year Performance Statistics

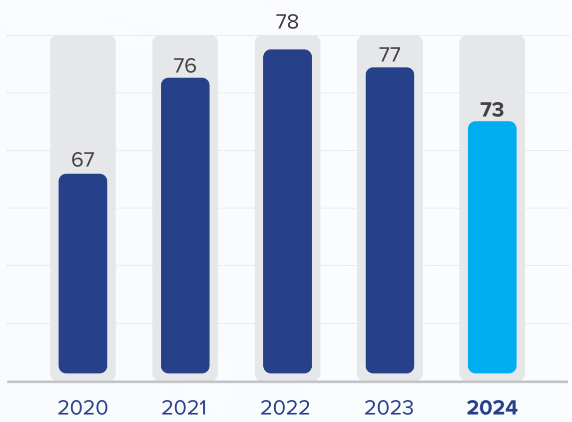
REVENUE (RM Million)



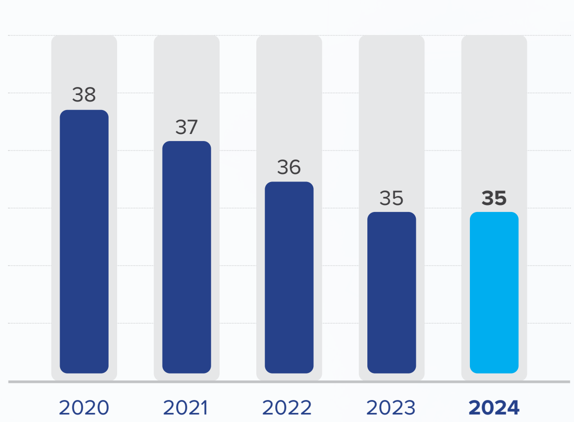
PROFIT/(LOSS) BEFORE TAX (RM Million)



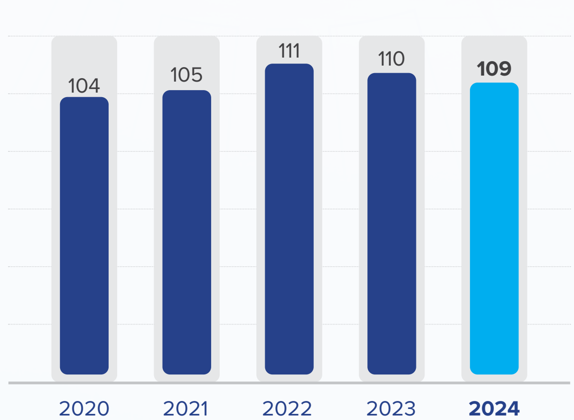
NET CURRENT ASSETS (RM Million)



FIXED ASSETS (RM Million)



SHAREHOLDERS EQUITY (RM Million)



Board at a Glance

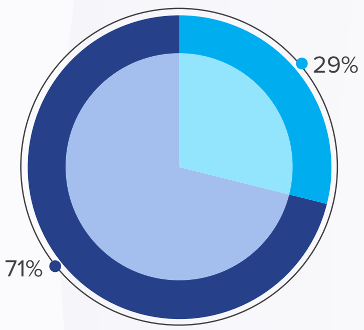
Board Composition

1 Executive Chairman

3 Independent Non-Executive Director

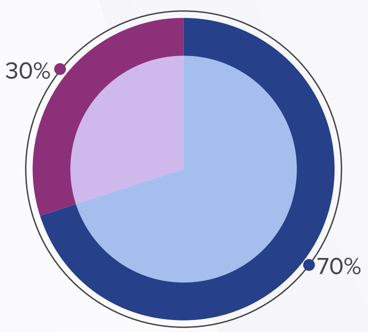
3 Non-Independent Non-Executive Director

Board Tenure



7 years above
0-6 years

Ethnicity



Bumiputera
Non-bumiputera

Board Committee

- Audit and Risk Management Committee
- Nomination and Remuneration Committee
- Investment Committee

Datuk Wan Mohamed Fusil (DMSM)
Executive Chairman

Fathil Ismail
Non-Independent Non-Executive Director

Sim Hong Kee
(C.A. (M), CPA (M), ICDM)
Independent Non-Executive Director

Board at a Glance

Datuk Noor Azian Shaari
(PMW, JSM, KMN)
Independent
Non-Executive Director

Dato' Darawati Hussain
(DIMP)
Non-Independent
Non-Executive Director

Zaim Husni Omar
Non-Independent
Non-Executive Director

Dr. Veerinderjeet Singh Tejwant Singh
(C.A. (M), CPA (M), FCTIM)
Independent
Non-Executive Director

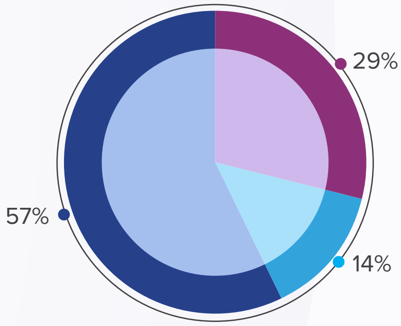
Nationality

Gender

5 Males

2 Females

Age



None of the Board Members have relationships with each other or with any of the substantial shareholders of the Company, except for Fathil Ismail, who has a kin relationship with Safiah Ismail, a substantial shareholder of the Company. They also do not have any conflict of interest with the Company and have never been convicted of anything other than traffic offenses within the past ten (10) years. Apart from the directorship positions held by Sim Hong Kee, Datuk Noor Azian, Dato' Darawati, and Dr. Veerinderjeet Singh in other public companies, as stated in their profiles, none of the Directors hold any directorship positions in any other public companies, other than Mesiniaga Berhad.

Board of Directors

Datuk Wan Mohamed Fusil
(DMSM)

Executive Chairman

74 Age | **Male** Gender | Nationality | **9/9** Attendance

Datuk Wan Mohamed Fusil, a key figure in the Malaysian IT industry, was appointed to the Board of Mesiniaga on 17 December 1981 as part of the team that founded the Company. He served as the Company's Chief Executive Officer from 1 November 2000 and was elected Chairman of the Board on 14 June 2007. After retiring from the position in 2007, he was reappointed as the Chief Executive Officer of Mesiniaga on 25 February 2016.

Before joining Mesiniaga, Datuk Fusil worked at IBM Malaysia, where he held various managerial positions, including Country Manager - Information Products Division. He was one of the first serving Board Members of the Multimedia Development Corporation (MDEC) and one of the founding members of the Association of Computer and Multimedia Industry Malaysia (PIKOM). He held several positions in PIKOM, including Deputy Chairman (1989- 1991) and Chairman (1991/1992).

Datuk Fusil graduated with a Diploma in Accountancy from Universiti Teknologi MARA (UiTM). His contributions to the IT industry in Malaysia have been invaluable, and he continues to be a respected figure in the field.

Board of Directors

Fathil Ismail

Non-Independent Non-Executive Director

60	Male		9/9
Age	Gender	Nationality	Attendance

Fathil Ismail has served on the Board since 1 June 2002. He was appointed as the Company's Managing Director in 2008, a post which he occupied through 2013. He then continued on the Board as a Non-Independent Non-Executive Director. He is a member of the Nomination and Remuneration Committee and Investment Committee.

An accountant by training, Fathil Ismail began his career with Ernst & Young. He then acquired Corporate Finance experience with Arab Malaysian Merchant Bank, before pursuing private enterprise in 1993.

He was a founding partner of Genesis Healthcare and served as its Managing Director until late 2001. Fathil Ismail is an alumnus of the Malay College Kuala Kangsar and graduated from the Association of Chartered Certified Accountants (ACCA).

Board of Directors

Sim Hong Kee
(C.A. (M), CPA (M), ICDM)

Independent Non-Executive Director

69	Male		9/9
Age	Gender	Nationality	Attendance

Sim Hong Kee was appointed to the Board on 1 May 2018. He is the Chairman of the Audit and Risk Committee and the Nomination and Remuneration Committee. He is also a member of the Investment Committee.

He began his career with a public accounting firm before joining IBM Malaysia where, he held various senior local and regional leadership positions in the areas of financial planning; pricing; treasury operations; real estate strategy; taxation; legal; business controls; joint venture evaluation and formation; leasing operations; accounting, sales and credit control.

Some of the senior positions he held in IBM include: Executive Assistant of Asia Pacific Chief Financial Officer; Chief Financial Officer; Country Marketing Operations Manager; ASEAN/South Asia Y2K Executive to lead the successful Y2K transition for all customers and IBM operation; Senior Manager for Key Accounts; ASEAN/South Asia Regional Project Management Office Leader for the divestment of IBM's PC and Printer businesses and Senior Manager of Credit Centre of Excellence for the Asia Pacific, South Korea, Japan and India. He retired from IBM in 2015. In between his time in IBM, he was the Chief Financial Officer cum Human Resource Director of Oracle Malaysia from 1995 to 1997.

Post retirement, he was the Senior Advisor of Business Process and Internal Audit at a prominent local private equity company: Creador Sdn. Bhd. from May 2016 to April 2022 and Independent Non-Executive Director of Tricor Trustco (Labuan) Ltd from July 2021 to December 2023. He is an Independent Non-Executive Director of Hong Leong Assurance Berhad and Guocoland (Malaysia) Bhd. He has attended the Harvard Business School's Senior Management Development Program and the IBM Asia Pacific Advanced Management School. He is a member of the Malaysian Institute of Certified Public Accountants (MICPA); the Malaysian Institute of Accountants (MIA) as well as the Institute of Corporate Directors Malaysia (ICDM).

Board of Directors

Datuk Noor Azian Shaari
(PMW, JSM, KMN)

Independent Non-Executive Director

76	Female		9/9
Age	Gender	Nationality	Attendance

Datuk Noor Azian was appointed to the Board as an Independent Non-Executive Director on 1 July 2019. She is a member of the Audit and Risk Management Committee and Nomination and Remuneration Committee.

She is also an Independent Non-Executive Director of KHPT Holdings Berhad which was listed on the ACE Market on 8 October 2024.

Datuk Noor Azian is a Barrister at Law. She was called to the Bar at the Honourable Society of Lincoln's Inn, London in July 1971.

Upon her return to Malaysia, she joined the Judicial and Legal Service in November, 1971. Whilst in the said service she held various positions amongst them Magistrate, President Sessions Court, Senior Assistant Registrar High Court Malaya, Treasury Solicitor, Official Assignee Malaysia, Deputy Parliamentary Draftsman, Deputy Head of Civil Division, Chairman of the Special Commissioners for Income Tax and Chairman of Tribunal for Consumer Claims.

In September 2005, Datuk Noor Azian was appointed as a Judge of the High Court Malaya. As a High Court Judge she presided over Criminal, Civil and Commercial cases. She retired in July 2014.

Datuk Noor Azian was admitted as an Advocate & Solicitor of the High Court Malaya in 1984.

Datuk Noor Azian is also a Registered Arbitrator of the Asian International Arbitration Centre (AIAC) Kuala Lumpur.

Datuk Noor Azian was an:

1. Independent Non-Executive Director of Deleum Berhad from January 2015 until she resigned on 1 April 2022; and
2. Independent Non-Executive Director of Affin Hwang Investment Bank Berhad from 4 October 2016 for a two-term period of 3 years each until 3 October 2022. From 28 April 2021 until 9 May 2022, she was the Interim Chairman of the Bank.

Board of Directors

Dato' Darawati Hussain
(DIMP)

Non-Independent Non-Executive Director

55	Female		9/9
Age	Gender	Nationality	Attendance

Dato' Darawati Hussain was appointed to the Board as a Non-Independent Non-Executive Director on 11 September 2020. She is the Chairperson of the Investment Committee.

She is currently the Senior Independent Director for RHB Asset Management Group and also is Chairwoman for RHB Private Equity Holdings Sdn. Bhd. Furthermore, she holds director positions in several private limited companies spanning ESG and corporate governance advisory and strategic crisis management communication. Dato' Darawati also contributes as an Investment Committee member for equity funds under Ecologitec Sdn. Bhd. (a wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad).

She has over 30 years of experience in corporate finance, asset management and private equity. She was a European equities portfolio manager for a UK based fund management company with assets under management worth USD70 billion.

She holds a Bachelor in Economics and Accountancy from Durham University, UK and a Master in Business Administration from the London Business School, UK. She is also a Chartered Financial Analyst.

Board of Directors

Zaim Husni Omar

Non-Independent Non-Executive Director

53	Male		8/9
Age	Gender	Nationality	Attendance

Zaim Husni Omar was appointed to the Board as a Non-Independent Non-Executive Director on 16 April 2021. He is a member of the Audit and Risk Management Committee.

He started his career with Permodalan Nasional Berhad (PNB) in 1995 where he stayed in service for 13 years. His career expanded across various strategic and corporate planning positions after his tenure with PNB. Among the positions he held were Head of Corporate Strategy and Investment for MARA Incorporated Sdn. Bhd., Head Group Strategic Planning for Bank Pembangunan Malaysia Berhad and Senior General Manager, Strategic Planning and Investment for MTD Capital Berhad. He is currently the Head of Corporate Affairs at Dayang Enterprise Holdings Berhad.

Zaim has acquired 25 years of invaluable working experience in complex business restructuring and re-organisation. These include financial and treasury management, business development, as well as, corporate and project financing initiatives. He has vast experience in supply value chain for numerous business sectors such as asset and fund management, healthcare, construction, and waste management sectors.

He holds a Bachelor in Business Administration (Finance) and a Master in Business Administration (MBA) majoring in Finance and Investment from International Islamic University Malaysia. He also holds a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australia and an Executive Diploma in Investment Analysis from Universiti Teknologi MARA (UiTM).

Board of Directors

Dr. Veerinderjeet Singh Tejwant Singh
(C.A. (M), CPA (M), FCTIM)

Independent Non-Executive Director

68	Male		4/4
Age	Gender	Nationality	Attendance

Dr. Veerinderjeet Singh was appointed to the Board on 1 August 2024. He is a member of the Audit and Risk Management Committee.

Dr. Veerinderjeet is a seasoned tax expert with over 40 years of experience, currently serving as Senior Adviser on Tax Policy at KPMG Malaysia since March 2024. Previously, he was Non-Executive Chairman of Tricor Malaysia (2020–2024), advising on complex tax matters, fostering government relations, and mentoring executives. Earlier, he co-founded Taxand Malaysia and led Axcelasia Group, listed on the Singapore Stock Exchange after having served as a Tax Partner at Arthur Andersen and Ernst & Young.

Dr. Veerinderjeet has contributed extensively to Malaysia's tax landscape, advising multinationals and government agencies on tax reforms, restructuring, and incentives. He holds key roles such as Vice Chair of the ICC Global Tax Commission and member of the PEMUDAH Paying Taxes Working Group. Internationally, he has served on the Board of Trustees of the International Bureau of Fiscal Documentation and contributes to the International Fiscal Association.

In terms of corporate governance, he has been an Independent Non-Executive Director for entities like AmBank and MARC and chairs the audit committees in both entities. He also served as Senior Independent Director of UMW Holdings Berhad up to February 2024. His leadership roles include past presidencies of MICPA, MIA, and the Chartered Tax Institute of Malaysia. He currently is also independent Non-Executive Director and Audit Committee Chair at Zico Holdings Inc which is listed on the Catalist Board of the Singapore Stock Exchange.

Academically, Dr. Veerinderjeet has held faculty positions at the University of Malaya (Associate Professor), Monash University Malaysia (Adjunct Professor), and Harvard University (Visiting Scholar at the International Tax Programme). He is a published author of books on taxation, including Veerinder on Taxation, and frequently speaks on tax policy, reforms, and corporate governance.

Board of Directors

Voon Seng Chuan

Independent Non-Executive Director

66 Age | Male Gender | Nationality | 5/5 Attendance

Voon Seng Chuan retired as an Independent Non-Executive Director of the Company on 4 June 2024. He was first appointed to the Board as a Non-Independent Non-Executive Director on 24 October 2000 and was re-designated as an Independent Non-Executive Director on 1 April 2013.

During his tenure, he served as Chairman of the Nomination and Remuneration Committee and as a member of the Investment Committee. He concluded his service in both roles upon his retirement on 4 June 2024.

He also held the position of Chairman of AmBank (M) Berhad and Senior Independent Director of AMMB Holdings Berhad up till June 2024.

Since 1983, Voon had served IBM 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 for Asia Pacific.

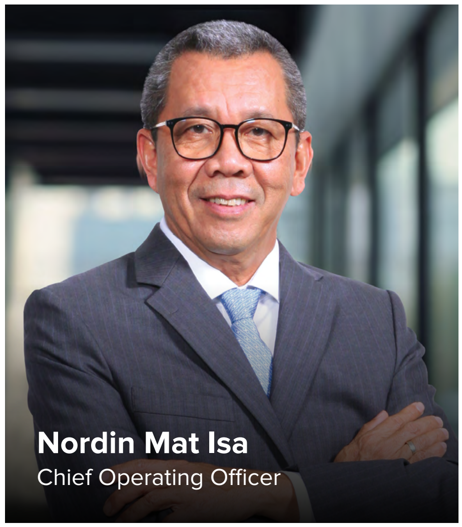
He was also a Council Member of PIKOM (National ICT Association of Malaysia) in 1994-1995 and 1999-2000. In 2013, Voon was recognised with the “Outsourcing Leader of the Year” award by Outsourcing Malaysia. Voon holds a Bachelor of Science (Honours) degree in Mathematics from Universiti Malaya.

Senior Leadership Team

Mesiniaga remains under the guidance of a dynamic, engaged, and experienced Senior Leadership Team, which is also known as the Executive Council (EC) of the Company. The Company endeavors to maintain a well-balanced combination of diversity, skills, and experience to effectively fulfil its responsibilities.

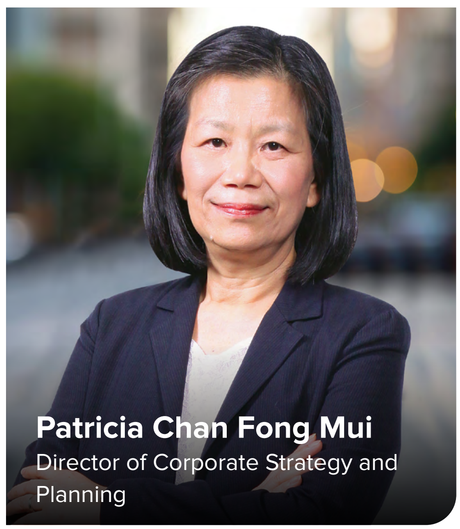
Datuk Wan Mohamed Fusil
Executive Chairman and Chief Executive Officer

Ariffin Abd Majid
Chief Financial Officer



Nordin Mat Isa
Chief Operating Officer

Wong Keng Hoe
Director of Sales



Patricia Chan Fong Mui
Director of Corporate Strategy and Planning

Our Statistics

Gender

4 Males

1 Female

Age

60% 56-60

40% 61 above

Tenure

80% 7 years above

20% 4-6 years

None of the Senior Leadership Team have relationships among each other or with any of the substantial shareholders of the Company. They also 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 ten (10) years. All of the Senior Leadership Team do not hold any directorship positions in any public companies other than Mesiniaga Berhad.

Senior Leadership Team

Datuk Wan Mohamed Fusil

Executive Chairman and Chief Executive Officer

74 Age | Male Gender | Nationality

Refer to Board of Directors' Profile on page 14.

Ariffin Abd Majid

Chief Financial Officer

61 Age | Male Gender | Nationality

Ariffin Abd Majid became an integral part of the Company in February 2017, stepping into the pivotal position of Chief Financial Officer, where he has since become an essential member of the executive team. In this influential role, Ariffin not only oversees the Company's financial affairs but also plays a central role in shaping our strategic financial management. His keen insights and financial acumen have proven instrumental in steering the Company through complex financial landscapes, contributing to our sustained growth and resilience. Ariffin's commitment to excellence is further underscored by his comprehensive approach to corporate financial governance, making him key personnel of the financial success.

Ariffin's professional journey began as an external auditor at Cooper Lancaster Brewers, Chartered Accountants in the United Kingdom, laying groundwork for understanding of financial systems, controls and practices. In 1992, he joined Petronas' Corporate Finance, gaining valuable experience in financial strategy, capital market and project financing. Over the years, Ariffin continued to ascend in the financial realm, joining Business Focus Group as the Group Financial Controller and subsequently serving as the Senior General Manager at Boustead Group.

Prior to his current role with Mesiniaga, Ariffin held the esteemed position of Chief Executive Officer at Dominion Defence Industries Sdn. Bhd., a subsidiary of Boustead. His leadership at the helm of such a subsidiary further underscores his proficiency in navigating complex business landscapes and ensuring organisational success.

An alumnus of Malay College Kuala Kangsar, Ariffin further solidified his financial expertise by graduating from the Association of Chartered Certified Accountants (ACCA), emphasising his commitment to excellence and professionalism.

Ariffin's wealth of experience and financial acuity continue to be instrumental in steering the Company towards financial resilience and sustained growth. As a key member of our executive council, his contributions play a pivotal role in shaping our financial strategies and ensuring the long-term success of Mesiniaga.

Senior Leadership Team

Nordin Mat Isa

Chief Operating Officer

59 Age | Male Gender | Nationality

Nordin Mat Isa began his tenure with the Company in 2008 as the Head of Public Sector Business. His exceptional leadership skills and the successful expansion of the public sector sales scope led to his subsequent appointment as Director of Sales for the Public Sector and Telco Business. Recognising his strategic acumen, Nordin was entrusted with an additional role in March 2017 as the Director of Products and Services. In this capacity, he has been instrumental in driving product-to-market strategies, ensuring customer commitments are fulfiled, and fostering differentiation in our product and service offerings.

In March 2023, Nordin embarked on a new chapter within the Company as the Director of Operations, overseeing all sales operations while maintaining his responsibilities as the Head of Products and Services. With his proven leadership and strategic vision, he was appointed Chief Operating Officer effective March 2024, with comprehensive responsibility for all business and sales operations throughout the Group.

Before joining the organisation, Nordin was the Head of Public Sector Sales at Hewlett Packard Malaysia Sdn. Bhd., bringing with him over 20 years of corporate experience. He holds a Bachelor's Degree in Computer Science, Mathematics, and Statistics from the Australian National University.

Wong Keng Hoe

Director of Sales

59 Age | Male Gender | Nationality

Wong Keng Hoe's illustrious career at Mesiniaga attests to his unwavering dedication and exceptional leadership. Joining the Company as an Information Systems Trainee in 1990, Wong became a pivotal member of the team. His ascent through the ranks showcased not only his technical acumen but also his strategic vision and managerial prowess.

In 1996, Wong assumed the role of Manager for the Network Services Unit, where he played a pivotal role in steering the Company's networking initiatives. His ability to navigate complex technical landscapes and lead teams effectively earned him the position of Senior Manager in 2000.

Wong's trajectory continued upward, and in 2002, he took charge as the General Manager for Network Services and Project Management. In this capacity, he oversaw critical projects and ensured seamless integration of network services, contributing significantly to Mesiniaga's growth and success.

In recognition of his outstanding contributions, Wong was appointed as the Director of Project Management and Solutions Marketing in February 2008. This role further exemplified his strategic thinking and ability to align Mesiniaga's solutions with market needs.

Wong Keng Hoe's academic background is equally impressive, with a Bachelor's degree in Computer Science from Universiti Sains Malaysia, laying the foundation for his comprehensive understanding of the industry.

As the current Director of Sales since February 2018, Wong continues to bring his wealth of experience and expertise to Mesiniaga, contributing to the Company's ongoing success and its commitment to delivering cutting-edge solutions in the dynamic world of technology.

Senior Leadership Team

Patricia Chan Fong Mui

Director of Corporate Strategy and Planning

60 Age | Female Gender | Nationality

Patricia, a graduate from Universiti Sains Malaysia with First-Class Honours in Computer Science, began her career with the Company in 1989. Her skills and vision led to her promotion to Application Development Services Manager in 1998, which marked the start of her impactful managerial career.

In December 2010, she was promoted to General Manager, reflecting her extensive expertise overseeing a few departments such as Solutions Integration, Internal Systems, and Application Development Business.

In 2016, Patricia took on a strategic role as the General Manager for Corporate Strategy and Planning, significantly contributing to the development of our business models and advising our executive team on strategic initiatives and budgeting.

Her achievements were acknowledged in 2021 with her promotion to Director of Corporate Strategy and Planning, and her appointment as Special Assistant to the CEO. Another notable milestone was reached in 2023 when she was chosen to lead our established AI Centre of Excellence (COE), utilising generative AI to boost workforce productivity at Mesiniaga.

Sustainability Statement

INTRODUCTION

In 2015, the Sustainable Development Goals (SDGs) were unanimously adopted by all United Nations Member States, including Malaysia. The SDGs comprise 17 goals and 169 targets, designed to foster peace and prosperity for all people and the planet. These goals have been strategically integrated into Malaysia's national development framework, specifically within the country's 5-year national development plans and government budgets.

As a responsible Public Listed Company (PLC), Mesiniaga Berhad is committed to supporting the Environmental, Social, and Governance (ESG) agenda and aligning it with the Malaysian government's aspirations for sustainable development. This commitment is reflected in our adherence to the guidelines and regulations set forth by Bursa Malaysia Securities Berhad (Bursa Malaysia), specifically:

A. Main Market Listing Requirements;
B. Practice Note 9 (Risk Management and Internal Control, Corporate Governance and Sustainability Statement);
C. Illustrative Sustainability Reporting Guide (ISR); and
D. Sustainability Reporting Guide and its accompanying toolkits (3rd Edition).

Mesiniaga has joined the ESG Association of Malaysia (ESGAM) to keep up-to-date with the latest ESG practices and support the cause of sustainability within our sector. This membership underscores our dedication to implementing best practices and spreading awareness of material sustainability matters across the Group's value chain.

The Group is committed to continuously reviewing and enhancing its sustainability practices and integrating them into its business strategy, operations, and regulatory compliance requirements. The Board approved this Statement on 14 April 2025.

Sustainability Statement

SUSTAINABILITY SCOPE

This Sustainability Statement covers Mesiniaga Berhad and its subsidiaries (the Group)'s sustainability efforts within Malaysia from 1 January to 31 December 2024. The Group has provided relevant data spanning four (4) years to illustrate our progress in key material areas.

OUR SUSTAINABILITY GOVERNANCE STRUCTURE

The Chief Executive Officer (CEO) sets the Group's strategic direction. Committing to the sustainability agenda ensures adequate resources, systems, and processes are in place to address sustainability issues.

To ensure the effective monitoring and implementation of sustainability initiatives, Mesiniaga has established a sustainability governance structure.

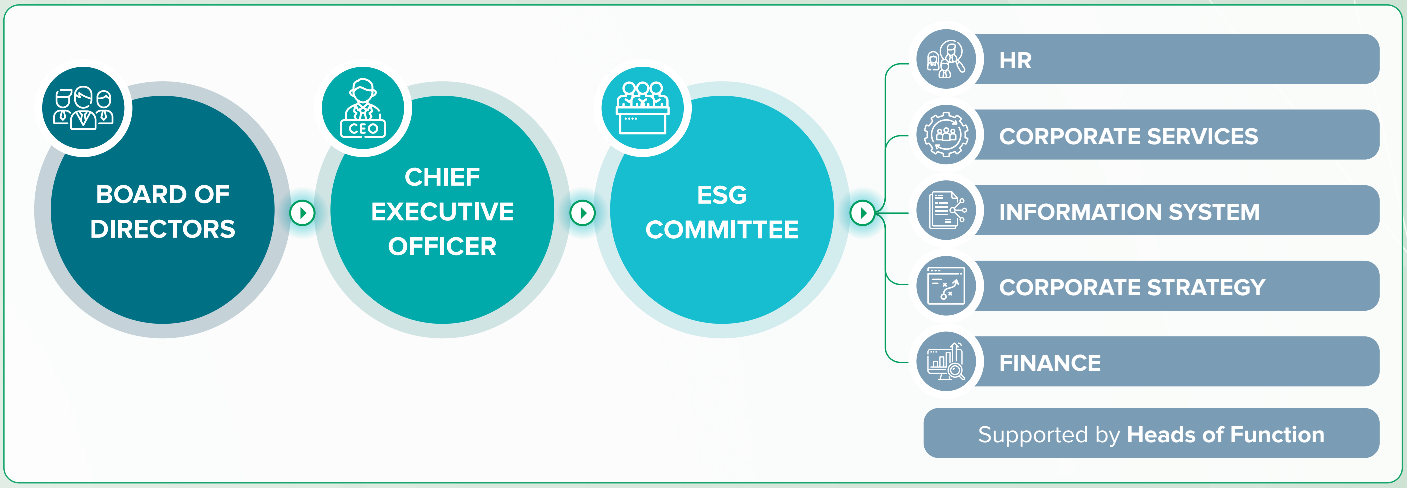


Figure 1: Mesiniaga ESG structure

The Director of Corporate Strategy and Planning chairs the ESG Committee (ESGC). It is responsible for operationalising Mesiniaga's sustainability agenda. The Committee plays a vital role in ensuring that the Group's sustainability goals are aligned with the overall business strategy and effectively implemented.

The roles and responsibilities of the Board of Directors, CEO, and ESGC are summarised in the table below:

BOARD OF DIRECTORS	CEO	ESGC
• Reviews the strategies. • Ensures the measures/initiatives are implemented following the strategies.	• Approves, oversees, and ensures the ESG strategies are aligned with the Group's business strategies and goals. • Reviews the progress in sustainability initiatives implementation.	• Develops the Group's sustainability strategies and initiatives in line with the ESG scope. • Recommend plans and goals. • Tracks progress against pre-defined sustainability plans and goals. • Reports the progress of all sustainability initiatives to the CEO. • Ensures that sustainability disclosure is in accordance with Bursa Malaysia's Listing Requirements.

Sustainability Statement

MATERIALITY ASSESSMENT

Achieving sustainability goals cannot be universally addressed with a one-size-fits-all approach, as each company operates on a different scale and within diverse industries, facing distinct sustainability-related risks and opportunities. Being a provider of IT services, Mesiniaga engages in designing and implementing IT solutions, integrating hardware and software from suppliers, and delivering after-sales services to customers. The Group's sustainability agenda is closely aligned with its core business and the unique challenges and opportunities within the IT sector.

Mesiniaga evaluates its impact on ESG factors by drawing on diverse sources of references. This involves aligning with key themes from the Bursa Sustainability Reporting Guide (3rd Edition) that resonate with our industry, product lines, and operational regions. Additionally, we benchmark against disclosures from peers within our industry to ensure a comprehensive understanding of material ESG matters.

Mesiniaga's sustainability strategy is anchored by an annual materiality assessment designed to identify emerging issues compared to the previous year. This process involves collecting operational data, evaluating the significance of identified matters, and pinpointing the most critical issues for the Group and its stakeholders. This approach ensures our sustainability efforts remain focused on the areas of most significant relevance and impact for our organisation and its stakeholders.

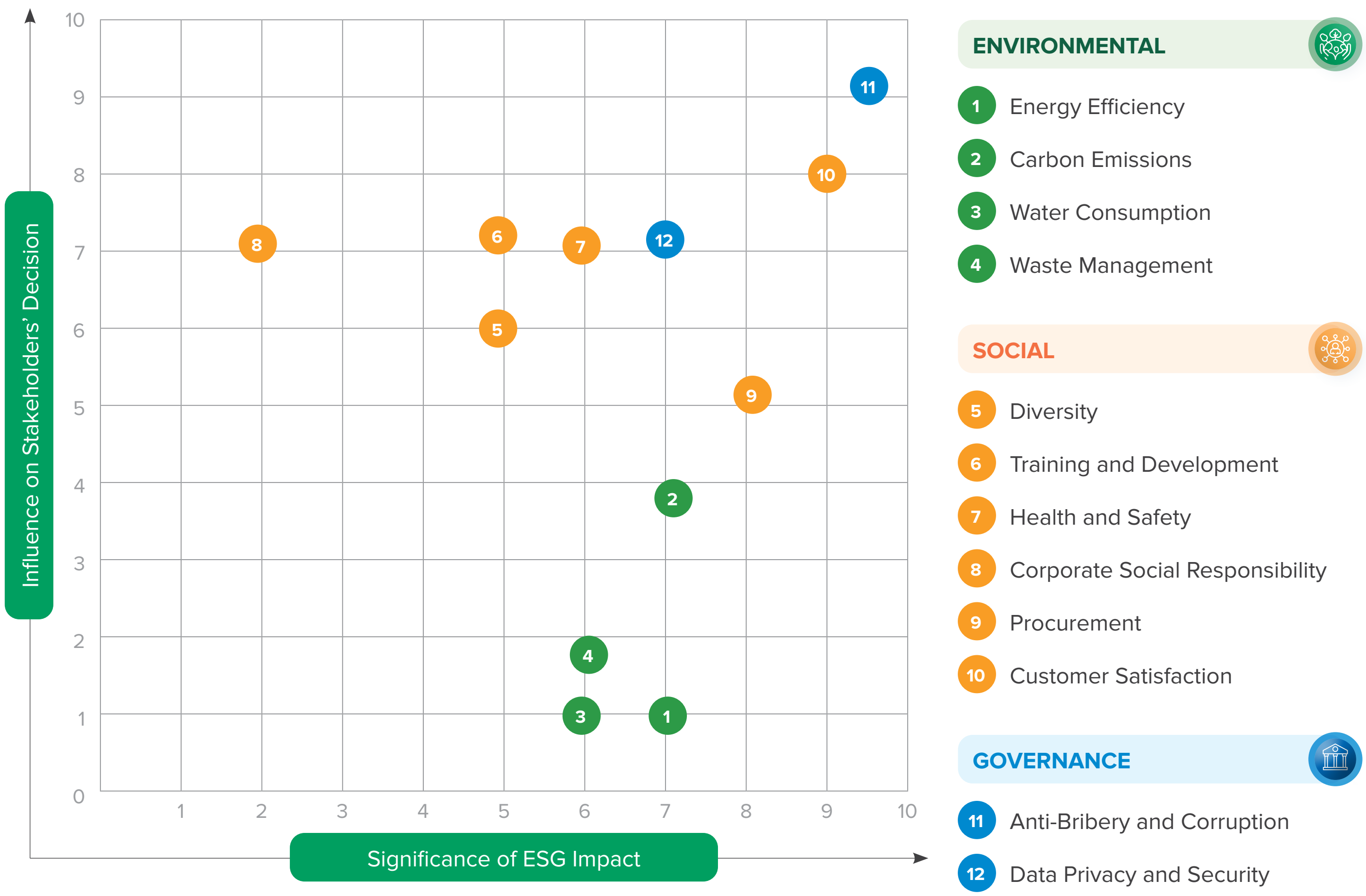


Figure 2: Mesiniaga Berhad's Materiality Map

Sustainability Statement

ENVIRONMENTAL

At Mesiniaga, our commitment to environmental sustainability is central to our mission. We recognise our critical role in preserving natural resources and strive to minimise our ecological footprint across all operations. Our efforts focus on reducing waste, conserving energy, and promoting biodiversity through innovative strategies and responsible practices. This section outlines our initiatives and achievements over the past year, showcasing our dedication to creating a sustainable future for the planet and our communities.

Menara Mesiniaga, an iconic structure in Subang Jaya, Selangor Darul Ehsan, stands as a testament to innovative design and environmental consciousness. Completed in 1992, this remarkable building was conceived by the renowned Malaysian architect Dr. Ken Yeang and continues to be a beacon of sustainable, eco-friendly architecture.

As a pioneering example of bioclimatic design, Menara Mesiniaga integrates sustainability principles minimises its environmental footprint and maximises occupant well-being.

Key Features of Menara Mesiniaga's Green Building concept:

I. **Bioclimatic Design:** Menara Mesiniaga's design harmonises with the local climate, creating an environment that synergises with natural elements, enhancing energy efficiency and occupant comfort.

II. **Energy Conservation:** The building utilises a range of energy-saving features, incorporating passive design strategies that leverage sunlight, wind, and natural ventilation for heating, cooling, and lighting, significantly reducing energy consumption.

III. **Solar Shading:** To combat solar heat gain, the building features advanced solar shading elements, including external louvres and sunscreens, effectively minimising the need for artificial cooling systems.

IV. **Natural Lighting:** The design maximises natural light through expansive windows and strategically placed openings, reducing reliance on artificial lighting and contributing to a healthier, more sustainable indoor environment.

V. **Occupant Comfort:** Above all, the design prioritises the comfort and well-being of its occupants, focusing on natural ventilation and thermal comfort to create an optimal, healthy indoor environment.

Menara Mesiniaga stands out as a pioneering force in sustainable architecture. It continues to inspire future generations of environmentally responsible design. Its forward-thinking approach remains a symbol of the enduring relevance of green buildings in an ever-evolving world.

Sustainability Statement

1.0 Energy Efficiency

Energy efficiency is a cornerstone of sustainability, achieving desired outcomes while minimising energy consumption. Energy efficiency drives environmental conservation and delivers significant cost savings by reducing energy waste and optimising resource utilisation. As a key focus area, it is essential in advancing our commitment to sustainable practices, reducing our carbon footprint, and ensuring long-term operational efficiency.

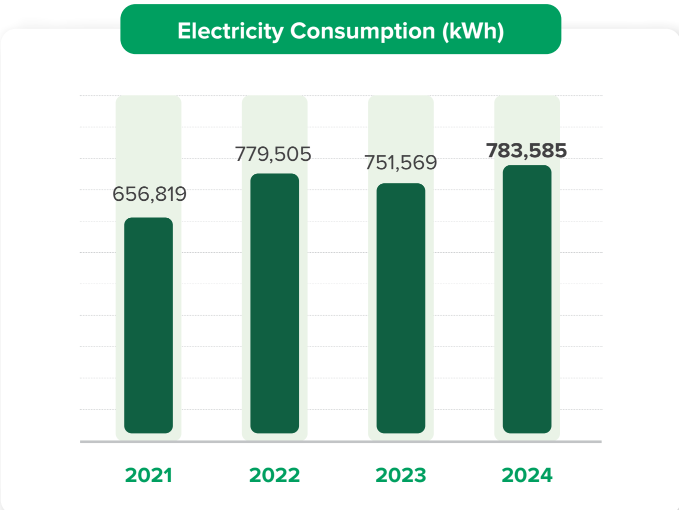


Figure 3: Electricity consumption in kWh from 2021 to 2024

The bar graph illustrates the electricity consumption (in kWh) from 2021 to 2024, with a notable comparison between 2023 and 2024. In 2023, electricity consumption was recorded at 751,569 kWh, in 2024, it increased to 783,585 kWh, showing an increment of 32,016 kWh or approximately 4.26%. The rise in electricity consumption can be attributed to multiple factors. The primary driver is the increased return of employees to the office, leading to higher occupancy and more significant energy usage. Additionally, "Fun at Work" activities and Kelab Islah dan Amal Mesiniaga (KIAM) initiatives contributed to higher consumption due to extra facilities. The rise in tenders and business activities also necessitated overnight operations, increasing electricity demand. Moreover, the deployment of larger chillers to meet cooling requirements, combined with hot weather conditions that extended air conditioning usage, increased energy consumption in 2024. These operational, environmental, and workforce-related factors collectively account for the observed increase.

Energy-Saving Initiatives

At Mesiniaga, we are committed to driving sustainable practices through energy-saving initiatives aimed at significantly reducing our energy consumption. The following ongoing measures are central to our efforts:

Adopt Energy-Efficient Appliances	Replace all incandescent bulbs with long-lasting, energy-efficient LEDs, and upgraded air conditioning units with high-efficiency models to reduce electricity usage.
Promote Lighting Discipline	Encourage employees to turn off lights in unoccupied areas, ensuring that energy is used only when necessary.
Minimise Power Consumption	Encourage unplugging unused devices, like chargers and computers, to reduce unnecessary energy use draw from equipment left on standby.
Maintain Systems for Optimal Efficiency	Regular servicing of ventilation and air conditioning systems to maintain efficiency, reduce energy waste, and improve performance.
Support Remote Work	Flexible remote work options reduce office occupancy, helping to lower energy consumption.
Employee Education and Awareness	Educate employees on energy-saving practices through posters, encouraging mindful energy use.

2.0 Carbon Emissions

Carbon emissions, primarily composed of carbon dioxide (CO_2) and other greenhouse gases, are a major contributor to climate change, driving global temperature rise, extreme weather events, and environmental degradation. At Mesiniaga, our small carbon footprint is generated through various operational activities, with the most significant contributors being energy consumption within our office facilities and travel-related emissions from employee commuting and business trips by air and road.

Recognising the need for precise measurement and effective mitigation strategies, we have implemented the Alibaba Cloud – Sustainability Cloud, a cutting-edge digital platform designed to track, analyse, and report carbon emissions with high accuracy. This solution enables us to assess our environmental impact in real-time. It aligns our reporting methodology with the internationally recognised Greenhouse Gas (GHG) Protocol, ensuring compliance with global sustainability standards. By leveraging advanced data analytics and cloud-based sustainability tools, we aim to enhance transparency, optimise energy efficiency, and identify actionable opportunities to reduce our carbon footprint, reinforcing our long-term commitment to environmental responsibility and sustainable business practices.

Scope 2

Since 2023, we have taken a proactive approach to monitoring our Scope 2 emissions, specifically related to indirect carbon emissions from electricity consumptions used in our operations. To establish a clear baseline and track progress over time, we have retrospectively analysed our energy consumption data from 2021 to the present, enabling us to identify trends, inefficiencies, and areas for improvement.

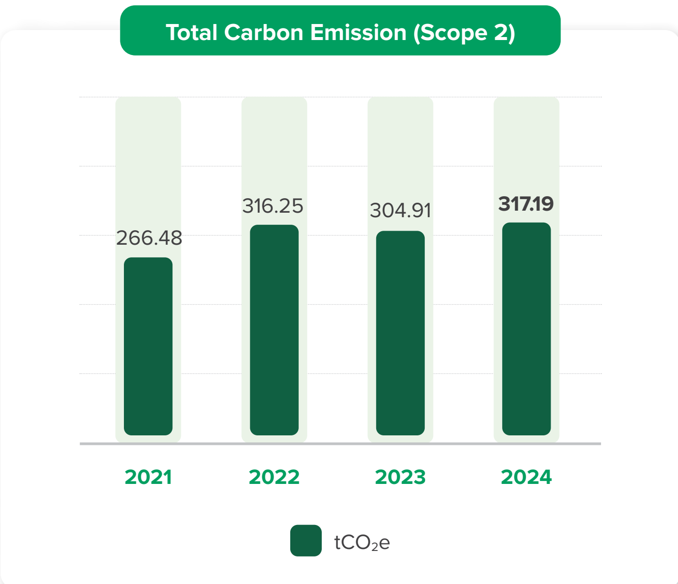


Figure 4: Scope 2: Purchased energy indirect GHG emissions by Mesiniaga from 2021 to 2024

The bar graph depicts the total carbon emissions (in tCO_2e) from 2021 to 2024, focusing on comparing 2023 and 2024. In 2023, the total carbon emissions were recorded at 304.91 tCO_2e; in 2024, they increased to 317.19 tCO_2e, reflecting a rise of 12.28 tCO_2e, or approximately 4.03%. This increase is closely aligned with the rise in electricity consumption during the same period, as energy usage directly influences carbon emissions. The return of more employees to the office in 2024, coupled with activities such as extended working hours, the use of bigger chillers, and environmental factors like hot weather, significantly contributed to the increase in carbon emissions. These factors collectively underscore the environmental impact of higher energy demand and operational activities in 2024.

Scope 3

Since Quarter 1 (Q1) 2024, we have expanded our sustainability initiatives to include Scope 3 emissions, allowing for a more comprehensive evaluation of our environmental impact. To accurately measure our carbon footprint, we have systematically gathered total mileage data from multiple sources, focusing on employee commutes and business travel. Employee commute mileage is assessed through monthly attendance reports and travel claims, capturing trips to the office, customer locations, and other work-related destinations. Additionally, overseas travel mileage is tracked to account for flight emissions. By integrating these data points, we aim to refine our carbon emission calculations, enhance transparency in our reporting, and strengthen our commitment to sustainability by identifying areas for potential reduction in travel-related emissions.

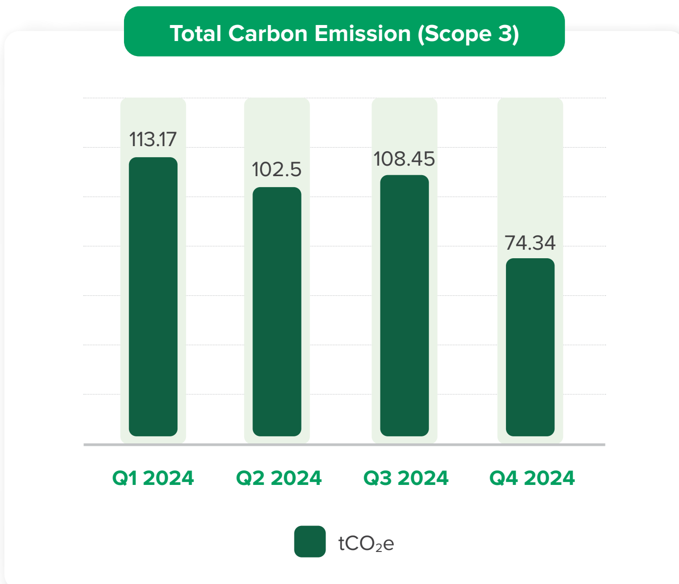


Figure 5: Scope 3: Value chain indirect GHG emissions by Mesiniaga from Q1 2024 to Q4 2024

The bar graph illustrates the total carbon emissions (in tCO_2e) for Scope 3 across all four quarters of 2024, highlighting fluctuations in emissions throughout the year. In Q1 2024, the total carbon emissions were recorded at 113.17 tCO_2e, followed by a slight decrease to 102.5 tCO_2e in Q2 2024. However, emissions rose again in Q3 2024, reaching 108.45 tCO_2e, before experiencing a significant drop to 74.34 tCO_2e in Q4 2024. The decline in Q4

Sustainability Statement

is primarily attributed to reduced travel activities, as business-related trips typically slow down towards the end of the year. The variations in emissions across the quarters reflect the direct impact of employee travel and business factors on carbon output, reinforcing the importance of monitoring and optimising travel and operational efficiency to minimise environmental impact. Moving forward, this monitoring effort will be conducted annually.

3.0 Water Consumption

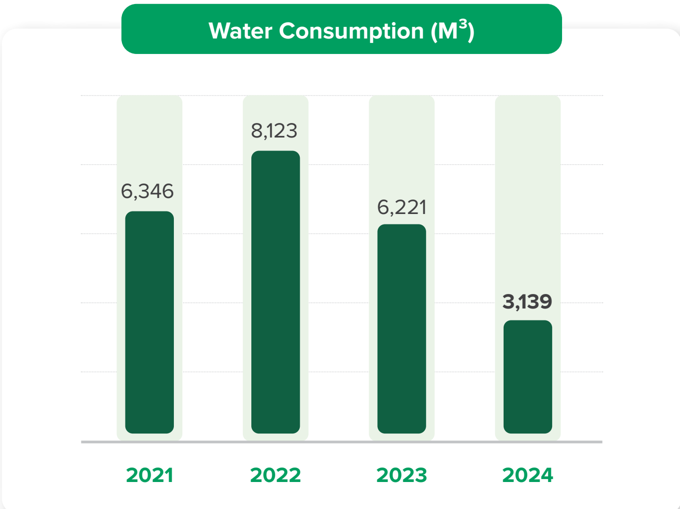


Figure 6: Water consumption in (M³) from 2021 to 2024

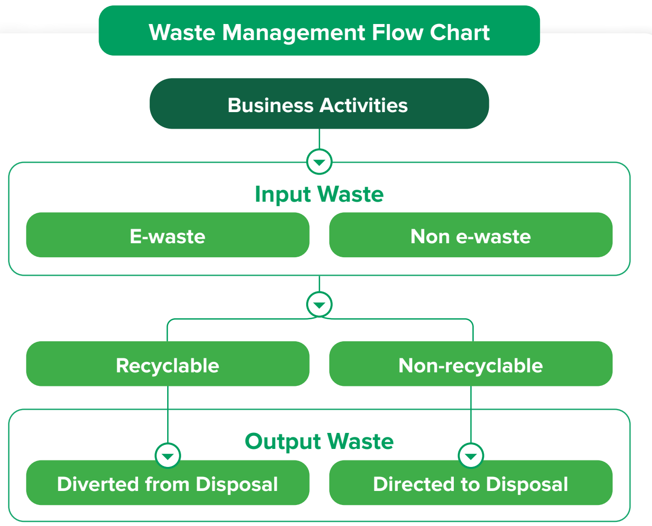
The graph shows a significant reduction in water consumption between 2023 and 2024. In 2023, water usage was 6,221 m^3, sharply declining to 3,139 m^3 in 2024, representing a reduction of 3,082 m^3 or approximately 49.5%. The significant decrease in recorded water consumption was mainly due to the replacement of the water meter by Air Selangor in July 2024. Previously, the meter relied on estimated readings. With the installation of the new meter, precise measurements are now being taken, capturing the accurate consumption levels. This shift from estimated to actual readings explains the noticeable drop.

Managing water consumption efficiently is the key to conserving this valuable resource and minimising environmental impact. Mesiniaga is committed to reducing water usage through the following initiatives:

Prevent Water Leakage through Proactive, Regular Maintenance	Water leaks are a major source of wastage. Through proactive maintenance and inspections, we swiftly identify and repair leaks, preventing unnecessary water loss.
Expand the Collection and Reuse of Rainwater by Increasing the Number of Storage Containers	Adopt rainwater harvesting systems to capture and utilise rainwater for non-potable purposes, such as irrigation and cleaning, thereby reducing reliance on freshwater.
Promote Responsible Water Usage	Educate employees about mindful water use through posters and reminders.
Monitor Water Consumption	Track and analyse water usage patterns to identify opportunities for further reduction.

4.0 Waste Management

Effective waste management is critical in addressing the environmental challenges posed by waste generation and disposal. It plays a vital role in fostering a sustainable and healthier future. Mesiniaga is committed to maintaining comprehensive systems for the responsible collection, recycling, and disposal of all waste types, including both electronic waste (e-waste) and non-electronic waste (non e-waste).



Notes:

i. E-waste : Internal used IT related equipments, including notebooks, servers, network switches, external hard disks, monitors, etc.

ii. Non e-waste : Internal used of papers, plastics, boxes, cans, rubbish, etc.

Sustainability Statement

E-waste, comprising electronic devices and equipment that have reached the end of their life cycle, often contains hazardous materials that pose significant environmental and public health risks. To mitigate these dangers, Mesiniaga ensures the responsible disposal of e-waste by engaging licensed contractors who fully adhere to government regulations and industry best practices.

Non e-waste encompasses all waste that is not electronic or electrical, including a wide range of materials and substances unrelated to electronic devices. In September 2023, Mesiniaga initiated tracking and quantifying non e-waste, primarily focusing on general waste generated during office operations. This initiative offers critical insights into waste generation patterns, allowing us to monitor, assess continuously, and address areas that require further action. Mesiniaga remains dedicated to rigorously tracking and reporting on non e-waste to drive ongoing improvements in waste management practices.

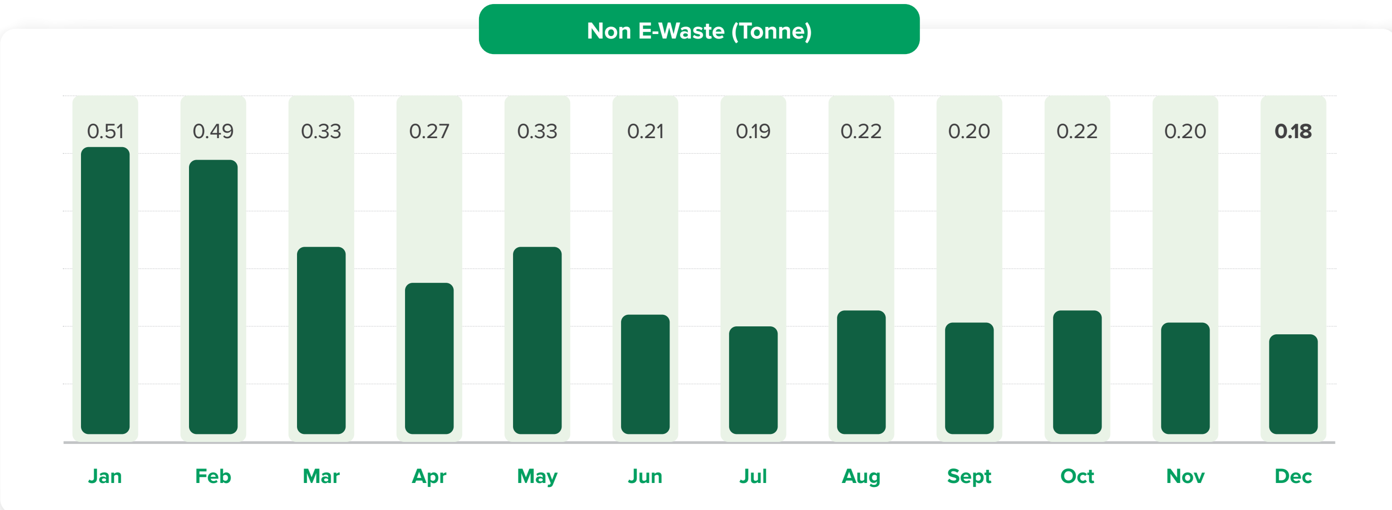


Figure 7: Total non e-waste weighed at Mesiniaga from January to December 2024

Recycling

Recycling is essential in reducing waste and minimising environmental impact. Our dedication to sustainability is reflected in our comprehensive recycling efforts, which include the collection of paper, cardboard, plastics, e-waste, aluminium, and bottles. These initiatives highlight our commitment to environmentally responsible waste management. Mesiniaga has implemented a range of strategic actions within our facilities to strengthen this approach, including:

Recycling Campaign	Conduct a quarterly recycling campaign, strategically placing recycling bins on the lower ground floor to encourage participation and facilitate waste segregation.
Educate and Raise Awareness	Educate employees on the significance of recycling and its environmental impact through targeted communications, including e-mails and informative posters.
E-waste Recycling	Collect and sell old electronics, such as computers, printers, and batteries, through certified e-waste recycling partners.

We partner with a licensed waste management company to responsibly dispose of our recyclables, reinforcing our commitment to sustainability and ethical waste management practices.

Sustainability Statement

Paper Consumption

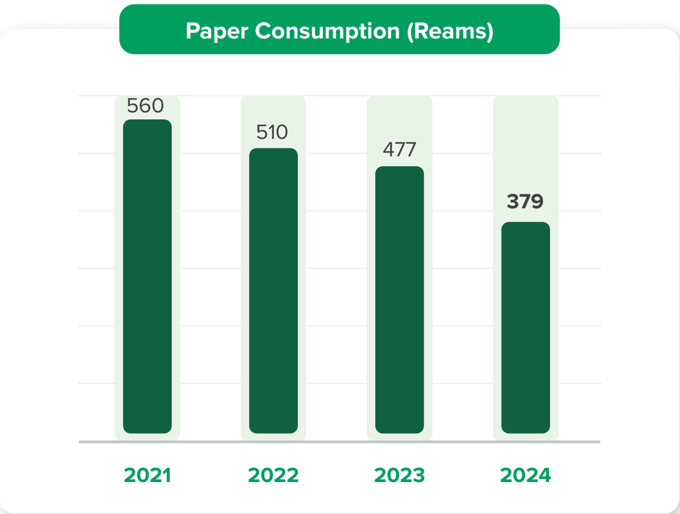


Figure 8: Paper consumption by reams from 2021 to 2024

The graph shows a notable reduction in paper consumption between 2023 and 2024. In 2023, paper usage was 477 reams, which declined significantly to 379 reams in 2024, representing a reduction of 98 reams or approximately 20.5%. This considerable decrease suggests improving paper efficiency or a shift towards digital solutions during 2024. The 2024 figure is the lowest paper consumption recorded over the four years shown, indicating a potential change in sustainability practices or operational adjustments. Despite this reduction, the 2023 paper consumption was consistent with the gradual decrease seen since 2021, reflecting an ongoing trend towards lowering paper usage.

As a company, adopting strategies to lower paper consumption is not only a responsible move from an environmental standpoint but can also provide several operational and financial benefits. Mesiniaga is leading the way by adopting the following strategies to reduce our paper consumption significantly.

Digital Documentation	• **Go Paperless:** Use digital formats for documents and correspondence. • **Electronic Signatures:** Sign and send documents electronically. • **Cloud Storage:** Store files in the cloud or on a network server to eliminate physical copies.
Print Management	• **Print Only When Necessary:** Encourage printing only when essential. • **Duplex Printing:** Use double-sided printing to reduce paper consumption. • **Print Preview:** Check print preview to ensure only needed pages are printed.
Reduce Paper Communications	• **E-mail and Messaging:** Replace paper memos with e-mails or instant messaging. • **Online Meetings:** Hold virtual meetings instead of printing materials. • **Internal Communication:** Use digital platforms or bulletin boards for office updates.
Use Recycled Paper	• **Reuse Paper:** Repurpose one-sided printed documents as scratch paper.

Environmental Initiative

Biodiversity conservation is critical for maintaining the health and stability of ecosystems, supporting human well-being, and ensuring the planet's long-term resilience. Biodiversity promotes human well-being by providing cultural, recreational, and aesthetic values, contributing to our quality of life and psychic well-being.

As part of our commitment to environmental stewardship, we initiated a tree-planting initiative alongside our employees to help protect and preserve biodiversity. On 28 September 2024, Mesiniaga participated in a Tree Planting Program with the Global Environment Centre (GEC) at the Kuala Langat North Forest Reserve (KLNFR), Selangor. This initiative is aligned with our Corporate Social Responsibility (CSR) efforts and supports the Greening Malaysia agenda through the 100 Million Tree Planting campaign. This marks the third consecutive year that Mesiniaga has actively contributed to the GEC program, underscoring our ongoing dedication to environmental sustainability.

Sustainability Statement

SOCIAL

1.0 Diversity in Workforce (without Northern Manufacturing Outsourcing)

The percentage of female employees in our workforce rose by 2% in 2024, reaching 35% as of December. This growth reflects the Company's commitment to fostering gender diversity, mainly by prioritising recruiting women in Executive and Management roles. In these categories, the representation of female employees increased by 1% and 6%, highlighting the success of our focused efforts. The percentage of female employees in Non-Executive roles remained unchanged. This stability demonstrates a consistent representation of women across all workforce levels.

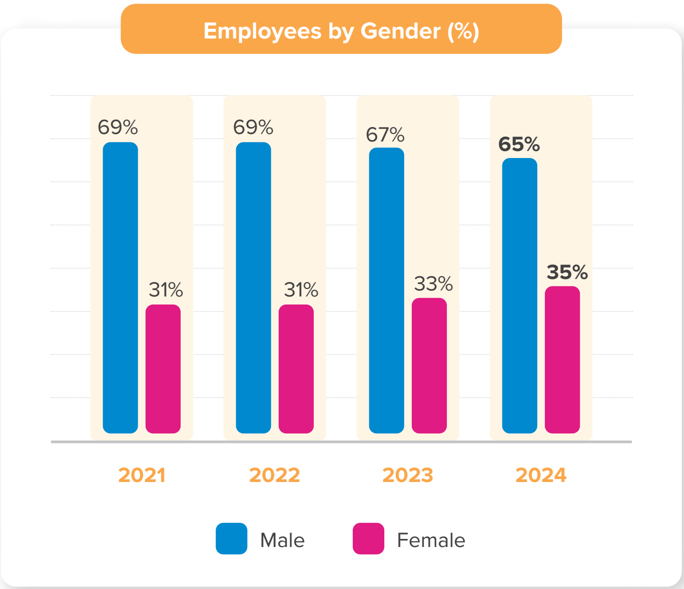


Figure 9: Employees by gender from 2021 to 2024

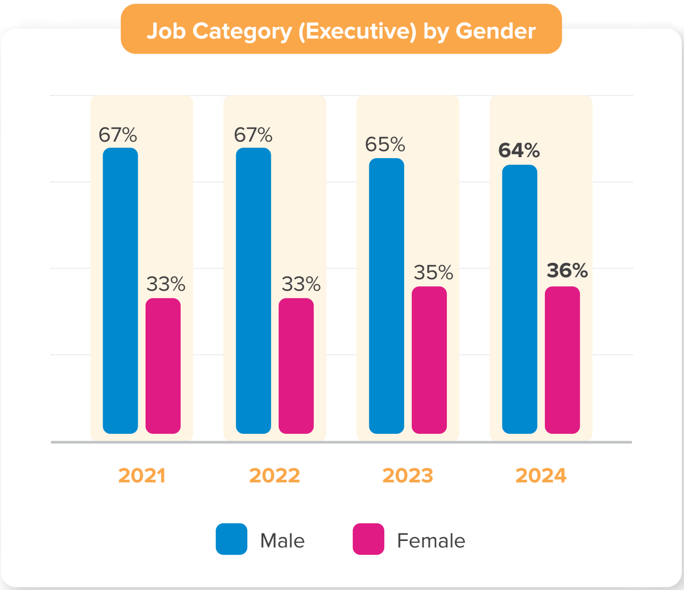


Figure 10: Job category (executive) by gender from 2021 to 2024

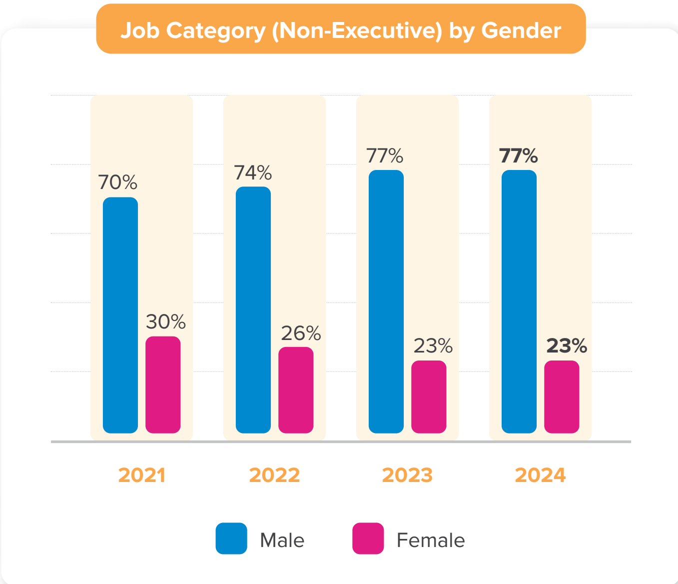


Figure 11: Job category (non-executive) by gender from 2021 to 2024

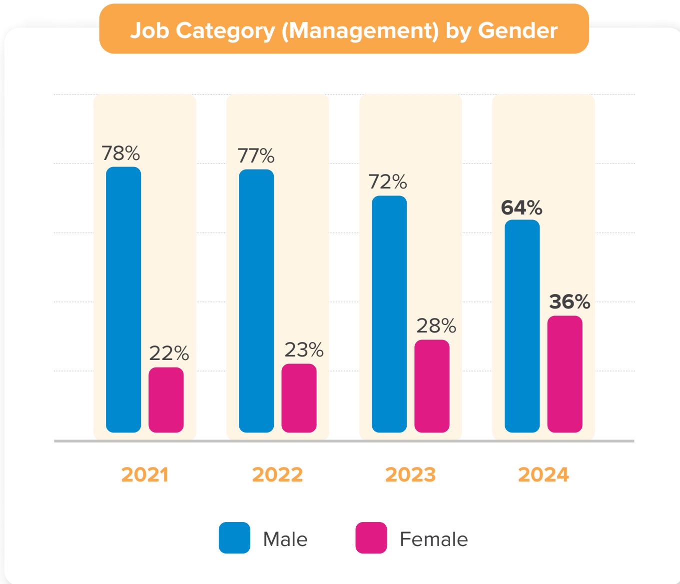


Figure 12: Job category (management) by gender from 2021 to 2024

In 2024, the ethnic composition of our workforce saw notable changes. The representation of Malays increased from 86% to 89%, while the percentage of Chinese employees decreased by 2%, and Indian employees saw a 1% decrease. The proportion of employees from other ethnic groups remained unchanged. The Company recognises the importance of fostering a balanced representation of ethnicities within its workforce and remains committed to keeping this in mind in future recruitment efforts.

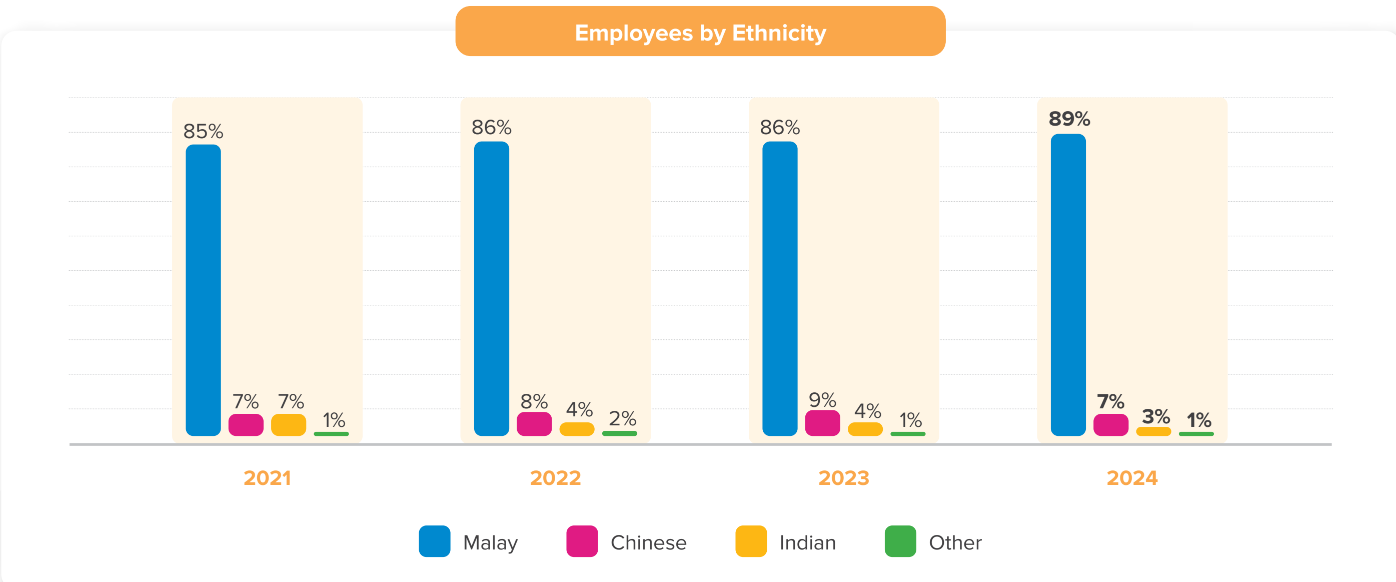


Figure 13: Employees by ethnicity from 2021 to 2024

Sustainability Statement

The age distribution of our workforce experienced some shifts in 2024. Employees under 30 increased by 3%, from 28% to 31% as of December 2024. This growth reflects the recruitment of younger talent and the retention of employees transitioning from the under-30 age group into the next age bracket. Meanwhile, the percentage of employees aged 30 to 50 decreased from 60% to 57%, and the representation of employees above 50 remained steady at 12% for 2023 and 2024.

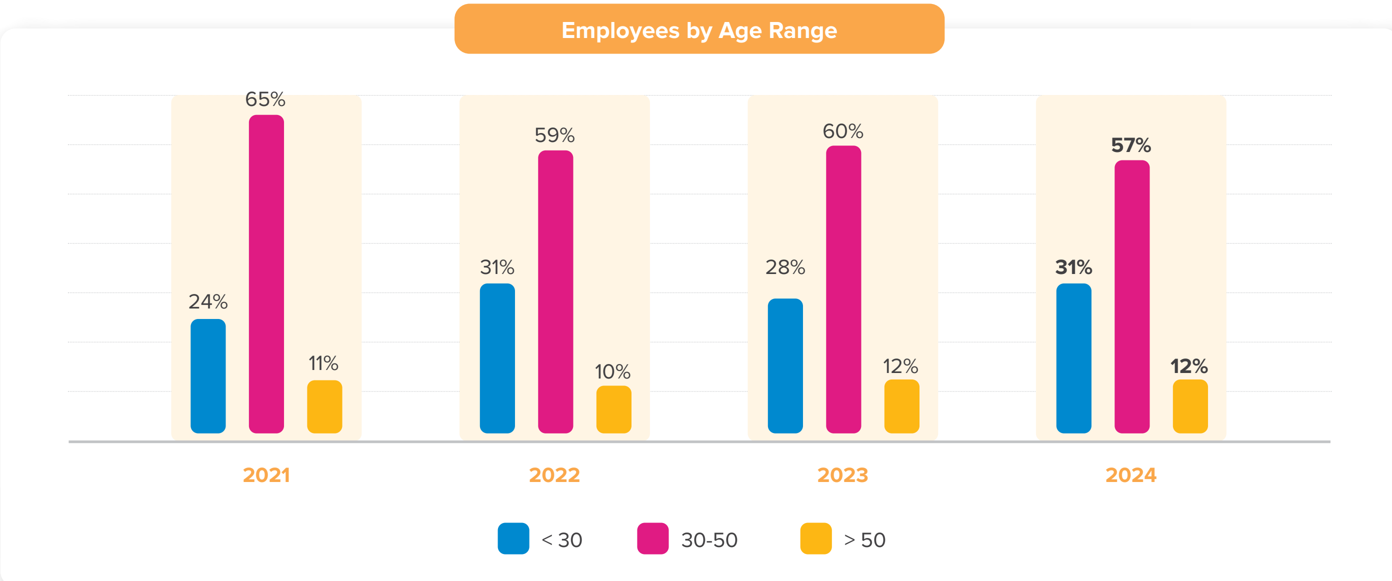


Figure 14: Employees by age range from 2021 to 2024

2.0 Training and Development

In 2024, the total training hours across the Company increased significantly, tripling from 3,763 hours in 2023 to 11,894 hours. Several key factors drove this remarkable growth:

1. **Transformation Initiatives:** The IT Support and Services (ITSS) division undertook significant transformation efforts, focusing on upskilling engineers across various technology areas and levels.

2. **Utilisation of HRDF Funds:** The Company prioritised maximising the utilisation of its Human Resources Development Fund (HRDF) to support employee growth and development.

3. **Team Engagement:** A focus on enhancing team unity and morale through increased team-building activities contributed to the increasing training hours for all categories.

4. **Strengthening Middle Management:** Continued efforts to bolster the capabilities of middle management were central to our training strategy.

5. **Internal Awareness Programs:** The Company also implemented internal awareness programs such as "Prompt Engineering for Beginners" and anti-bribery and corruption compliance activities increasing training hours.

6. **Sharpening Corporate Support Functional Capabilities:** Continuous enhancement to corporate support functions, with targeted training in areas including audit, e-Invoicing, industrial relations, and data protection, helping employees in those functions strengthen key business competencies.

Sustainability Statement

Figure 15: Total training hours from 2021 to 2024

In 2024, the average training hours per employee saw a notable increase, reflecting the Company's commitment to continuous development. With the total training hours rising to 12,000 hours, the average training hours per employee grew significantly across different employee categories:

- **Management:** The average training hours for management employees doubled, increasing from 12 hours in 2023 to 26 hours in 2024.
- **Executive:** Executive employees saw their average training hours increased from 6 to 21 hours.
- **Non-Executive:** Non-executive employees experienced the most substantial increase, with their average training hours rising from 4 to 28 hours.

These increases demonstrate the Company's dedication to providing more learning opportunities across all levels, enhancing employee skills, and fostering growth within the organisation.

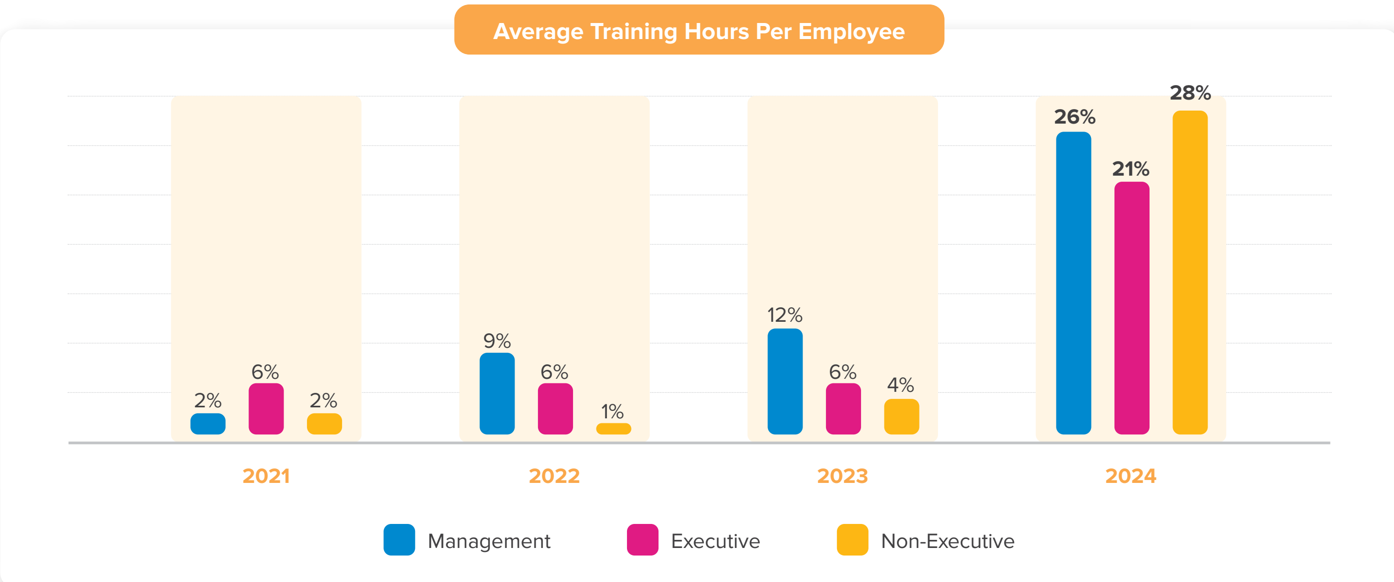


Figure 16: Average training hours per employee from 2021 to 2024

3.0 Health and Safety

At Mesiniaga, we recognise that the well-being of our employees is fundamental to the success of the Company. We believe that healthy workforce is a productive; we offer the Executive Health Screening (EHS) program to support this. This initiative is designed to help our staff, mainly those aged 35 and above, take a proactive approach to their health. It reflects our ongoing commitment to the wellness of our team.

Sustainability Statement

Through comprehensive health screenings, the EHS program helps employees identify potential health concerns early on, allowing them to make informed decisions about their well-being. This proactive health strategy provides peace of mind and fosters a healthier, more engaged work environment.

The EHS coverage includes:

- Every three (3) years, starting at 35 years old.
- Every two (2) years, starting at 50 years old.

At Mesiniaga, the health and safety of our employees remain a top priority. In 2024, we continued to strengthen our wellness initiatives. In addition to the ongoing EHS program, we organised several key health and safety activities to promote overall well-being.

One notable event was the PERKESO Executive Health Screening Program, held on 27 April 2024 in collaboration with the National Cancer Society Malaysia. This program allowed employees to receive comprehensive health screenings focusing on early detection and preventive care.

Later in the year, we hosted the Mesiniaga Health Day on 6 November 2024, a vibrant event designed to support our employees' health holistically. The fair featured a flu shot drive alongside a variety of other health screenings, including posture screening, eye screening, blood glucose testing, hypertension checks, and cholesterol assessments. We invited health-themed food and beverage (F&B) vendors to complement these health initiatives to promote nutritious choices.

We also invited the Malaysian Blind Welfare Association to offer paid reflexology services, provided by skilled massage therapists, further enhancing the event's focus on employee well-being and relaxation.

These programs reflect our ongoing commitment to fostering a healthy and supportive work environment, encouraging employees to take charge of their health and make informed choices for a better quality of life.

At Mesiniaga, we strongly emphasise the safety of our employees, ensuring they are well-prepared to handle emergencies and work in safety-regulated environments. In 2024, we took proactive steps to enhance employees' safety through training and certifications.

Our Emergency Management Team (EMT) participated in the Kursus Keselamatan Kebakaran (Fire Safety Course), where they were trained on fire safety protocols and emergency response procedures. This training ensures that our EMT is prepared to effectively manage fire-related emergencies at our premises.

In addition, employees involved in business-critical projects continued participating in safety courses conducted by the National Institute of Occupational Safety and Health (NIOSH) and the Construction Industry Development Board (CIDB). These courses are essential for obtaining the necessary safety permits and certification cards, which are mandatory for working in high-risk, safety-regulated project areas.

Furthermore, in 2024, we appointed an employee from our Facilities Management Unit to undergo the NIOSH Safety Officer Program, equipping us with the expertise to further enhance our safety practices and ensure compliance with the highest safety standards in our building.

Through these initiatives, Mesiniaga demonstrates its unwavering commitment to its employees' health and safety, ensuring a secure and supportive work environment. As a result, we recorded zero safety incidents for four years in a row, from 2021 to 2024.

Figure 17: Total safety training conducted from 2021 to 2024

4.0 Corporate Social Responsibility (CSR)

Mesiniaga Berhad conducted an Industry-Academic Outreach Program at Multimedia University (MMU) and Tunku Abdul Rahman University of Management and Technology (TAR UMT) in December 2024 as part of its CSR initiatives. The program aimed to bridge the gap between academia and industry by introducing students to the rapidly evolving landscape of AI-Augmented Software Development.

The session covered critical insights, including AI's role in software development, the importance of system design and architecture expertise, the difference between coders and software engineers as well as stressing the industry's shift towards engineers who can analyse, architect, and leverage AI beyond merely writing code blocks.

The aim is also to inspire students to master skills like requirement analysis, application design, and AI integration to achieve exponential productivity and prepare students for industry demands by emphasising system engineering skills and AI-driven coding methodologies.

The program concluded with a technical demonstration, showcasing real-world applications of AI tools in software development. Through this initiative, Mesiniaga reaffirmed its commitment to nurturing future-ready talent and fostering innovation in technology education.

Our unwavering commitment to social responsibility and creating a positive impact in the communities we serve is at the heart of who we are as a responsible corporate citizen. Building on our efforts in 2023, where we sponsored five (5) children from B40 families, we are proud to extend our support in 2024 by sponsoring another four (4) children, who are also under the care of Pertubuhan Kesedaran Autism KL (Sedar Autism). This initiative, held at Subang Jaya Medical Centre, underscores our dedication to empowering organisations that deliver tangible, life-changing benefits to those in need.

The Group conducted several employee and community activities via its social employee club, Kelab Islah dan Amal Mesiniaga (KIAM).

Activity Name	Details of Activity
Distribution of Dates	A pack of dates was distributed to Mesiniaga employees, 50 families from PPRT Lembah Subang, and students of Maahad Tahfiz Puchong.
"Bakul Rezeki" Contribution	Contributions from Mesiniaga employees and KIAM, including essential items such as rice, were donated to Pusat Jagaan Limpahan Kasih, Puchong.
Iftar Sponsorship	Provided Iftar meals to 30 individuals in Mecca.
	Provided Iftar meals to five (5) underprivileged families.

Sustainability Statement

5.0 Supply Chain Management

Procurement

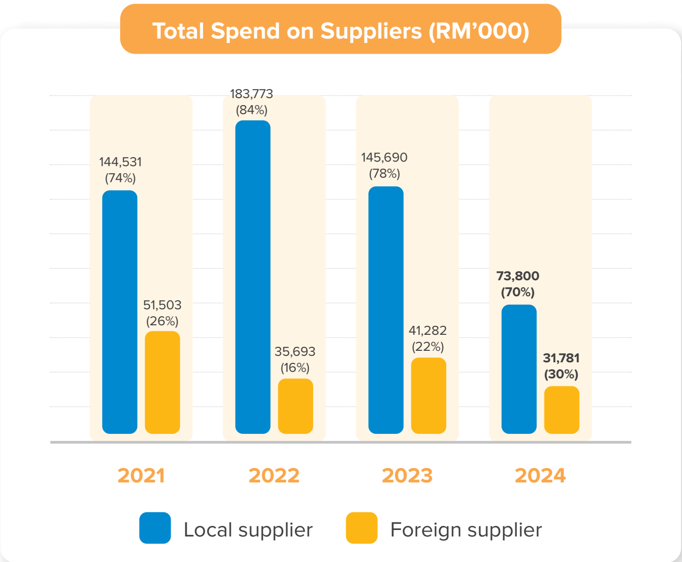


Figure 18: Total spend on suppliers from 2021 to 2024

Mesiniaga remains steadfast in its commitment to supporting local suppliers, a key component of our strategy. This approach ensures the availability of goods and services while aligning with our goals for environmental sustainability and community engagement.

As a reseller and implementer of foreign products that lack local equivalents, we focus on collaborating with local distributors in Malaysia. This streamlines our logistics and strengthens local businesses, creating a win-win situation for Mesiniaga and our partners.

Working with local distributors offers several advantages. It protects us from foreign exchange fluctuations, provides more favourable credit terms to improve cash flow, and includes warehousing services that minimise our need for extensive storage facilities. Additionally, these partnerships enable timely delivery of products to our customers. The market insights from local distributors are invaluable, empowering us to make informed and strategic decisions.

For local distributors, partnering with Mesiniaga ensures a consistent flow of business and the advantages of economies of scale. This mutually beneficial collaboration enhances operational efficiency and drives growth for both parties within the Malaysian market. Through this strategy, we contribute to the local economy and reinforce our dedication to ESG principles and the welfare of the communities we serve.

Customer Satisfaction

Figure 19: Customer satisfaction index from 2021 to 2024

The Group recognises customers as its primary stakeholders, with their satisfaction being crucial to the Group's sustainability. Driven by the mission of "Helping Customers Succeed," the Group is committed to crafting and executing IT solutions that offer customers the greatest return on investment.

The Customer Satisfaction Management (CSM) Department, which operates under the CEO's direct oversight, plays a significant role in our organisation. Its primary duty is ensuring excellent service delivery and quickly addressing customer-related issues. The CSM team conducts annual visits to gather customer feedback and note concerns. Furthermore, we actively encourage customers to provide direct feedback via e-mail, which the team carefully manages and addresses to ensure all input is thoroughly considered and acted upon.

The Customer Satisfaction Index (CSI), collected yearly and included in management performance evaluations, serves as the primary measure of customer satisfaction within the Group. The Group's steadfast dedication to customer satisfaction has led to ongoing improvements in the CSI over the years, with continuous efforts to further enhance the overall customer experience.

Sustainability Statement

Employee Turnover Rate

The total turnover rate for the Group in 2024 is 26%, a 2% decrease from 2023.

Figure 20: Employee attrition by function from 2021 to 2024

In 2024, attrition increased within the Management, Sales, and Non-Technical functions compared to 2023, while the Technical function experienced a decline in attrition. Notably, the increase in Sales function attrition from 28% in 2023 to 35% in 2024 involved personnel who were managing key accounts, which impacted the Company's revenue. Their departures disrupted customer relationships, reduced market coverage, and slowed our ability to close deals effectively. Although we successfully filled the sales vacancies gradually from Q3 to mid Q4 2024, the initial Sales function turnover had impacted on the revenue performance for the year.

Sustainability Statement

Permanent vs Contract Employees

In 2024, permanent employees decreased from 336 in 2023 to 263 by the end of 2024. This significant shift in the composition of our workforce was primarily driven by our workforce restructuring efforts, non-renewals of contract employees, and retirements from employees who reached the age of 55 years old (early retirement) and 60 years old (normal retirement) in accordance with our retirement policy.

In contrast, the number of employees increased from 266 to 296 during the same period. This increase can be attributed to the Company's focus on recruiting a younger, more cost-effective workforce to meet evolving business needs.

As of 2024, the permanent to contract employees ratio is approximately 47% permanent and 53% contract. This shift towards more contract-based roles reflects our efforts to remain agile and responsive in an ever-changing market environment, ensuring a flexible and efficient workforce.

This balance between permanent and contract employees helps us optimise the structure of our workforce, ensuring we have the right mix of skills and flexibility to drive our business forward.

At present, we have no reports of any incidents of human rights violations in all four (4) years.

Figure 21: Permanent vs contract employees from 2021 to 2024

GOVERNANCE

1.0 Anti-Bribery and Corruption (ABC)

The Group firmly believes in operating its businesses based on high integrity, transparency, ethics, and accountability standards and is against corruption in all its forms. The Group's corporate governance stance ensures ethical conduct and practices in compliance with all regulatory requirements. We have zero tolerance for unethical, illegal, and corrupt work practices and are committed to professionalism, fairness, and ethical business dealings. At all Group events, the Chief Executive Officer (CEO) addresses anti-corruption as part of the key message.

To ensure all employees, vendors, and business partners are committed to complying with this practice, formal communications have been established on policies and processes, and these are made available and accessible on the Company's website. Such policies and procedures include:

- Anti-Bribery and Corruption Policy
- Whistleblowing Policy
- No Gift Policy
- Vendor Code of Conduct
- Business Conduct and Guidelines

The Group has previously signed the Corruption-Free Pledge on 26 November 2019. This was in response to the Malaysian Anti-Corruption Commission's (MACC) request for organisations to unite against corruption and misuse of power. The pledge was led by Datuk Wan Mohamed Fusil bin Wan Mahmood, the CEO of Mesiniaga Berhad. It was observed by Dato' Haji Alias bin Salim, Director of the Selangor State MACC.

Measures and mitigations

The following measures and mitigations are implemented to uphold our ABC standards:

- **Policy Evaluation and Improvement**: Continuously assess our policies and procedures to identify areas for enhancement, ensuring that ABC practices remain practical and relevant.
- **Compliance Monitoring:** Our Internal Audit team ensures compliance with the ABC Policy and the MACC Act through regular reviews and assessments. This process empowers us to maintain high standards of integrity across all operations.
- **Corruption Risk Assessments:** Human Resources conducts periodic assessments to evaluate corruption risks for the financial year and proactively address any vulnerabilities.
- **Employee Onboarding:** The Human Resources Department educates new employees about our Anti-Bribery and Corruption Policy and Whistleblowing procedures as part of onboarding. This ensures they understand our zero-tolerance stance on corruption and know how to report unethical activities.

Sustainability Statement

Internal Audit on Anti-Bribery and Corruption

Our Internal Audit conducted an audit to evaluate the adequacy and effectiveness of process controls designed to mitigate bribery and corruption risks. This audit covered critical areas such as Procurement, Human Resources, the Process and Information Office (PIO), Finance, Corporate Communications, Pre-sales and Proposal Management. The findings were satisfactory and have been reported to the Audit and Risk Management Committee (ARMC) and the Board for review and action.

Education and training

The Group is committed to educating and informing stakeholders about its policies through the corporate website, training sessions, and induction programs. The following are training courses and activities that were organised throughout the year:

- **Anti-Bribery and Anti-Corruption Symposium**, organised by Venovox Sdn Bhd on 8 August 2024, where the guest speaker was from MACC. Management team representatives from the Legal, Human Resources and Corporate Communications departments attended the symposium.
- **Corporate Liability Provision under Section 17A MACC Act 2009** training was organised on 28 August 2024 and attended by our Chief Operating Officer (COO), Chief Financial Officer (CFO) and Heads of Departments (HODs). The training was conducted by an external training provider, Malaysia Integrity Academy.
- **Enforcing Corporate Liability** talk was organised for all levels of employees on 13 November 2024, which was presented by Messrs. Arief and Iskandar. Attendance for the event was 85% (total from physical and online attendance).
- **Monthly E-mail Reminders:** Sent to employees to reinforce understanding of the Group Policy, the Anti-Corruption Act, and the importance of avoiding corruption.
- **Annual ABC Refresher Training and Quiz**: Conducted for all employees, with a participation rate of 79%.

2.0 Data Privacy and Security

Protecting our stakeholders' data privacy and security is paramount in today's digital age, which is becoming more challenging due to rapid technological advancements and interconnected systems. Recognising the vital role of trust, we are acutely aware of our responsibility to manage the sensitive information entrusted to us securely.

In 2024, the Group adopted a Data Policy that applies to all employees and third parties handling company data, emphasising compliance with the Malaysian Personal Data Protection Act 2010 (PDPA). The Policy categorises data, outlines collection and usage guidelines, and details security measures, including breach response and data subject rights. Training and regular audits are mandated to maintain data protection standards. This continuous effort started with the employee Personal Data Protection Notice in 2023 that educated our employees about their rights regarding the personal data Mesiniaga collects, processes, and stores, reinforcing our dedication to upholding the highest data privacy standards.

Safeguarding Employee's data

Key Components of our Data Governance Framework:

- **Transparent Data Collection**
  Uphold transparency in our data collection practices, ensuring employees are well-informed about the types of personal data collected, including sensitive information.
- **Voluntary and Explicit Consent**
  Prioritise employees' voluntary provision of personal data and explicitly seek consent, mainly when dealing with sensitive personal data related to health, beliefs, and legal matters.
- **Purposeful Processing**
  Personal data is processed solely for legitimate and specified employment-related purposes, ranging from contractual obligations to payroll processing and compliance with regulatory requirements.
- **Confidentiality and Limited Disclosure**
  Ensures the confidentiality of personal data and limits its disclosure to third parties only when necessary, always in compliance with legal and regulatory standards.
- **Security Measures and Data Retention**
  Robust security measures are implemented to safeguard personal data from unauthorised access, loss, or misuse. Our commitment to security includes multi-layered protocols such as encryption, access controls, and regular security audits, addressing vulnerabilities promptly.

Sustainability Statement

Safeguarding Customer Trust

At Mesiniaga, we hold the privacy and security of our customer's data and information as fundamental tenets of our business ethics. In our unwavering commitment to safeguarding customer trust, we implemented a robust set of practices to ensure the confidentiality of the data and information entrusted to us.

- **Non-Disclosure Agreement (NDA)**
  Implementing a stringent Non-Disclosure Agreement with our employees is central to our data protection strategy. This legal commitment underscores the importance of maintaining utmost confidentiality, emphasising each team member's responsibility in protecting our valued customers' sensitive information.

- **Minimum Personal Data Collection**
  In adherence to privacy principles, we practise collecting the minimum amount of personal data necessary for customer interactions. This approach respects customer privacy and aligns with our commitment to ethical data handling.

- **Secure Storage with Need-Based Access Controls**
  Customer data is securely stored in dedicated systems with access controls implemented on a need-to-know basis. Our stringent access control measures guarantee that only authorised personnel can access specific customer information, reinforcing our commitment to limiting data exposure.

- **Encrypted Storage on Employee Notebooks**
  To further enhance the security of customer data, we mandate that any customer information stored on employee notebooks must be within an encrypted hard disk partition. Moreover, our policy dictates the reformatting of hard disks before transferring notebooks to other employees, ensuring a clean slate and eliminating residual customer data.

The Group's commitment to data protection goes beyond compliance; it is an integral part of our sustainability ethos. By implementing stringent measures, from legal agreements and classification protocols to secure storage practices, we affirm our dedication to preserving customer trust. These practices align with regulatory standards and reflect our values as responsible custodians of the data entrusted to us, fostering a sustainable and trusted relationship with our customers.

The increasing sophistication of cyber threats requires a proactive approach to data security. We continued to invest in state-of-the-art technologies throughout the past year and implemented stringent security measures to fortify our infrastructure. Our multi-layered security protocols encompass encryption, access controls, and regular security audits to identify and address vulnerabilities promptly.

Recognising the pivotal role of our workforce in maintaining data security, we conducted ongoing training programs. These programs educated employees about the latest cyber threats and best practices, enhanced their awareness and stepped up vigilance against threats.

Mesiniaga has implemented a well-defined incident response plan. Our commitment to transparency ensures that affected stakeholders are promptly informed during a data breach, allowing them to take necessary actions promptly.

We remain dedicated to continuously improving our data privacy and security practices going forward. Embracing emerging technologies, refining our protocols, and staying abreast of evolving threats will remain at the forefront of our strategy. Data privacy and security protection are not merely legal obligations but fundamental aspects of our ethical responsibility.

In 2024, there were zero incidents or complaints concerning employee or customer data breaches or data losses.

Sustainability Statement

3.0 Statement of Assurance

Assurance Undertaken

This Statement has been subjected to an internal review and assessment by the Company's Internal Auditor for accuracy and reliability and has been endorsed by the Board Audit and Risk Management Committee (ARMC).

Subject Matter

The Sustainability Matters and respective indicators covered by the internal review and assessment include the following:

Environmental

a. Energy efficiency
b. Carbon emissions
c. Water consumption
d. Waste management
 i) Recycling
 ii) Paper consumption
 iii) Environmental initiative

Social

a. Diversity in workforce
b. Training and development
c. Health and safety
d. Corporate Social Responsibility (CSR)
e. Supply chain management
 i) Procurement
 ii) Customer satisfaction
f. Employee turnover rate
g. Permanent vs contract employees

Governance

a. Anti-Bribery and Corruption (ABC)
b. Data privacy and security

Scope

The internal review covers all companies within the Group's control.

Corporate Governance Overview Statement

The Board of Mesiniaga Berhad acknowledges the significance of upholding a high standard of corporate governance within the Group with the aim to protect stakeholders' interests, augment shareholder value, and ensure the Group's sustainability.

This Corporate Governance Overview Statement is issued in accordance with Paragraph 15.25 of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia). Guidance for this Statement is derived from Practice Note 9 of the Main Market Listing Requirements and the Corporate Governance Guide 2021 (4th Edition) issued by Bursa Malaysia.

Accompanying this Statement is the Corporate Governance Report in accordance with paragraph 15.25(2) of the MMLR. This Report elaborates on the application of the Group's corporate governance practices with reference to the Malaysian Code on Corporate Governance (MCCG) dated 28 April 2021.

The Corporate Governance Report can be accessed on the Group's website, https://mesiniaga.com.my and is also available through announcements on the Bursa Malaysia website. Reviewing this statement alongside other declarations in the Annual Report, such as the Directors' Statement on Risk Management and Internal Control, Audit and Risk Management Committee Statement, and Sustainability Statement, is recommended.

SUMMARY OF CORPORATE GOVERNANCE PRACTICES

The Group has applied all the Practices encapsulated in MCCG for the financial year ended 31 December 2024, except for the following:

- Practice 1.3 : The positions of Chairman and Chief Executive Officer to be held by different individuals;
- Practice 1.4 : The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee;
- Practice 5.2 : At least half of the Board comprises Independent Directors;
- Practice 8.2 : Remuneration component of the top five Senior Management members; and
- Practice 13.3 : Listed companies should leverage technology to facilitate:
  - Voting, including voting in absentia; and
  - Remote shareholders' participation at general meetings.

A summary of the Corporate Governance Report under each Corporate Governance Principles is as follows:

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

Providing Leadership in Meeting the Objectives and Goals of the Group

Mesiniaga maintains steadfast dedication "to be the Malaysian IT Partner of Choice" through our unwavering commitment to Helping Customers Succeed. We are committed to upholding the highest standards of good governance within the Group to exceed the expectations of all stakeholders, with a particular focus on our shareholders. The Board of Directors (Board) firmly believes that embracing and adhering to the highest levels of corporate governance is crucial for ensuring sustained performance and creating economic value for all stakeholders. The Group operates based on the following core values:

Corporate Governance Overview Statement

i) Board of Directors

The Board holds responsibility and accountability for the management, direction, and performance of the Company and includes certain matters at the Group level, encompassing its subsidiaries. Within the framework of prudent and effective controls, the Board provides leadership that facilitates the appropriate assessment and management of risks.

It bears the ultimate and overall responsibility for all aspects of the Company's affairs and ensures its business's proper and effective conduct. This includes establishing the Company's vision and strategic objectives, offering guidance and effective oversight of the management and stewardship of the Company's resources to achieve the envisioned goals.

The Board Charter, accessible on the Company's corporate website, guides the Board in fulfilling its duties and responsibilities including:

a. Reviewing, challenging and approving the strategic plan proposed by the Management, ensuring the strategic plan supports long-term value creation taking into consideration economic, environment, social and governance underpinning sustainability.
b. Overseeing the conduct of the Company's business, including the establishment of performance objectives, risk management and internal control systems, corporate governance framework and human capital management.
c. Acting at all times with utmost good faith in the best interest of the Company in any transaction and acting honestly and responsibly in the exercising of its powers in discharging its duties.
d. Identifying principal risks and ensuring implementation of appropriate systems to manage these risks.
e. Succession planning, including appointing, training, fixing the compensation and, where appropriate, replacing Senior Management.
f. Reviewing the adequacy and the integrity of the Company's internal control and management information systems, ensuring compliance with the applicable laws, regulations, rules and directives.
g. Adhering to the Code of Ethics for Company Directors issued by the Companies Commissions of Malaysia, and supporting sound corporate governance and processes in setting standards and corporate values to promote integrity.
h. A director appointed by virtue of his position as a shareholder's representative must act in the best interest of the Company in which he sits as a board member. In the event of any conflict between his duty to act in the best interest of the Company and his duty to his nominator, he must not subordinate his duty to act in the best interest of the Company to his nominator.
i. Maintaining a sound understanding of the business and keeping abreast of relevant developments to ensure he can effectively discharge his duties and responsibilities.

Three (3) Board Committees support the Board, each delegated with specific responsibilities to comply with Listing Requirements. These Committees are the Audit and Risk Management Committee (ARMC), Nomination and Remuneration Committee (NRC), and Investment Committee (IC).

ii) Executive Chairman

Datuk Wan Mohamed Fusil bin Wan Mahmood serves as the Chairman of the Board, leading efforts to promote sound corporate governance practices, effective leadership, and overall board effectiveness.

Following a thorough assessment, the NRC, in collaboration with the Board, has determined that he is the most senior, experienced, and fitting member to assume leadership. The NRC affirms that the existing arrangement has not compromised the Board's objectivity or the Group's effective governance.

Corporate Governance Overview Statement

The Company recognises the virtues of having the positions of Chairman and Chief Executive Officer (CEO) held by two separate individuals and is currently planning to achieve the said objective. Until the conclusion of the exercise, the Chairman would continue to act in both capacities.

The Chairman has not been a member of any committees. However, he has been invited to attend the Audit and Risk Management Committee Meetings in his capacity as the CEO. Practice 1.4 of MCCG would automatically be applied once the action plan on separating the two positions of Chairman and CEO has been completed.

iii) Independent Non-Executive Directors

Independent Non-Executive Directors are crucial in offering impartial and objective perspectives, advice, and judgement. They actively contribute through their engagement in Board Committees and participation in the Board's deliberations and decision-making processes. The responsibilities of an Independent Non-Executive Director encompass the following key areas:

a. Enhances the independence and objectivity of the Board's deliberations from the executive arm of the Company.
b. Mitigates any possible conflict of interest between the policy-making process and the day-to-day management of the Company.
c. Challenges and contributes constructively to the development of business strategies and direction of the Company.
d. Ensures the Board uses adequate systems and controls to safeguard the interests of the Company.
e. Ensures effective 'check and balance' in the proceedings of the Board.
f. Monitors and provides an objective view of the performance of executive directors and management in meeting the agreed goals and objectives.

The Board recognises that the MCCG practice on an Independent Director's tenure should be, at most, a cumulative term of nine (9) years. The Board also recognises that the maximum period for an Independent Director under listing Requirements is 12 years, effective on or after 1 June 2023.

iv) Company Secretary

The Board is assisted by the Company Secretary, who is responsible for advising the Board on issues relating to compliance with laws, rules, procedures, and regulations affecting the Company and its Group of companies, as well as the principles of best corporate governance. The Company Secretary is also responsible for advising the Directors of their obligations and adherence to matters pertaining to disclosure of interest in securities, disclosure of any conflict of interest in a transaction involving the Company and its Group of companies, prohibition on dealing in securities, and restrictions on disclosure of price-sensitive information.

Apart from playing the role of an advisor to the Directors, the duties of the Company Secretary also include, amongst others, attending all Board meetings, ensuring that the proceedings of Board meetings and decisions made thereof are accurately and sufficiently recorded and adequately kept to meet statutory obligations communicating the decisions of the Board to the Management for further action, ensuring all appointments and resignations of Directors are in accordance with the relevant legislation, formulating and reviewing the Board Charter periodically, handling the Company share transactions, coordinating on dividend payments, and making timely corporate disclosures and announcements.

In consultation with the Chairman, the Company Secretary circulates the notice and agenda of a Board meeting to all members of the Board before the meeting. Following Article 124 of the Company's Article of Association, a resolution in writing signed by all Directors shall be effective for all purposes as a resolution passed at a meeting of the Directors duly convened, held and constituted.

Corporate Governance Overview Statement

Demarcation of Responsibilities between the Board, Board Committees and Management

The Board Charter establishes the functions, roles, and responsibilities of the Company's Board of Directors. The Board Committee has also established its Terms of Reference. The Board Charter and the Committees' Terms of Reference are subject to periodic review and are published on the Group's website, https://mesiniaga.com.my.

i. Meetings

In addition to scheduled meetings, the Board and its Committees convene special meetings when urgent and essential deliberations are required or when decisions must be made between scheduled sessions.

During the year, the Board deliberated on business strategies and critical issues concerning the Group, including business plans, the annual budget, financial results, and key performance indicators.

The attendance of individual Directors at Board and Committee meetings is outlined below:

Board of Directors

Directors	Attendance
Datuk Wan Mohamed Fusil	9/9
Fathil Ismail	9/9
Sim Hong Kee	9/9
Datuk Noor Azian Shaari	9/9
Dato' Darawati Hussain	9/9
Zaim Husni Omar	8/9
Dr. Veerinderjeet Singh A/L Tejwant Singh *(Appointed with effect from 1 August 2024)*	4/4
Voon Seng Chuan *(Retired with effect from 4 June 2024)*	5/5

During the financial year 2024, all Directors attended between 89% to 100% of the total Board meetings held, demonstrating strong commitment and compliance with Paragraph 15.05(3)(c), which stipulates that a director's office may become vacant if they are absent from more than 50% of the Board meetings held during the financial year.

Audit and Risk Management Committee

Members	Attendance
Sim Hong Kee (Chairman)	6/6
Datuk Noor Azian Shaari	6/6
Zaim Husni Omar *(Appointed with effect from 5 June 2024)*	2/2
Dr. Veerinderjeet Singh A/L Tejwant Singh *(Appointed with effect from 1 August 2024)*	2/2
Dato' Darawati Hussain *(Cessation with effect from 5 June 2024)*	4/4

Corporate Governance Overview Statement

Nomination and Remuneration Committee

Members	Attendance
Sim Hong Kee (Chairman)	6/6
Fathil Ismail	6/6
Datuk Noor Azian Shaari *(Appointed with effect from 5 June 2024)*	1/1
Voon Seng Chuan *(Retired with effect from 4 June 2024)*	5/5

Investment Committee

Members	Attendance
Dato' Darawati Hussain (Chairperson)	1/1
Fathil Ismail	1/1
Sim Hong Kee *(Appointed with effect from 5 June 2024)*	0/0
Voon Seng Chuan *(Retired with effect from 4 June 2024)*	1/1

From time to time, the Board invites other personnel to attend its meetings to assist in fulfilling its duties. In 2024, all Board and committee meetings were conducted physically at the Company's headquarters.

ii. Performance Evaluations

Annual performance evaluations of the Board and Senior Management are conducted. In 2024, the Company has already included sustainability risks and opportunities in the current performance evaluations for Senior Management. As addressing material sustainability risks and opportunities is the responsibility of the Board and Senior Management, the performance evaluation mechanism assesses their effectiveness in performing these roles, including, where applicable, progress against sustainability targets.

Commitment to The Promotion of Good Business Conduct and Maintenance of a Healthy Corporate Culture

Mesiniaga abides by strict ethical conduct and practices while conducting our business, dealing with all stakeholders, and complying with regulatory requirements. An integral part of our Employee e-Handbook is the Mesiniaga Business Conduct Guidelines (BCG), which defines the expected ethical behaviour of our employees. The Guidelines encompass personal conduct, fairness in business, relationships with other organisations, use and dissemination of proprietary and confidential information and fraud prevention. Apart from that, our undertaking is to support using licensed software and the implementation of good software asset management practices. Our upgraded ISO 9001:2015 accreditation exemplifies our commitment to ethical and best practices.

Since 8 October 2019, Mesiniaga has issued the Anti-Bribery and Corruption Policy, Whistleblowing Policy, and Vendor Code of Conduct ("the Policies") to complement the BCG and enhance the Group's culture of good ethics and fair dealings. The Policies are available on the Company's website.

In this respect, it is the responsibility of the Board and Senior Management to uphold the high reputation of the Group, as well as the responsibility of each employee to behave in the prescribed manner, as required by the BCG and the Policies described above. The Policies and BCG are based on the Code of Corporate Governance and principles of the relevant legal provisions under the MACC Act 2009 and Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. The BCG and the Policies encourage and enable employees to whistleblow and raise concerns about illegal activities, such as corruption and other wrongdoings within the organisation. The BCG and the Policies are available in the Employee e-Handbook for all employees in the Group's effort to continue promoting accountability, transparency, and ethical practices.

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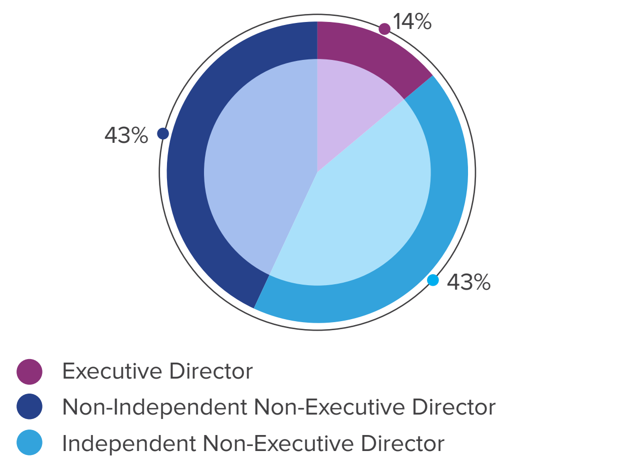
Employees' concerns may be raised via e-mails, telephone calls, and letters to the Whistleblowing Committee consisting of the ARMC Chairman, Independent Board member and the Head of Internal Audit and Risk. Employees are assured that confidentiality will be maintained at all times, and they will be protected.

Board Decision Making Process

Particular attention is paid to the composition and balance of the Board to ensure that it has the experience relevant to the IT business sector. The Board considers that objectivity and integrity, as well as the relevant skills, knowledge, experience, mindset, and ability that will enable the Board to fulfil its key functions, are the prerequisites for appointing new Directors.

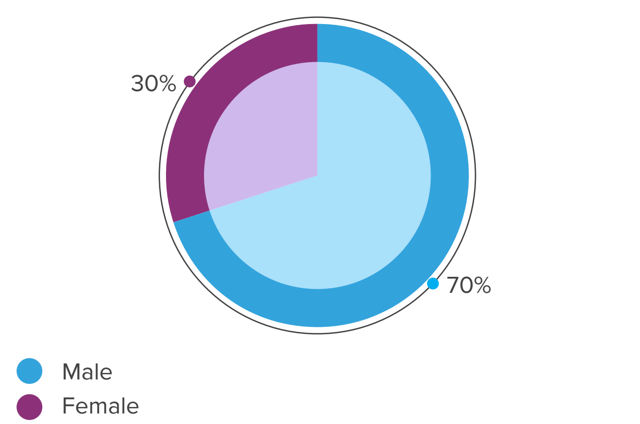
The Board also recognises the need to enhance Board diversity, as it is essential to the effective functioning of the Board. The Board has attained diversification in experience, skills, expertise, competencies, ethnicity, gender diversity, and age to enable the Group to maximise its business and governance performance. The representation of the members of the Board as of 31 December 2024 is as follows:

Figure 1: Composition Board



The Board composition adheres to the Listing Requirements of Bursa Malaysia, which requires a minimum of one-third of the Board to consist of Independent Directors. Nevertheless, the current composition of Independent Directors, which constitutes 43% of the Board, does not meet the stipulation outlined in Practice 5.2 of the MCCG, which prescribes that at least half (50%) of the Board should comprise of Independent Directors. The three (3) Independent Non-Executive Directors have consistently demonstrated independence of judgment and ensured Board decisions were made objectively in the Company and its Group of companies' best interests.

Figure 2: Directors' Gender Composition



The composition of the Board, in terms of gender diversity, adheres to Paragraph 15.02 of the MMLR, which requires that at least one (1) director of a listed issuer be a woman. Additionally, the Board follows best practices by striving to achieve at least 30% female representation, as outlined in Practice 5.9 of the MCCG, reflecting its commitment to fostering diversity and inclusivity in leadership and decision-making.

Nominating Process for Directors

The NRC is empowered to review and make recommendations for appointment to the Board. A formal and transparent procedure has been established to appoint new Directors to the Board by the establishment of the Fit and Proper Policy. The NRC is primarily responsible for implementing this process. The NRC is responsible for reviewing, evaluating, and recommending suitable candidates for appointment as Directors based on the criteria set, including skills, experience, competency, gender, ethnicity, and age.

The NRC is also responsible for assessing and ensuring, amongst others, that the candidate possesses the necessary technical competencies, a strong sense of professionalism and integrity, organisational and strategic awareness, the ability to add value, and adherence to the Mesiniaga Business Conduct. The potential candidates will be recommended to the Board for appointment upon such review and evaluation.

Sim Hong Kee, an Independent Non-Executive Director, chairs the NRC. In exercising his role, he coordinates the assessment of the effectiveness of each Board member and the Board as a whole. The members of the NRC comprise two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. This composition ensures that any decisions made are impartial and in the best interest of the Group, without any element of fear or favour.

Though the NRC has been tasked to review and make recommendations for appointment to the Board, the Board does not rely solely on recommendations from the Committee. The Board is open to considering independent sources to identify suitably qualified candidates.

Level and Composition of Remuneration

The NRC oversees the implementation of the policy and procedure on remuneration, including reviewing and recommending matters relating to the remuneration of the Board in general and, in particular, the remuneration of the Executive Director. Considerations include Director's responsibilities, experience, competencies, commitment, contribution, and performance. NRC's Terms of Reference are stated on page 70 of this Annual Report.

The NRC reviews the performance and remuneration of the Executive Director and makes recommendations to the Board on an annual basis. The comparison of the remuneration of the Independent Non-Executive Directors is made with peer companies, and recommendations are made to the Board for deliberation and endorsement for approval by the shareholders at the Annual General Meeting (AGM).

The transparency and accountability aspects of corporate governance applicable to the Directors' remuneration are deemed appropriate. Detailed information on a named basis regarding the remuneration of each Director is as follows:

No	Name	Directorship	Company ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	DATUK WAN MOHAMED FUSIL BIN WAN MAHMOOD	Executive Chairman	-	-	699	-	-	77	776
2	FATHIL SULAIMAN BIN ISMAIL	Non-Independent Non-Executive Director	72	21	-	-	-	-	93
3	SIM HONG KEE	Independent Non-Executive Director	79	25	-	-	-	-	104

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No	Name	Directorship	Company ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
4	DATUK NOOR AZIAN BINTI SHAARI	Independent Non-Executive Director	60	17	-	-	-	-	77
5	DATO' DARAWATI HUSSAIN	Non-Independent Non-Executive Director	64	17	-	-	-	-	81
6	ZAIM HUSNI BIN OMAR	Non-Independent Non-Executive Director	52	11	-	-	-	-	63
7	DR. VEERINDERJEET SINGH A/L TEJWANT SINGH *(Appointed with effect from 1 August 2024)*	Independent Non-Executive Director	24	5	-	-	-	-	29
8	VOON SENG CHUAN *(Retired with effect from 4 June 2024)*	Independent Non-Executive Director	28	13	-	-	-	-	41

The Group believes that in this highly competitive industry, disclosing the remuneration of Senior Management could compromise the Group's confidentiality and retention efforts. Given the difficulties in recruiting and retaining Senior Management, remuneration remains a crucial factor in attracting and retaining top talent. The Group ensures that the remuneration offered to Senior Management aligns with the Company's performance while also considering the need to attract, retain and motivate Senior Management to lead and manage the Company effectively.

Directors' Training

All Board members have attended the Mandatory Accreditation Programme (MAP Part I) organised by Bursa Malaysia, focusing on a director's roles, duties, and liabilities. As of 31 December 2024, all Board members have participated in the Mandatory Accreditation Programme (MAP Part II) related to sustainability and the associated roles of a director.

In addition, Board members have also attended various training programmes and conferences, which the Board believes have aided them in discharging their duties as Directors of the Group. Board members are also encouraged to participate in training programmes deemed appropriate for the needs of the respective Directors in discharging their responsibilities to the Group, and such attendance would be at the Group's expense. The following is the list of training programmes and conferences attended by the Directors collectively or individually:

Categories	Courses Title
Financial and Accountancy	• ASB: Fireside Chat with the Former Governors: Central Banking in an Evolving International Financial System. • Hong Leong Assurance In-House: a) Risk Based Capital Framework/Capital Adequacy and Real World Scenario Testing for ITCL/Financial Condition Reporting. b) Investment. • Asset and Liability Management and Sustainability: Moody's and Actuarial Partners.

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Categories	Courses Title
	• FSO Insurance Forum: EY. • ASB/ICLIF (International Centre for Leadership in Finance): Understanding the Roles and Responsibilities of Asset-Liability Committees and Asset-Liability Management. • ICDM Post-Budget 2025 Dialogue: Key Highlights & A Conversation with Datuk Johan Mahmood Merican, Secretary General of Treasury, Ministry of Finance (MOF). • Anti Money Laundering and Counter Financing of Terrorism (AML/CFT). • Global Forum on Islamic Economics and Finance - Shaping a Resilient Global Islamic Economy Through Values-based Reforms. • Empowering Boards: Building Capacity for Sustainable Finance Success in the Banking Industry. • Data Innovation to Drive Financial Inclusion - Pushing New Frontiers. • Capital Gains Tax Updates. • National Tax Conference 2024. • Enhance Compliance through Malaysia's Tax Corporate Governance Program.
Risk Management / Internal Audit	• IERP Qualified Risk Directors Program: - Series 13 - Directors guide to COSO 2013 and Empowered Audit Committees. • IERP: Risk Management 2024 Emerging Trends. • Refresher on Basel FIRB (Foundation Internal Ratings Based).
Technology and Innovation	• ICDM: Future-Proofing Malaysian Businesses: Navigating Cyber-Threats in the Age of AI & Thriving in a High-Risk Landscape. • Cybots/Fortinet/Halim, Hong & Quek: Fireside Chat on Cyber Security Act 2024. • KPMG: Cybersecurity Oversight: Board Responsibilities in Light of the Cybersecurity Act 2024. • ASB/FIDE Executive Education; Governance of Generative AI. • ICDM/Bursa; Board Ethics: Growing Concerns from New Technology, Stakeholder Interests & Conflict of Interest. • HLFG In-House: Overall Threat Landscape and Trends of Cybersecurity. • Bridging the Gap: Integrating AI with Development in FSI. • Capital Connect - Industry Conference on Corporate Innovation. • Fintech Forward with AI & Cybersecurity. • How Can Boards Make the Most of Blockchain & Digital Assets. • BCP is Out: Director Preparedness for AI-Powered Attacks on People, Tech and Governance.
Environmental, Social, and Governance	• ICDM: ASEAN 2024 Board Trends Report Highlights + Directors' Dialogue: Making Boards Useful - What's Next? • ICLIF/ASB: Sustainable Sustainability - Why ESG is Not Enough? • SIDC/IIC: Corporate Governance Conference 2024: Countdown to 2030: Investing Towards Sustainable Development Malaysia. • Are You Measuring Your Sustainability Performance Right? Targets and Metrics: ICDM with Deloitte. • Practical Application of the Climate Change and Principle-based Taxonomy (CCPT). • ASB: What Amounts to Conflict of Interest by Directors? • KPMG: Symposium: Beyond ESG. • ICDM: Board's Role in Whistleblowing Oversight. • PH Advisory: Unboxing the Malaysian NSRF and Discovering What It Means to You. • ICDM: Strategic Data and Frameworks in Board Governance. • ICDM PowerTalk - Boardroom Insights 2025: Navigating Governance, Risk and Strategic Foresight. • In-House Training - What Amounts to a Conflict of Interest by Directors? • ESG/Impact Investing - What are Investors Looking for?

Corporate Governance Overview Statement

Categories	Courses Title
	• Don't Let Your Guard Down: Fortify your Anti-Bribery & Corruption ("ABC") Fences. • CTP 1 - The Board's Role in Talent Management. • Asian Economy Impact - Climate Change Risk. • Navigating Climate Transition Risks in a Circular Economy. • Directorship in Transition: Redefining Roles, Risks and Results.
Others	• ICDM BNRC Advocacy Dialogue: Breaking Barriers for First Time Directors. • ICDM: Being Sued as An Independent Non-Executive Director. • MIA Business Valuation Forum. • ICDM BNRC Dialogue & Networking + ADIP Graduation Ceremony: Cultivating Future Board Leaders. • Zendesk CX Trends 2024. • MSIA - SME Conference 2024. • Corporate & Armed Forces leadership Forum 2024: Forging National Prosperity: The Symbiotic Alliance of Corporate and Military Leadership for a Stronger Tomorrow. • Khazanah Megatrends Forum 2024 - Pursuit of Potatoes, Paving paths from the Probable to the Possible. • Malaysian Venture Capital & Private Equity Association (MVCA) Forum.

PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT

The ARMC comprises four (4) members and is chaired by Sim Hong Kee, an Independent Non-Executive Director. The other members, Datuk Noor Azian Shaari and Dr. Veerinderjeet Singh, are also Independent Non-Executive Directors, while Zaim Husni Omar is a Non-Independent Non-Executive Director. This composition of the Committee is in line with Paragraph 15.09 of the MMLR.

Sim Hong Kee is a Chartered Accountant and a member of the Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Certified Public Accountants (MICPA). Dr. Veerinderjeet Singh is a tax expert who is also a member of MIA and MICPA, as well as a Fellow of the Chartered Tax Institute of Malaysia (CTIM). Zaim Husni Omar is an experienced strategic planner specialising in finance and investment. Although Datuk Noor Azian Shaari does not have a financial background, she has extensive experience in legal matters, providing the Committee with legal perspectives on audit, regulatory compliance, and risk management. The diverse skills and expertise of the Committee members enhance its effectiveness in making well-rounded decisions.

All members of the ARMC participated in various continuing professional developments to keep themselves abreast of relevant developments in accounting standards, practices, and applicable regulatory changes.

None of the members of the ARMC are former audit partners of the Group's external auditors. The ARMC Terms of Reference provides that if a former audit partner is to be appointed to the Committee, a three-year (3-year) cooling-off period must be observed before effecting such an appointment.

The ARMC assesses the external auditor's suitability, objectivity, and independence annually.

Mitigating and Managing Risk

An effective risk management and internal control framework has been established, and the features of the framework are as stated in the Statement of Risk Management and Internal Control on page 61 of this Annual Report. A synopsis of the key risk areas identified and monitored by the ARMC is stated in the Management Discussion and Analysis on page 8.

Corporate Governance Overview Statement

The risk management framework adopted by the Group is tailored to the local environment based on an internationally recognised framework. The report on risk management is reviewed by the ARMC and presented to the Board quarterly. The Board believes that the risk management process is adequate, considering the complexity and size of the business.

Effective Governance, Risk Management and Internal Control Framework

Ensuring that the internal audit function is practical and able to function independently is part of the function and duties of the ARMC.

Internal audit personnel are free from any relationships or conflicts of interest that could impair their objectivity and independence. The Head of the Audit and Risk Department held a Bachelor's Degree in Accountancy (Hons.) and was a member of the Malaysian Institute of Accountants (MIA). He was supported by a team of two (2) internal auditors, each possessing relevant auditing experience and tertiary academic qualifications. He resigned from the position on 26 August 2024. The new Head was appointed on 6 January 2025. During the vacancy, the department was overseen by the Chief Financial Officer. The newly appointed Head hold a Bachelor's Degree in Accountancy (Hons.) and is a member of the Institute of Internal Auditors Malaysia (IIAM).

PRINCIPLE C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

The Group welcomes all shareholders to direct any queries to the Chief Executive Officer (CEO) or through the Company's official website at https://mesiniaga.com.my. The CEO regularly updates shareholders on the Group's performance through announcements to Bursa Malaysia and quarterly financial results, which can also be found in the Investor Relations section. Occasionally, the CEO responds to queries from analysts and shareholders.

Furthermore, the Group welcomes feedback and suggestions from other stakeholders regarding the Group's services and support. Stakeholders are invited to share their thoughts with the Customer Service Improvement Team by leaving a message on the Company's website or by e-mailing feedback@mesiniaga.com.my.

Conduct of Annual General Meeting

The Company has been holding its Annual General Meeting (AGM) at its premises since 1998. For the first time, due to COVID-19, the Company convened an entirely virtual AGM in 2021, where remote shareholder participation was made possible. Since 2022, the Company has resumed holding its AGM physically, following updates to the regulations set by the Malaysian Government. Currently, the Group has no plans to implement absentee or remote participation for shareholders but may consider these methods in the future if needed.

At each AGM, the Board presents the Group's business progress and performance and encourages shareholders to participate in the question-and-answer session. In 2024, all Board of Directors attended the AGM. The Chairs of the Audit and Risk Management Committee (ARMC), Nomination and Remuneration Committee (NRC), and Investment Committee (IC) also provide meaningful responses to questions addressed to them. An explanatory statement for any proposed resolutions to facilitate a complete understanding and evaluation of the issues involved will accompany each item of business included in the meeting notice.

Although the Company's Articles of Association specify a notice period of 21 days for the convening of an AGM, the Group has been observing a more extended notice period of 30 days or more since 2016. The Company also follows Best Practice, specifically Practice 13.1 of the MCCG, which states that notice for an AGM should be given to shareholders at least 28 days prior to the meeting.

Statement of Directors' Responsibilities in Relation to Financial Statements

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group as at the end of the financial year, and the statement of comprehensive income and cash flow of the Group for the financial year.

In preparing the financial statements of the Group for the year ended 31 December 2024, the Directors have:

- ensured the Group has adopted appropriate accounting policies, consistently applied and supported by reasonable and prudent judgement;
- considered all applicable accounting standards have been followed; and
- confirmed the financial statements have been prepared on the going concern basis.

The Directors have responsibility to ensure that the Group maintains adequate accounting records which disclose with reasonable accuracy the financial position of the Group to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2016.

The Directors also have the overall responsibilities to take such steps to safeguard the assets of the Group and for the establishment, designation, implementation and maintenance of appropriate accounting and internal control systems for the prevention and detection of fraud and other irregularities relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Statement on Risk Management and Internal Control

Introduction

In compliance with Bursa Malaysia Securities Berhad's Bursa Malaysia Listing Requirements Paragraph 15.26(b) (updated June 2020), and the Statement on Risk Management and Internal Control: Guidance for Directors of Listed Issuers, the Board of Directors (Board) is pleased to present the Statement on Risk Management and Internal Control (SORMIC). This Statement outlines the Group's risk management framework and internal control structure for the financial year under review, up to the date of its approval for inclusion in the Annual Report for the Financial Year ended 31 December 2024.

Board Responsibility

The Malaysian Code on Corporate Governance (April 2021) requires the Board to maintain a sound system of risk management and internal control to safeguard shareholders' investments and the Group's assets.

The Board acknowledges its responsibility for safeguarding shareholders' interests through the Group's risk management system and internal control framework. This includes ensuring robust financial and operational controls and adherence to regulatory requirements. The Board recognises that while pursuing business objectives, internal controls can only provide reasonable, not absolute, assurance against material errors, losses, fraud or unforeseen circumstances. The Group's internal control system is designed to focus on significant or material items, providing reasonable assurance that the effects of these risks are minimised.

The Board may delegate its role in the review process to a board committee, such as the Audit and/or Risk Management Committee. However, the Board remains ultimately responsible for all committee actions, including the review's outcome and the disclosure of key risks and internal controls in the Company's annual report.

Audit and Risk Management Committee (ARMC)

The ARMC assists the Board in evaluating the adequacy of the risk management and internal control framework, fulfilling its statutory and fiduciary responsibilities. The ARMC reviews the financial statements, financial reporting processes, the system of internal controls, enterprise risk management framework and programme, the audit process, and compliance with laws and regulations, including the requirements of Bursa Malaysia, the Securities Commission and the Group's Code of Conduct.

Internal Audit

The Audit and Risk Department, responsible for the Group's internal audit function, reports directly to the ARMC. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the Group's operations. It helps achieve organisational objectives by bringing a systematic, disciplined approach to evaluating and enhancing the effectiveness of risk management, control, and governance processes.

The internal audit function adopts a risk-based approach, preparing its audit strategy and plan based on the risk profiles of the Group's primary business functions and in accordance with the internal audit plan approved by the ARMC. The internal audit independently reviews the internal controls system implemented by Management and assesses their adequacy and integrity. Recommendations for improving control policies and procedures are also provided where necessary.

Quarterly, the Internal Audit communicates its findings and observations to Management, the ARMC and the Board. It oversees the implementation of corrective actions until issues identified are fully resolved, ensuring control gaps and process improvements are effectively addressed. The ARMC formally reviews and approves the audit plan.

Statement on Risk Management and Internal Control

Risk Management

The ARMC oversees Senior Management's implementation of a sound risk management programme. It identifies principal risks that may impact the Group's business objectives and ensures a structured and focused approach to managing significant risks.

Guided by the ISO 31000:2009 Risk Management Principles and Guidelines, the Audit and Risk Department assures the Board of the adequacy and integrity of controls through a proactive process involving risk identification, assessment, control, monitoring and reporting. The department reviews and reports quarterly to the ARMC on the risk management programme and risk assessment.

Management determines the Group's risk tolerance level and actively identifies, assesses and monitors key business risks to safeguard shareholders' investments and the Group's assets. The ARMC reviews and, where appropriate, challenges any gaps identified.

Risk management process is summarised below:

<table>
<tr><th>Process Activity</th><th colspan="2">Description</th></tr>
<tr><td>Communication and Consultation</td><td colspan="2">Stakeholders are educated on risk, decision-making, and necessary actions. Communication promotes awareness, consultation and feedback for informed decision-making.</td></tr>
<tr><td>Establishing the Context</td><td colspan="2">Understanding the department's objectives and defining the external and internal environment within which it operates.</td></tr>
<tr><td>Risk Identification</td><td rowspan="3">Assessment</td><td>Identifying and describing uncertain events or risks that may hinder the department's objectives, using relevant, up-to-date information to identify sources, events, causes, and potential consequences.</td></tr>
<tr><td>Risk Analysis</td><td>Comprehending the nature of the risk and determining the level of risk exposure, considering uncertainties, sources, consequences, likelihood, events, scenarios, controls, and their effectiveness.</td></tr>
<tr><td>Risk Evaluation</td><td>Assessing risks to understand their impact and prioritise them based on their significance to the Group's objectives.</td></tr>
<tr><td>Risk Treatment</td><td colspan="2">Deciding on and executing strategies to manage risks, such as accepting, monitoring, sharing, avoiding, reducing threat impact, or optimising opportunities. Responses balance benefits against implementation costs.</td></tr>
<tr><td>Monitoring and Review</td><td colspan="2">Assessing the performance level, evaluating the effectiveness of risk management processes, controls, and treatments, and identifying changes or emerging risks in the operating environment.</td></tr>
</table>

Statement on Risk Management and Internal Control

Internal Control

The Group's internal control system is embedded within its organisational structure, policies, procedures and the Mesiniaga Business Conduct Guidelines.

The control environment includes the following:

- The Group's core values of Respect, Integrity, Commitment, Innovation and Teamwork are embedded within the corporate culture.
- The Code of Business Conduct Guidelines reinforces and guides all employees on the Group's core value of integrity, which is achieved through adherence to policies, standards, procedures and applicable laws.
- The Audit and Risk Management Committee and Nomination and Remuneration Committee, established by the Board, operate under clearly defined terms of reference and authority.
- The Group's organisational structure aligns with its business and operational requirements, with clearly defined lines of responsibility and authority levels.

All significant internal control recommendations by internal and external auditors are reported to the ARMC for review and deliberation. The ARMC oversees Management's implementation of remedial actions to safeguard the Group's interests and maintain proper governance. Where deficiencies are identified, recommended procedures are implemented to strengthen controls.

The ARMC focuses on reported deficiencies, ensures the accuracy of root causes, and directs Management to take necessary corrective actions. This includes specific remediation plans and follow-up actions to address weaknesses satisfactorily.

The internal control system is continuously reviewed, updated, or enhanced in line with the Group's operating environment changes.

Quality Management System: ISO 9001:2015 Certification

SIRIM's auditor conducted the surveillance audit on 21 and 22 November 2024. Based on the audit, Mesiniaga Berhad retained its ISO 9001:2015 accreditation. This certification reflects the Group's commitment to maintaining effective processes and trained staff to deliver high-quality products and services consistently.

The Audit and Risk Department independently assessed operations and procedures to ensure adherence to ISO 9001:2015 requirements. Key members of the ISO team include the Head of Internal Audit and Risk, who serves as the Quality Manager, and the Internal Audit and Risk Senior Executive, who has been appointed as the Designated Quality Manager.

Business Continuity Management

The Group continues to strengthen its Business Continuity Management (BCM) framework. Drawing on lessons learned from the COVID-19 pandemic, the Group is committed to having an effective and robust Business Continuity Plan (BCP). The primary goals of this initiative are:

- Ensuring minimal disruption to Mesiniaga's business operations during a disaster.
- Maintaining continuity of customer service and support.

The Steering Committee and BCP Management constantly focus on organisational preparedness against cyber threats. Through simulation testing, the Steering Committee and BCP Management validated the effectiveness of the BCP. Continuous efforts will be made to enhance and fine-tune the BCP, utilising insights gained from these simulations.

In November 2024, an independent Vulnerability and Penetration Test was conducted by an external firm and remedial actions were taken to address the issues identified.

In December 2024, the BCP Simulation Test was successfully conducted.

Statement on Risk Management and Internal Control

Assurance from Management

The Chief Executive Officer and Chief Financial Officer have assured the Board that the Group's risk management and internal control systems operate effectively and efficiently in all respects.

Considering management's assurance, the Board is satisfied that the risk management and internal control processes were in place for the year under review and remain sound, safeguarding shareholders' investments and the Group's assets up to the date of the financial statements issuance.

The Board remains committed to maintaining a sound risk management system and internal control. The systems will be continuously reviewed and revised where appropriate to support the business and comply with the following:

- Malaysian Code on Corporate Governance (April 2021) – Securities Commission Malaysia
- Bursa Malaysia's Statement on Risk Management and Internal Controls – Guidelines for Directors of Listed Issuers (March 2018) – Bursa Malaysia
- Corporate Governance Guide 2021 (4th Edition) – Bursa Malaysia

Conclusion

During the year under review, the Board and Management were satisfied with the Group's implementation of its internal control systems. They will continuously review and strengthen them, together with the Group's risk management systems, to ensure ongoing adequacy and effectiveness in meeting the changing and challenging operating environment.

The Board and ARMC ensure that Management has taken and maintained effective measures to mitigate the threat of cyber-attacks. They will remain vigilant and take additional steps to minimise the cybersecurity risks and their impact on company operations.

Review of this Statement by External Auditors

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems.

This Statement was endorsed by the ARMC and approved by the Board on 14 April 2025.

BOARD OF DIRECTORS
MESINIAGA BERHAD

Audit and Risk Management Committee

The Audit and Risk Management Committee (ARMC) is pleased to present the ARMC report for the financial year ended 31 December 2024 in compliance with paragraph 15.15 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance (MCCG) April 2021.

The ARMC assists the Board of Directors (Board) in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting, risk management and internal control.

COMPOSITION OF THE ARMC

As at the date of this Annual Report, the composition of the ARMC is as follows:

Sim Hong Kee
Chairman, Independent Non-Executive Director

Datuk Noor Azian Shaari
Member, Independent Non-Executive Director

Zaim Husni Omar
Member, Non-Independent Non-Executive Director *(appointed with effect from 5 June 2024)*

Dr. Veerinderjeet Singh Tejwant Singh
Member, Independent Non-Executive Director *(appointed with effect from 1 August 2024)*

Dato' Darawati Hussain
Member, Non-Independent Non-Executive Director *(ceased with effect from 5 June 2024)*

Syafinaz Sanit
Secretary *(appointed with effect from 6 January 2025)*

Mohd Shahrul Zamir Safaruddin
Secretary *(resigned with effect from 26 August 2024)*

NUMBER OF ARMC MEETINGS AND DETAILS OF ATTENDANCE

During the financial year ended 31 December 2024, the ARMC held a total of six (6) meetings. The details of the attendance of each ARMC member are as follows:

Date	23.02.2024	28.02.2024	27.03.2024	16.05.2024	21.08.2024	18.11.2024
Sim Hong Kee	✓	✓	✓	✓	✓	✓
Datuk Noor Azian Shaari	✓	✓	✓	✓	✓	✓
Zaim Husni Omar					✓	✓
Dr. Veerinderjeet Singh					✓	✓
Dato' Darawati Hussain	✓	✓	✓	✓		

Audit and Risk Management Committee

TERMS OF REFERENCE FOR THE AUDIT AND RISK MANAGEMENT COMMITTEE

Purpose

The primary objective of the Audit and Risk Management Committee (ARMC) is to assist the Board of Directors in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting, risk management and internal control.

Size and Composition

i. The ARMC shall be appointed by the Board of Directors of Mesiniaga from amongst their members.
ii. The Committee shall consist of not less than three (3) members, the majority of whom shall be Independent Non-Executive Directors.
iii. The Committee must comprise Directors who possess a wide range of necessary skills, knowledge, and experience relevant to the responsibilities of the Committee. Each member should be financially literate, competent and able to understand the matters under the purview of the Committee including the financial reporting process.
iv. At least one (1) member of the Committee:
   a. must be a member of the Malaysian Institute of Accountants (MIA); or
   b. if he/she is not a member of the MIA, 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
   c. fulfils such requirements as prescribed by Bursa Malaysia.
v. The Chairman of the Committee:
   a. must not be the Chairman of the Board of Directors; and
   b. shall be an Independent Director.
vi. A former audit partner of the Company's external audit firm shall observe a cooling-off period of at least three (3) years before being eligible for consideration to be appointed as a member of the ARMC.

Meetings and Quorum

i. Meetings shall be held not less than four (4) times a year and as and when required during the financial year.
ii. The quorum for a meeting shall be at least two (2) Committee members.
iii. Attendance of other Directors and employees at any particular ARMC Meeting will be at the invitation of the ARMC.
iv. The presence of the External Auditor for a meeting will be requested if required.
v. Minutes of each ARMC Meeting were recorded and tabled for confirmation and adoption at the next ARMC Meeting and subsequently presented to the Board for notation. The Chairman of the ARMC shall report on each meeting to the Board.

Secretary

The Secretary of the Committee shall be the Head of Audit and Risk Department of the Company and as a reporting procedure, the minutes shall be circulated to all members of the ARMC.

Audit and Risk Management Committee

Authority

The ARMC is authorised by the Board to:

i. investigate any activity within its terms of reference;
ii. seek any information it requires from the employees of Mesiniaga Berhad for the purpose of discharging its functions and responsibilities;
iii. obtain legal or other independent professional advice at the expense of Mesiniaga Berhad;
iv. ensure the attendance of outsiders with relevant experience and expertise if it considers this necessary;
v. have full and unrestricted access to any information and documents pertaining to Mesiniaga Berhad;
vi. convene meetings with the Head of Internal Audit and Risk without the presence of the Management staff whenever deemed necessary; and
vii. meet with the External Auditor at least once (1) a year without the presence of the Management Team and when necessary, without the Internal Audit staff to provide an avenue for the External Auditor to express any concerns, including areas related to their ability to perform work without restraint or interference.

Duties and Responsibilities

A. Audit Functions

1) Financial Reporting

To review the quarterly and annual financial statements of Mesiniaga Berhad for recommendation to the Board of Directors for release to Bursa Malaysia accordingly, with particular focus on:

i. changes in or implementation of accounting policies and practices;
ii. significant adjustment arising from the audit;
iii. significant matters highlighted including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions, and how these matters are addressed;
iv. going concern assumption; and
v. compliance with accounting standards and other legal requirements.

2) Internal Audit

i. To receive and review the internal audit reports together with Management's responses in ensuring that appropriate and prompt remedial actions are taken by Management to address and resolve the significant lapses in controls and procedures that are identified;
ii. To discuss and make enquiries on internal audit findings and the adequacy of the Management response to resolve those findings; and
iii. To note the significant disagreements between the Internal Audit and the rest of the Management team, irrespective of whether these have been resolved, to identify any impact that the disagreements may have on the audit process or findings.

Audit and Risk Management Committee

3) External Audit

i. To review the Audit Planning Memorandum by the External Auditor covering the nature and scope of audit planned for the financial year under review;
ii. To review the External Auditor's audit report and the significant audit findings underlying their report and the adequacy of the Management's response to resolve these findings;
iii. To evaluate the External Auditor's independence and objectivity, as well as their ability to serve the Group in terms of technical competencies and manpower resource sufficiency, including non-audit services to safeguard the quality and reliability of the audited financial statements;
iv. To assess the performance of the External Auditor and make recommendations to the Board of Directors on their appointment/re-appointment, remuneration, resignation and removal;
v. To review the reasonableness of the proposed audit fees charged against the size and complexity of the Group; and
vi. To review the provision of non-audit services by the External Auditor for recommendation to the Board of Directors for approval.

4) Internal Audit Department

i. To review and approve the Internal Audit Charter;
ii. To review and approve the risk-based audit plan, internal audit budget and resource plan;
iii. To review the updates on the Audit Plan in respect of the changes to the plan and timeline;
iv. To ensure the adequacy of the scope of the audit and address resource and scope limitations;
v. To deliberate on internal audit reports and recommendations raised, and ensure the implementation of the recommendations;
vi. To establish a mechanism to assess the performance and effectiveness of the Internal Audit function; and
vii. To communicate reports of investigations to the Board, where appropriate.

5) Related Party Transaction

To review related party transactions entered by the Group and ensure that the transactions undertaken were in the best interest of the Group, fair, reasonable and on normal commercial terms, and not detrimental to the interest of the minority shareholders, and recommend the same for approval by the Board.

B. Risk Management Functions

1) Business Risk

i. To lead the Group's strategic direction in the Management of the Group's business risks;
ii. To set reporting guidelines for Management to report to the Committee on the effectiveness of the Group's Management of its business risks; and
iii. To ensure adequate infrastructure, resources, and systems are in place for effective risk and internal control management.

2) Risk Management Framework

i. To oversee the establishment, maintenance, and implementation of a risk management framework which identifies, assesses, manages, and monitors the Group's business risks; and
ii. To review the effectiveness of the risk management framework in identifying and managing risks and internal processes which include but not limited to ensuring the adequacy of risk management policy and infrastructure to facilitate the implementation of action plans for risk management.

Audit and Risk Management Committee

3) **Risk Management Policy**

   i. To oversee and recommend the risk management policies of the Group; and
   ii. To review and recommend changes as needed to ensure that the Group always has in place risk management policies which address the strategic, operational, financial, and compliance risk.

4) **Risk Profiles**

   i. To review the Group's risk profiles and evaluate the effectiveness of the measures taken to mitigate the business risks; and
   ii. To review and deliberate the quarterly risk profile report.

5) **Others**

   i. To ensure that all governance instruments are reviewed and updated continuously to reflect changes in the operating environment;
   ii. To review the Statement on Risk Management and Internal Control (SORMIC) of the Group for inclusion in the Annual Report; and
   iii. To be updated on any ISO certification changes and development on Mesiniaga ISO 9001:2015 Certification.

Reporting to the Board

The Committee shall report to the Board following each meeting. The report will cover the matters as set out in the Committee's duties and responsibilities.

Access to Information

The Committee can seek information directly from the Group's employees or external party, including the Group's auditors and other professional advisers.

Review

The Terms of Reference shall be reviewed on an annual basis to ensure that it reflects current best practice in corporate governance and risk management. Board approval is required for any changes in the Terms of Reference.

AUDIT & RISK MANAGEMENT COST

The total costs incurred by Audit and Risk Management Department in 2024 amounted to RM184,509 against RM269,958 in 2023 comprising of mainly salaries, training and benefits.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) is pleased to present this Report for the financial year ended 31 December 2024 in compliance with paragraph 15.08A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance (MCCG) April 2021.

COMPOSITION OF THE NRC

Sim Hong Kee
Chairman, Independent Non-Executive Director *(Appointed with effect from 5 June 2024)*

Fathil Ismail
Member, Non-Independent Non-Executive Director

Datuk Noor Azian Shaari
Member, Independent Non-Executive Director *(Appointed with effect from 5 June 2024)*

Voon Seng Chuan
Chairman, Independent Non-Executive Director *(Retired with effect from 4 June 2024)*

Rosmawati Haron
Secretary

NUMBER OF NRC MEETINGS AND DETAILS OF ATTENDANCE

Date	06.02.2024	21.02.2024	23.02.2024	19.03.2024	05.04.2024	05.11.2024
Sim Hong Kee	✓	✓	✓	✓	✓	✓
Fathil Ismail	✓	✓	✓	✓	✓	✓
Datuk Noor Azian Shaari						✓
Voon Seng Chuan	✓	✓	✓	✓	✓	

TERMS OF REFERENCE FOR THE NOMINATION AND REMUNERATION COMMITTEE

SIZE AND COMPOSITION

1. The members of the Nomination and Remuneration Committee shall be appointed by the Board of Directors of Mesiniaga from amongst their members.
2. The Committee shall consist of not less than three (3) members, exclusively for Non-Executive Directors, a majority of whom shall be Independent Directors; and
3. The Chairperson of the Committee shall be an Independent Director.

Nomination and Remuneration Committee

FREQUENCY OF MEETINGS

1. Meetings shall be held at least once (1) a year; and
2. The quorum for a meeting shall be at least two (2) Committee members.

SECRETARY

1. The Head of Human Resources Department shall be the Secretary of the Nomination and Remuneration Committee.
2. Minutes of meetings shall be recorded.

PURPOSE OF THE COMMITTEE

The Nomination and Remuneration Committee is established to assist the Board in the following areas:

1. Develop and administer a fair and transparent procedure for matters related to the nomination and remuneration of Directors, Board Committees and Executive Directors.
2. Develop and administer a fair and transparent procedure for evaluation of Board's effectiveness.
3. Provide input to the Executive Director on the KPIs and remunerations of the C-level positions.

The Committee shall perform the following objectives having regard to the Group's operating results, individual performance and comparable market statistics.

FUNCTIONS AND DUTIES – NOMINATION

1. To review and ensure that the Board composition meets the needs of the Group.
2. To administer the selection and assessment of Directors.
3. To develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors.
4. To assess and recommend to the Board the candidature of Directors, appointment of Directors to Board committees, review of the Board's, CEO and C-Level succession plans and training programmes for the Board.
5. To establish formal and transparent remuneration policies and procedures to attract and retain Directors.
6. To recommend for the approval of the Board the terms and conditions of service, remuneration, compensation and benefits package (including bonus and salary increment) for a to-be appointed Executive Director.
7. To review the performance of Executive Directors based on KPIs.
8. To annually review the assessment results of the Board's effectiveness, present the observations and share results and recommended actions for approval by the Board.

FUNCTIONS AND DUTIES – REMUNERATION

1. To review and make recommendations to the Board for approval, the remunerations of the Board and Board committees.
2. To review and recommend to the Board for approval, the remuneration, compensation and benefits package (including bonus and salary increment) for Executive Directors.
3. To review and provide input to the CEO on the setting of KPI and remuneration structure for C-level positions.

FUNCTIONS AND DUTIES – OTHERS

1. To perform other related duties as directed by the Board of Directors.

Other Information Required

by the Listing Requirements of Bursa Securities Malaysia Berhad

UTILISATION OF PROCEEDS

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

NON-AUDIT FEES

An amount of RM56,900.00 was paid for tax services provided by PwC Taxation Services Sdn. Bhd.

MATERIAL CONTRACTS

There was no material contract by the Company and its subsidiaries involving Directors or substantial shareholders' interest during the financial year.

CONTRACTS RELATING TO LOAN

There was no contract 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 2024.

EMPLOYEES SHARE OPTION SCHEME

The Company did not implement any employee share options scheme in the financial year 2024.

INTERNAL AUDIT EXPENSES

The costs incurred for the internal audit function in respect of the financial year 2024 was RM184,509.

Financial Statements

Directors' Report

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Datuk Wan Mohamed Fusil bin Wan Mahmood	
Fathil Sulaiman bin Ismail	
Sim Hong Kee	
Datuk Noor Azian binti Shaari	
Dato' Darawati Hussain	
Zaim Husni bin Omar	
Dr. Veerinderjeet Singh A/L Tejwant Singh	(Appointed on 1 August 2024)
Voon Seng Chuan	(Retired on 4 June 2024)

In accordance with Article 104 of the Company's Articles of Association, Datuk Noor Azian binti Shaari and Dato' Darawati Hussain will retire by rotation at the forthcoming Annual General Meeting ("AGM"):

- Datuk Noor Azian binti Shaari being eligible, has offered herself for re-election.
- Dato' Darawati Hussain has formally notified the Board of Directors of her decision not to seek re-election.

In accordance with Article 108 of the Company's Articles of Association, Dr. Veerinderjeet Singh A/L Tejwant Singh will retires at the forthcoming AGM, and being eligible, offers himself for re-election.

LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016, the list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) in office since the beginning of the financial year to the date of the report are:

Ariffin bin Abd Majid
Yeow Daw Swee
William Woo Siew Wing
Ng Kuo Pin
Koh Boon Chye

PRINCIPAL ACTIVITIES

The Company is principally involved in the sale and service of information technology products and related services. The principal activities of the subsidiaries are described in Note 12 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

Directors' Report
(Continued)

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net (Loss)/Profit for the financial year attributable to:		
- Owners of the Company	(3,378)	22,182
- Non-controlling interest	(576)	0
Net (Loss)/Profit for the financial year	(3,954)	22,182

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

There were no changes in the authorised, issued and paid-up capital of the Company during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits shown under Directors' Remuneration as disclosed in this report) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member, or with a Company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE

During the financial year, the Group and the Company maintained a Directors' and Officers' Liability Insurance for the purpose of Section 289 of the Companies Act 2016. The total insured limit for the Directors and Officers Liability Insurance effected for each of the Directors and Officers of the Group and of the Company was RM30,000,000 at any one claim and under investigation under all insuring agreements combined.

Directors' Report
(Continued)

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares and debentures in the Company or its subsidiaries during the financial year except as follows:

	Number of ordinary shares			
	At 1.1.2024 '000	Bought '000	Sold '000	At 31.12.2024 '000
Datuk Wan Mohamed Fusil bin Wan Mahmood[(1)]	3,470	0	0	3,470
Fathil Sulaiman bin Ismail	7,748	0	0	7,748

[(1)] Including interests held under nominee accounts with CIMB Islamic Trustee Berhad and CGS International Nominees Malaysia (Tempatan) Sdn. Bhd.

DIVIDENDS

The dividends on ordinary shares declared and paid by the Company since 31 December 2023 are as follow:

	RM'000
In respect of the financial year ended 31 December 2023	
- Final single-tier dividend of RM 0.025 per share declared on 29 February 2024 and paid on 3 July 2024	1,510

The Directors do not recommend the payment of any dividend in respect of the financial year ended 31 December 2024.

Directors' Report
(Continued)

DIRECTORS' REMUNERATION

Details of Directors' remuneration paid/payable by the Group and the Company for the financial year are as follows:

	Group RM'000	Company RM'000
Directors' remuneration:		
Non-Executive Directors:		
- fees	368	368
- other emoluments*	120	120
Executive Director:		
- salary	699	699
- other emoluments*	77	77
- defined contribution plan	133	133
Total Directors' remuneration	1,397	1,397

* There is no benefit-in-kind (based on estimated monetary value) receivable from the Group and the Company in Directors' emoluments during the financial year ended 31 December 2024 and 31 December 2023.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

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

(ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected to realise.

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

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

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

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

Directors' Report
(Continued)

OTHER STATUTORY INFORMATION (CONTINUED)

(c) At the date of this report:

(i) there are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year which secure the liabilities of any other person; and

(ii) there are no contingent liabilities in the Group and in the Company which have arisen since the end of the financial year.

(d) No contingent or other liability of any Company in the Group 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 Company and its subsidiaries to meet their obligations when they fall due.

(e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

(f) In the opinion of the Directors:

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

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

SUBSIDIARIES

Details of subsidiaries are set out in Note 12 to the financial statements.

AUDITORS' REMUNERATION

Details of auditors' remuneration for the financial year ended 31 December 2024 are as follows:

	Group RM'000	Company RM'000
Auditors' remuneration:		
- audit	504	406
- non-audit	57	17
	561	423

Directors' Report
(Continued)

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

This report was approved by the Board of Directors on 14 April 2025.

Signed on behalf of the Board of Directors:

DATUK WAN MOHAMED FUSIL BIN WAN MAHMOOD
DIRECTOR

SIM HONG KEE
DIRECTOR

Kuala Lumpur

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Datuk Wan Mohamed Fusil bin Wan Mahmood and Sim Hong Kee, two of the Directors of Mesiniaga Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 87 to 156 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and financial performance of the Group and of the Company for the financial year ended 31 December 2024 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 of Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 14 April 2025.

DATUK WAN MOHAMED FUSIL BIN WAN MAHMOOD
DIRECTOR

SIM HONG KEE
DIRECTOR

Kuala Lumpur

Statutory Declaration

Pursuant to Section 251(1) of the Companies Act 2016

I, Ariffin bin Abd Majid, the Officer primarily responsible for the financial management of Mesiniaga Berhad, do solemnly and sincerely declare that the financial statements set out on pages 87 to 156 are, to the best of my knowledge and belief, 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.

ARIFFIN BIN ABD MAJID
OFFICER
MIA No. CA 43071

Subscribed and solemnly declared by the above named, Ariffin bin Abd Majid at Kuala Lumpur, Malaysia on 14 April 2025.

Before me:

COMMISSIONER FOR OATHS

Independent Auditors' Report

To the Members of Mesiniaga Berhad
(Incorporated in Malaysia)
Registration No. 198101013112 (79244-V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Mesiniaga Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2024 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 financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 87 to 156.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

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

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report

To the Members of Mesiniaga Berhad (Continued)
(Incorporated in Malaysia)
Registration No. 198101013112 (79244-V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
During the financial year ended 31 December 2024, the Group and the Company recognised revenues amounting to RM180.4 million and RM179.6 million respectively (2023: RM259.8 million and RM257.3 million). We focused on this area as there are judgements involved in arriving at the quantum and timing of revenue recognised. Certain contracts with customers with multi element arrangements may include sales of hardware, software licences, and services. Judgement is exercised in determining the number of distinct performance obligations included within these contracts with customers. Transaction price is allocated to each performance obligation on the basis of the estimated stand-alone selling prices of distinct goods or services promised in the contract. The timing of revenue recognition may differ from the timing of billing to customers. When the services rendered by the Group and Company exceed the payment, a contract asset is recognised. As at 31 December 2024, the Group and Company had recognised contract assets amounting to RM39.3 million (2023: RM59.6 million). As a result of the above conditions, we regard revenue recognition from contracts with customers as a key audit matter for the Group and Company.	We performed the following audit procedures: We read and understood the key terms and conditions of significant contracts with customers containing multiple performance obligations; We obtained an understanding of the process surrounding customer acceptance and the acceptance of letters of award; We tested the operating effectiveness of controls over the approval of customer contracts and budgets including the estimation of cost in determining the stand alone selling price and management's assessment of the allocation of transaction price between various performance obligations; We have also obtained management's assessment of allocated transaction price to the identification of separate performance obligations over customer contracts with bundling arrangements and sighted to customer contracts on a sampling basis; We tested the amount of revenue recognised (sales of hardware, software licences, and services) to acceptance documents from customers and/or service delivery periods based on contractual terms; We have obtained management's assessment of expected billings for contract assets and checked against the billing terms in the contract on a sampling basis. We have obtained management's board paper to corroborate the timing of the expected billings of the long aged contract assets; and We have tested the appropriateness of unexpected journal entries made to the revenue accounts by assessing the basis for the journals and reviewing supporting documents. We did not identify any material exceptions from performing the procedures above.

Independent Auditors' Report

To the Members of Mesiniaga Berhad (Continued)
(Incorporated in Malaysia)
Registration No. 198101013112 (79244-V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Management Discussion and Analysis, Five-Year Performance Statistics, Sustainability Statement, Corporate Governance Overview Statement, Statement of Directors' Responsibilities in Relation to Financial Statements, Statement on Risk Management and Internal Control, Audit and Risk Management Committee, Nomination and Remuneration Committee, Other Information Required by the Listing Requirements of Bursa Securities Malaysia Berhad, Directors' Report and other sections of the 2024 annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditors' Report

To the Members of Mesiniaga Berhad (Continued)
(Incorporated in Malaysia)
Registration No. 198101013112 (79244-V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report

To the Members of Mesiniaga Berhad (Continued)
(Incorporated in Malaysia)
Registration No. 198101013112 (79244-V)

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

SUBATHRA A/P GANESAN
03020/08/2026 J
Chartered Accountant

Kuala Lumpur
14 April 2025

Statements of Comprehensive Income

For the Financial Year Ended 31 December 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	4	180,393	259,795	179,569	257,300
Dividend income		0	0	5,100	0
Changes in inventories of finished goods		(5,282)	(2,473)	(3,918)	(817)
Finished goods purchased		(48,648)	(111,301)	(48,414)	(110,842)
Information technology services purchased		(58,343)	(60,500)	(77,216)	(81,774)
Staff cost	5	(70,017)	(73,568)	(54,151)	(59,950)
Depreciation		(1,606)	(1,640)	(1,507)	(1,442)
Travelling expenses		(1,186)	(2,065)	(667)	(1,353)
Administrative expenses:					
- office equipment maintenance		(2,489)	(2,412)	(2,371)	(2,299)
- cleaning and security		(501)	(501)	(497)	(497)
- utilities		(952)	(928)	(858)	(823)
- other administrative expenses		(1,364)	(1,411)	(1,226)	(1,330)
Other operating expenses		(1,766)	(1,530)	(1,536)	(1,715)
Net (provision)/reversal on impairment losses/on financial and contract assets	13,14, 15	(644)	41	22,438	8,010
Reversal on/(provision of) loss allowance on other receivables	15	160	(160)	160	(160)
Other operating income		459	493	746	781
Other gains	29	5,084	885	5,084	885
(Loss)/Profit from operations	6	(6,702)	2,725	20,736	3,974
Finance cost	7	(761)	(750)	(759)	(747)
Finance income	7	1,141	1,026	1,037	822
(Loss)/Profit before taxation and zakat		(6,322)	3,001	21,014	4,049
Taxation and zakat	8	2,368	864	1,168	(18)
(Loss)/Profit for the financial year		(3,954)	3,865	22,182	4,031
Other comprehensive (loss)/income:					
Item that will not be reclassified to profit or loss:					
Actuarial gain/(loss) on defined benefit plan (net of tax)	8	3,699	(1,291)	3,699	(1,291)
Total comprehensive (loss)/income for the financial year		(255)	2,574	25,881	2,740

The notes on pages 96 to 156 are an integral part of these financial statements.

Statements of Comprehensive Income

For the Financial Year Ended 31 December 2024 (Continued)

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(Loss)/Profit for the financial year attributable to:					
Equity holders of the Company		(3,378)	3,903	22,182	4,031
Non-controlling interests		(576)	(38)	0	0
(Loss)/Profit for the financial year		(3,954)	3,865	22,182	4,031
Total comprehensive (loss)/income for the financial year attributable to:					
Equity holders of the Company		321	2,612	25,881	2,740
Non-controlling interests		(576)	(38)	0	0
Total comprehensive (loss)/income for the financial year		(255)	2,574	25,881	2,740
Basic/Diluted earnings per share (sen)	9	(5.59)	6.46		

The notes on pages 96 to 156 are an integral part of these financial statements.

Statements of Financial Position

As at 31 December 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	35,205	34,926	34,895	34,716
Intangible assets	11	0	0	0	0
Investment in subsidiaries	12	0	0	1,590	1,590
Contract assets	13	0	2,669	0	2,669
Finance lease receivables	14	1,912	3,075	1,912	3,075
Trade and other receivables	15	0	5,625	16,796	5,625
Deferred tax assets	17	3,600	2,400	1,400	1,400
TOTAL NON-CURRENT ASSETS		40,717	48,695	56,593	49,075
Current assets					
Inventories	18	1,289	6,572	874	4,793
Contract assets	13	39,326	56,984	39,326	56,984
Finance lease receivables	14	1,156	1,940	1,156	1,940
Trade and other receivables	15	31,970	60,422	42,416	67,106
Tax recoverable		284	187	22	22
Prepayment	16	17,001	0	16,986	0
Deposits with licensed financial institutions	19	38,371	38,246	36,281	29,528
Cash and bank balances	19	9,966	26,199	9,059	22,339
TOTAL CURRENT ASSETS		139,363	190,550	146,120	182,712
TOTAL ASSETS		180,080	239,245	202,713	231,787

The notes on pages 96 to 156 are an integral part of these financial statements.

Statements of Financial Position

As at 31 December 2024 (Continued)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	20	64,528	64,528	64,528	64,528
Retained earnings		44,511	49,399	59,057	38,385
Defined benefit reserves	21	179	(3,520)	179	(3,520)
		109,218	110,407	123,764	99,393
Non-controlling interests	12	1,762	7,238	0	0
TOTAL EQUITY		110,980	117,645	123,764	99,393
Non-current liabilities					
Defined benefits obligations	21	766	5,427	766	5,427
Lease liabilities	22	1,790	2,704	1,790	2,704
Borrowings	23	0	248	0	248
TOTAL NON-CURRENT LIABILITIES		2,556	8,379	2,556	8,379
Current liabilities					
Trade and other payables	24	41,329	76,308	51,178	87,126
Lease liabilities	22	914	1,514	914	1,490
Contract liabilities	13	10,596	24,865	10,596	24,865
Borrowings	23	13,426	10,534	13,426	10,534
Provisions	25	279	0	279	0
TOTAL CURRENT LIABILITIES		66,544	113,221	76,393	124,015
TOTAL LIABILITIES		69,100	121,600	78,949	132,394
TOTAL EQUITY AND LIABILITIES		180,080	239,245	202,713	231,787

The notes on pages 96 to 156 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the Financial Year Ended 31 December 2024

		Attributable to owners of the parent						
		Issued and fully paid ordinary shares						
Group	Note	Number of shares '000	Share capital RM'000	Retirement benefit reserves RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total RM'000
At 1 January 2024		60,402	64,528	(3,520)	49,399	110,407	7,238	117,645
Loss for the financial year		0	0	0	(3,378)	(3,378)	(576)	(3,954)
Other comprehensive gain for the financial year		0	0	3,699	0	3,699	0	3,699
Total comprehensive income/ (loss) for the financial year		0	0	3,699	(3,378)	321	(576)	(255)
Dividend paid	27	0	0	0	(1,510)	(1,510)	(4,900)	(6,410)
At 31 December 2024		60,402	64,528	179	44,511	109,218	1,762	110,980
At 1 January 2023		60,402	64,528	(2,229)	48,516	110,815	7,276	118,091
Income for the financial year		0	0	0	3,903	3,903	(38)	3,865
Other comprehensive loss for the financial year		0	0	(1,291)	0	(1,291)	0	(1,291)
Total comprehensive (loss)/ income for the financial year		0	0	(1,291)	3,903	2,612	(38)	2,574
Dividend paid	27	0	0	0	(3,020)	(3,020)	0	(3,020)
At 31 December 2023		60,402	64,528	(3,520)	49,399	110,407	7,238	117,645

The notes on pages 96 to 156 are an integral part of these financial statements.

Company Statement of Changes in Equity

For the Financial Year Ended 31 December 2024

Company	Note	Issued and fully paid ordinary shares: Number of shares '000	Issued and fully paid ordinary shares: Share capital RM'000	Retirement benefit reserves RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2024		60,402	64,528	(3,520)	38,385	99,393
Income for the financial year		0	0	0	22,182	22,182
Other comprehensive gain for the financial year		0	0	3,699	0	3,699
Total comprehensive income for the financial year		0	0	3,699	22,182	25,881
Dividend paid	27	0	0	0	(1,510)	(1,510)
At 31 December 2024		60,402	64,528	179	59,057	123,764
At 1 January 2023		60,402	64,528	(2,229)	37,374	99,673
Income for the financial year		0	0	0	4,031	4,031
Other comprehensive loss for the financial year		0	0	(1,291)	0	(1,291)
Total comprehensive (loss)/income for the financial year		0	0	(1,291)	4,031	2,740
Dividend paid	27	0	0	0	(3,020)	(3,020)
At 31 December 2023		60,402	64,528	(3,520)	38,385	99,393

The notes on pages 96 to 156 are an integral part of these financial statements.

Statements of Cash Flows

For the Financial Year Ended 31 December 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/Profit for the financial year		(3,954)	3,865	22,182	4,031
Adjustments for:					
Taxation	8	(2,368)	(874)	(1,168)	8
Zakat	8	0	10	0	10
Depreciation of:					
- property, plant and equipment	10	1,565	1,566	1,466	1,368
- right-of-use	10	41	74	41	74
Dividend income from a subsidiary		0	0	(5,100)	0
Finance cost	7	761	750	759	747
Finance income	7	(1,141)	(1,026)	(1,037)	(822)
Defined benefits obligations		401	399	401	399
Net (reversal)/impairment of losses:					
- trade receivables		60	(32)	62	(29)
- contract assets		584	(9)	584	(9)
- amount due from subsidiaries		0	0	(23,126)	(7,972)
(Reversal on)/provision on loss allowance on other receivables		(160)	160	(160)	160
Unrealised foreign exchange (loss)/gains, net		290	(856)	290	(856)
Loss on property, plant and equipment written off		0	5	0	5
Provision/(reversal) for slow moving inventory		1,083	(44)	360	(34)
Provision for onerous contracts		279	0	279	0
Impairment of investment in subsidiaries		0	0	0	208
Write off amount due from a subsidiary		0	0	42	205
		(2,559)	3,988	(4,125)	(2,507)
Changes in working capital:					
Inventories		4,200	2,517	3,559	850
Contract assets		19,743	(1,472)	19,743	(1,472)
Trade and other receivables		18,124	3,412	16,783	1,193
Prepayment		1,160	0	1,160	0
Intercompany balances		0	0	(2,135)	6,648
Trade and other payables		(35,427)	(3,768)	(34,157)	(3,640)
Contract liabilities		(14,269)	3,206	(14,269)	3,206
Cash generated from operations		(9,028)	7,883	(13,441)	4,278
Retirement benefits paid		(195)	(350)	(195)	(350)
Tax refund		0	37	0	0
Tax paid		(97)	0	0	(97)
Zakat paid		0	(10)	0	(10)
Net cash (used in)/generated from operating activities		(9,320)	7,560	(13,636)	3,821

The notes on pages 96 to 156 are an integral part of these financial statements.

Statements of Cash Flows

For the Financial Year Ended 31 December 2024 (Continued)

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	(a)	(1,885)	(1,058)	(1,657)	(948)
Dividend received from subsidiary		0	0	5,100	0
Interest received		949	728	846	524
Investment in deposits maturing more than three months (restricted cash)		(11)	(19)	(11)	(19)
Increase/(decrease) in restricted cash		76	(1,052)	76	(1,052)
Advance to subsidiaries		0	0	(2,391)	0
Repayment from subsidiary		0	0	6,137	0
Net cash (used in)/generated from investing activities		(871)	(1,401)	8,100	(1,495)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid to shareholders		(1,510)	(3,020)	(1,510)	(3,020)
Dividend paid to minority interest		(4,900)	0	0	0
Repayment of lease liabilities	(b)	(1,514)	(44)	(1,490)	(16)
Interest paid on lease liabilities	(b)	(160)	(2)	(158)	0
Drawdown of bankers acceptance	(b)	40,448	28,689	40,448	28,689
Repayment of bankers acceptance	(b)	(37,474)	(24,924)	(37,474)	(24,924)
Interest of bankers acceptance	(b)	(460)	(353)	(460)	(353)
Repayment of term financing	(b)	(330)	(330)	(330)	(330)
Interest paid on term financing	(b)	(20)	(35)	(20)	(35)
Net cash (used in)/generated from financing activities		(5,920)	(19)	(994)	11
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(16,111)	6,140	(6,530)	2,337
EFFECT OF FOREIGN EXCHANGE TRANSLATION		68	492	68	492
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		58,917	52,285	46,339	43,510
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	19	42,874	58,917	39,877	46,339

The notes on pages 96 to 156 are an integral part of these financial statements.

Statements of Cash Flows
For the Financial Year Ended 31 December 2024 (Continued)

Note to the Statement of Cash Flows:

(a) Purchase of property, plant and equipment

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Additions during the year	1,885	700	1,685	561
Deposits paid in current year	0	465	0	465
Unpaid and included under payables	(27)	(107)	(27)	(78)
Payment during the financial year	1,858	1,058	1,658	948

(b) The reconciliation of lease liabilities and borrowings to cash flow arising from financing activities is disclosed in Notes 22 and 23.

The notes on pages 96 to 156 are an integral part of these financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

1 GENERAL INFORMATION

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

The principal activities of the Group and of the Company are sale of information technology ("IT") products and services. The principal activities of the subsidiaries are described in Note 12 to the financial statements. There have been no significant changes in the nature of these activities 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 SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as disclosed in the significant accounting policies below.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional and presentation currency.

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

(a) Standards, amendments to published standards and interpretations that are effective for the Group's and the Company's financial year beginning on 1 January 2024:

- Amendments to MFRS 101 'Classification of liabilities as current or non-current' and 'Non-current Liabilities with Covenants'
- Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback'
- Amendments to MFRS 107 and MFRS 7 'Supplier Finance Arrangements'

The adoption of the above standards and amendments to standards have no material impact in the current financial year or any prior period and not likely to affect future period.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(b) IFRIC agenda decisions that are concluded and published:

In view that MFRS is fully converged with IFRS Accounting Standards, the Group and the Company consider all agenda decisions published by the IFRS Interpretations Committee ("IFRIC"). Where relevant, the Group and the Company may change its accounting policy to be aligned with the agenda decision.

During the year, the Group and the Company have assessed the implication of the IFRIC agenda decision on disclosure of revenues and expenses for reportable segments (MFRS 8 *Operating segments*).

This agenda decision clarified that entities reporting segment information in their financial statements should disclose specific income and expense items for each reportable segment, provided these items are included in the segment profit measure reviewed by the chief operating decision maker (‘‘CODM"), regardless of whether they are separately reviewed by the CODM. Additionally, entities should apply the requirements for materiality and aggregation under MFRS 101 when determining which additional material items of income and expense should be disclosed in segment reporting.

IFRIC agenda decisions are not expected to have material impact to the Group and the Company.

(c) Standards and amendments to published standards and interpretations that have been issued but not yet effective:

- MFRS 18 ‘Presentation and Disclosure in Financial Statements’ (effective 1 January 2027) replaces MFRS 101 ‘Presentation of Financial Statements’.

  - The new MFRS introduces a new structure of profit or loss statement.

    (a) Income and expenses are classified into 3 new main categories:

      i. Operating category which typically includes results from the main business activities;
      ii. Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
      iii. Financing category that presents income and expenses from financing liabilities.

    (b) Entities are required to present two new specified subtotals: ‘Operating profit or loss’ and ‘Profit or loss before financing and income taxes’.

  - Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.

  - Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (Continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(c) Standards and amendments to published standards and interpretations that have been issued but not yet effective (continued):

- MFRS 18 ‘Presentation and Disclosure in Financial Statements’ (effective 1 January 2027) replaces MFRS 101 ‘Presentation of Financial Statements’ (continued).

  Management is currently assessing the detailed implications of applying MFRS 18 on the Group’s consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

  - Although the adoption of MFRS 18 will have no impact on the Group’s and the Company’s net profit, the Group and the Company expect that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group and the Company has performed, the following items might potentially impact operating profit:

    - Foreign exchange differences currently aggregated in ‘other operating expenses’ and ‘other gains’ in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

    - The Group and the Company do not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

      - management-defined performance measures;

      - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and

      - for the first annual period of application of MFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying MFRS 18 and the amounts previously presented applying MFRS 101.

  MFRS 18 will be applied retrospectively.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(c) Standards and amendments to published standards and interpretations that have been issued but not yet effective (continued):

- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026):

  - require financial assets to be derecognised on the date the contractual rights to the cash flows expire and financial liabilities to be derecognised when obligation under the contract is discharged (i.e. the settlement date). In addition, there is an optional exception to derecognise financial liabilities before the settlement date for settlement using electronic payment system if specified criteria are met;

  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion;

  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and

  - update the disclosures for equity instruments designated at fair value through other comprehensive income ("FVOCI").

- Amendments to MFRS 9 and MFRS 7 'Contract Referencing Nature-dependent Electricity' (effective 1 January 2026) have:

  - added the buyer's application guidance on the MFRS 9 'own-use exemption' for contracts to buy and take delivery of electricity that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions e.g. the weather ('contracts referencing nature-dependent electricity'). Under the amendments, the buyer can apply the MFRS 9 'own-use exemption' to account for these contracts as executory contracts if the buyer has been, and expects to be, a 'net purchaser' of electricity for the contract period, based on the criteria set in the standard;

  - permit hedge accounting in MFRS 9 if these contracts referencing nature-dependent electricity are used as hedging instruments; and

  - add new MFRS 7 disclosure requirements to enable users to understand the effects of these contracts on an entity's financial performance and cash flows.

The amendments are in line with the Group's and the Company's current practices, where the financial assets are derecognised on the date the contractual rights to the cash flows expire and financial liabilities are derecognised when obligation under the contract is discharged (i.e. the settlement date).

The amendments to MFRS 9 and MFRS 7 are not expected to have material impact to the Group and the Company.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2024 (Continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(c) Standards and amendments to published standards and interpretations that have been issued but not yet effective (continued):

The following amendments are not expected to have any significant impact on the consolidated financial statements of the Group:

- Amendments to MFRS 121 'Lack of Exchangeability'
- MFRS 19 'Subsidiaries without Public Accountability: Disclosures'
- Annual Improvements to MFRS Accounting Standards for enhanced consistency

2.2 SEGMENTAL REPORTING

The Company operates principally in Malaysia and in one major business segment being sales of information technology ("IT") products and services. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer, who is responsible for allocating resources and assessing performance of the operating segments. There is only one reportable segment based on the information reviewed by the Chief Executive Officer.

Accordingly, no segment information is provided as the financial position and performance are as already shown in the statement of Financial Position and Statement of Comprehensive Income.

At the end of the financial year, there were no significant concentrations of revenue other than one major customer with revenue of approximately RM23 million (2023: one major customer with revenue of approximately RM44 million). The customer contributes to approximately 13% (2023: 17%) of the revenue in the financial statements.

2.3 REVENUE RECOGNITION

Revenue which represents income arising in the course of the Group's and of the Company's ordinary activities is recognised by reference to each distinct performance obligation promised in the contract with customer. Revenue arises mainly from the sales of hardware and software licence, support and maintenance services and application development services.

Revenue from contracts with customers

Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of discounts and taxes. Discounts are measured using the most likely amount and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

Transaction price is allocated to each performance obligation on the basis of the estimated stand-alone selling prices of distinct goods or services promised in the contract.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 REVENUE RECOGNITION (CONTINUED)

Revenue from contracts with customers (continued)

The stand-alone selling prices are determined based on the observable prices. For goods and services with no observable price available, the Group and the Company estimate stand-alone selling prices using cost plus expected margin approach of each distinct goods or services promised in the contract. Depending on the substances of the respective contract with the customer, revenue is recognised when the performance obligation is satisfied, which may be at point in time or over time. Customers are invoiced based on milestones in the contracts. Any amounts remaining unbilled at the end of the reporting period are presented in the statement of financial position as contract assets as the right to consideration in exchange for goods or services that the entity has transferred to a customer is conditional in accordance with the contract terms.

Costs that are incremental to obtaining a contract are recognised as an asset if the Group and the Company expects to recover those costs. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained are recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

(a) Sales of hardware and software

Revenue from the sale of hardware is recognised when control over the hardware is transferred to the customer at a point in time. For hardware sales, transfer of control is usually deemed to occur upon delivery and acceptance by customer.

Revenue recognition for software depends on whether the software licences are perpetual or term based. Perpetual licences are provided to customers at a point in time, activated or ready to be activated by the customer at a later stage, therefore revenue is recognised when the customer obtains control of the software. Perpetual licences entitle customers the rights to use the software indefinitely upon delivery, without the need for the renewal or repurchase in subsequent years. While customers can continue using the software without interruptions, they may not receive the latest updates, patches or support from the products principals. Additionally, these licences do not impose any obligation on the Company to provide support or maintenance service.

Term-based software licences typically include multiple performance obligations where the licences are recognised upfront upon transfer of control with the associated software maintenance revenue recognised on a straight-line basis over the respective contract period. Where the bundled maintenance services are essential for the continued functionality of the software, they are recognised as a single performance obligation with the licence. Revenue is then recognised over time as control transfers over the period.

(b) Rendering of services

Revenue arising from the rendering of services includes support and maintenance services, and application development services.

The Group and the Company enter into fixed price support and maintenance services customers for terms between one and five years in length. Revenue for support and maintenance services with continued involvement are recognised on a straight-line basis over the term of the contract. This method best depicts the transfer of services to the customer as there is no reliable prediction that can be made as to if and when any individual customer will require the service.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2024 (Continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 REVENUE RECOGNITION (CONTINUED)

Revenue from contracts with customers (continued)

(b) Rendering of services (continued)

Revenue for application development services are recognised as the services are delivered. The costs in delivering recurring services are recognised as costs of sales as and when they are incurred.

Some contracts for delivery of hardware and software include multiple deliverables, such as the installation of hardware and/or software. In most cases, the installation is simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation. The revenue for installation services is recognised at a point in time when the customer has accepted the installation of the hardware and/or software. In the rare case when the contract includes integration services, it is accounted for as a separate performance obligation as the level of integration required is not significant and can be performed by another party. In these cases, the transaction price is allocated to each performance obligation based on stand-alone selling prices. Where these are not directly observable, they are estimated based on cost plus expected margin.

All required criteria under MFRS 15 must be met before the Group and the Company recognise revenue from contracts with customers. The Group and the Company apply judgements when assessing the timing and certainty of revenue and cash flows from contracts. The assessment is based on the customers' credit standing and other relevant information gathered by Management. This assessment may change during the contract execution, and if there is evidence of change in the timing and certainty of revenue and cash flow from contract, then under MFRS 15 no revenue shall be recognised until the recognition criteria is met. Conversely, this assessment may also change favourably over time.

2.4 CURRENT AND DEFERRED INCOME TAX

Tax expense for the period comprises current and deferred income tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 CURRENT AND DEFERRED INCOME TAX (CONTINUED)

Deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Key sources of estimation uncertainty:

Deferred tax

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference and tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits. Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. Based on the uncertainty of utilisation of available tax losses and capital allowances, the Directors have assessed that deferred tax assets will be recognised up to the extent that there is probable taxable profit of which these deferred tax assets will be utilised.

As of 31 December 2024, the Group and the Company recognised deferred tax asset of RM3,600,000 and RM1,400,000 (2023: RM2,400,000 and RM1,400,000) respectively based on the restructured business model since prior financial year which is expected to generated future taxable profits.

2.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, for example intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2024 (Continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 LEASES

(a) Accounting by lessee

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group and the Company are a lessee, the practical expedient provided in MFRS 16 not to separate lease and non-lease components has been adopted. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

Lease term

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and of the Company and affects whether the Group and the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy below on reassessment of lease liabilities.

ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets are not investment properties and are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities. The ROU balances as at reporting date disclosed in Note 10.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 LEASES (CONTINUED)

(a) Accounting by lessee (continued)

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group and the Company under residual value guarantees;
- The exercise price of a purchase and extension options if the Group and the Company are reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar terms, securities and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group and the Company present the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost during the year in the statement of comprehensive income.

Short-term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise photocopy machine, multi-functional printer and water dispenser. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2024 (Continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 LEASES (CONTINUED)

(b) Accounting by lessor

As a lessor, the Group and the Company determine at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group and the Company consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

Finance leases

The Group and the Company classify a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group and the Company derecognise the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investment is subject to MFRS 9 (refer to Note 2.5 on impairment of non-financial assets). In addition, the Group and the Company review regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Group and the Company revise the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

Sublease classification

When the Group or the Company is an intermediate lessor, it assesses the lease classification of a sublease with reference to the ROU asset arising from the head lessee, not with reference to the underlying asset.

Separating lease and non-lease components

If an arrangement contains lease and non-lease components, the Group and the Company allocate the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices in accordance with the principles in MFRS 15. A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 FINANCIAL ASSETS

(a) Classification

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows that are solely payments of principal and interest. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(b) Recognition and derecognition

The regular way purchases and sales of financial asset being recognised, are on the trade-dates, the date on which the Group and the Company commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risk and rewards of ownership.

(c) Measurement

Initial recognition

At initial recognition, the Group and the Company measures financial assets at their respective fair values, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Subsequent measurement

Subsequent measurement of financial assets depends on the Group's and the Company's business model for managing the financial assets and the cash flow characteristics of the assets. The Group and the Company measure the financial assets at amortised cost.

Interest income from financial assets is included in finance income using the effective interest rate method. Any gain or loss is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income.

(d) Impairment

The Group and the Company assess on a forward-looking basis, the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost and at fair value through comprehensive income ("FVOCI") and financial guarantee contracts issued. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and the Company have five types of financial instruments that are subjected to the ECL model:

- Trade and other receivables
- Finance lease receivables
- Loans to subsidiaries and amounts due from subsidiaries
- Amounts due from a related party
- Contract assets

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (Continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 FINANCIAL ASSETS (CONTINUED)

(d) Impairment (continued)

While cash and cash equivalents are also subjected to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of the cash flows the Group and the Company expect to receive, over the remaining life of the financial instruments.

The measurement of ECL reflects:

(i) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(ii) the time value of money; and
(iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

For trade receivables, contract assets and finance lease receivables, the Group and the Company apply the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For non-trade receivables which comprise of other receivables, loans to subsidiaries, amounts due from subsidiaries and amount due from a related party, at each reporting date the Group and the Company measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments have not increased significantly since initial recognition.

The Group and the Company use the three stages approach for non-trade receivables which reflect their credit risk and how the loss allowances are determined for each of those stages. Summary of the assumptions underpinning the Group's and the Company's ECL model for non-trade receivables are as follows:

Type of non-trade receivables	Stage 1: Low credit risk (12-month ECL Model)	Stage 2: Significant increase in credit risk (Lifetime ECL Model)	Stage 3: Credit impaired (Lifetime ECL Model)
Loan to subsidiaries, amount due from subsidiaries and amount due from a related party	Subsidiaries and related party have a low risk of default and a strong capacity to meet contractual cash flows where there is positive operating cash flows or with net tangible assets.	Subsidiaries and related party for which there is a significant increase in credit risk arising from negative operating cash flows or in net tangible liabilities.	There is evidence indicating the asset is credit-impaired where the subsidiaries and related party are dormant and with net tangible liabilities.
Deposits	Active contracts.	Inactive contracts and amounts outstanding less than or equal to 6 months.	Inactive contracts and amounts outstanding more than 6 months.
Staff loans/advances	Current employees.	Ex-employees with default in payment less than 360 days.	Ex-employees with default in payment more than 360 days.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 FINANCIAL ASSETS (CONTINUED)

(d) Impairment (continued)

Significant increase in credit risk

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition taking into consideration reasonable and supportable forward-looking information.

A significant increase in credit risk is determined if a debtor is more than 90 days past due in making a contractual payment, which the Group and the Company determined based on historical repayment trends before risk of default is heightened.

Definition of default and credit-impaired financial assets

The Group and the Company define a financial instrument as in default, when the counterparty fails to make contractual payment within 90 days of when they fall due and the debtor has significant financial difficulties or is insolvent.

Financial instruments that are credit-impaired are assessed on an individual basis.

For certain categories of financial instruments such as trade receivables and contract assets, balances that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics.

Groupings of instruments for ECL measured on collective basis

(i) Collective assessment

To measure ECL, trade receivables and contract assets have been grouped based on shared credit risk characteristics according to the customers' industries and the days past due. The contract assets relate to unbilled revenue mainly from entities in the information, communication, telecommunication and utilities industries, and have substantially the same risk characteristics as the trade receivables. The Group and the Company therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

(ii) Individual assessment

Trade receivables, other receivables and deposits, and contract assets, that are in default or credit-impaired are assessed individually. Loans to subsidiaries in the Company's separate financial statements are assessed on an individual basis for ECL measurement, as credit risk information is obtained and monitored based on each loan to subsidiary.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2024 (Continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 FINANCIAL ASSETS (CONTINUED)

(d) Impairment (continued)

Write off

Financial assets are written off when the Group and the Company have exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

Impairments are presented as net impairment losses within operating profit or loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

2.8 EMPLOYEE BENEFITS

(a) Post-employment pension benefits

The Group and the Company have various post-employment pension benefit schemes in accordance with local conditions and practices in Malaysia. These benefits plans are either defined contribution or defined benefit plans.

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

Defined benefit plan is a pension plan that is not a defined contribution plan. Defined benefit plan defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Defined benefit plans

The liability or asset recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated once in every three years by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds, and that have terms to maturity approximating to the terms of the related pension obligation.

The current service cost of the defined benefit plan reflects the increase in the defined benefit obligation resulting from employee service in the current year. It is recognised in the profit or loss in employee benefit expense, except where it is included in the cost of an asset.

Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are recognised directly in other comprehensive income in the period in which they arise.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 EMPLOYEE BENEFITS (CONTINUED)

(a) Post-employment pension benefits (continued)

Defined benefit plans (continued)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

The accounting policies set out above have been applied consistently to the periods and presented in these financial statements, unless otherwise stated.

Other than disclosed above, any relevant material accounting policies and the judgements where assumptions and estimates are made will be disclosed in the respective notes to the financial statements.

3 FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

The Group's and the Company's activities result in exposure to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's and the Company's overall financial risk management objectives are to ensure that the Group and the Company create value for its shareholders and to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses. The Group and the Company operate within clearly defined guidelines approved by the Board of Directors and seek to minimise potential adverse effects on the Group's and the Company's financial performance. Financial risks are managed by the Chief Executive Officer and the respective key management personnel who in turn report to the Board of Directors on any significant risks and the resolutions or mitigations of those risks.

It is, and has been throughout the current and previous financial years, the Group's policy that no derivatives shall be undertaken unless it is 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.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (Continued)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 FINANCIAL RISK FACTORS (CONTINUED)

(a) Market risk

(i) Foreign exchange risk

The Group and the Company operate locally but some of its costs are exposed to foreign exchange risks arising from various currency exposures, primarily with respect to the cash and bank balances; and trade and other payables. The Group's and the Company's policy is to minimise the exposure of transaction risk by making payments within credit terms which are short-term in nature.

The table illustrates the impact on the profit for the year, equity and net assets resulting from currency sensitivities as at 31 December 2024, if Ringgit Malaysia had weakened/strengthened by 1% against the US dollar with other variables held constant.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Increase/(Decrease) on profit for the year				
1 percent increase in US Dollar exchange rate	(38)	(218)	(38)	(218)
1 percent decrease in US Dollar exchange rate	38	218	38	218

(ii) Interest rate risk

The Group's and the Company's income and operating cash flows' exposure to changes in interest rate risk relate primarily to the Group's and the Company's bank borrowings.

Interest rate risk arises from the Group's and the Company's borrowings as they are carried at floating interest rates. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

As at the financial year end, the Group and the Company have no significant exposure to interest rate risk. The Directors believe that a reasonable fluctuation in the interest rate would not cause any material effect to the Group's and the Company's profit.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 FINANCIAL RISK FACTORS (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The interest rate profile of the Group's and of the Company's interest bearings financial assets and liabilities based on carrying amount as at the end of the reporting periods are shown in the table below:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Financial asset				
Fixed rate – deposits with financial institutions	38,371	38,246	36,281	29,528
Financial liabilities				
Floating rate – term loan	248	578	248	578
Variable rate – banker acceptance	13,178	10,204	13,178	10,204
Variable rate – lease liabilities	2,704	4,218	2,704	4,194

Other financial assets and financial liabilities are non-interest bearing and therefore are not affected by changes in interest rates.

(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 and the Company. 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.

The Group and the Company had applied simplified approach for trade receivables including contract assets and three stages approach for all other non-trade receivables including amounts due from subsidiaries.

Measurement of Expected Credit Loss ("ECL")

(i) Trade receivables, contract assets and finance lease receivables

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

The Group's and the Company's customers are mainly significant entities in the information, communication, telecommunication and utilities industries. At the reporting date, the Group and the Company has significant concentration of credit risk that may arise from exposure to one (2023: two) major customer which accounted for 23% (2023: 45%) of the trade receivables. The Group and the Company consider the risk of material loss in the event of non-performance by this one customer to be unlikely.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (Continued)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 FINANCIAL RISK FACTORS (CONTINUED)

(b) Credit risk (continued)

Measurement of Expected Credit Loss ("ECL") (continued)

(i) Trade receivables, contract assets and finance lease receivables (continued)

The credit quality of trade receivables that are not past due can be assessed by reference to historical information on counterparty default rates. Contract assets represent 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 receivables is not significant at the Group and the Company level.

None of the trade receivables were secured by collateral provided by the counterparties.

To measure the expected credit losses, trade receivables, contract assets and finance lease receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 2 years before 31 December 2024, and the corresponding historical credit losses experienced within this period.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. No significant changes to estimation techniques or assumptions were made during the reporting period.

On that basis, the loss allowance as at 31 December 2024 was determined as follows for trade receivables, contract assets and finance lease receivables:

	Current RM'000	1 - 180 days past due RM'000	> 180 days past due RM'000	Total RM'000
Group				
31 December 2024				
Expected loss rate	0%-1%	0%-1%	1%-5%	
Gross carrying amount				
- trade receivables	26,741	4,305	130	31,176
- contract assets	40,236	0	0	40,236
- finance lease receivables	3,081	0	0	3,081
Loss allowance	(1,028)	(14)	(1)	(1,043)
Loss allowance – individual assessment	0	0	(108)	(108)
Carrying amount (net of loss allowance)	69,030	4,291	21	73,342

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 FINANCIAL RISK FACTORS (CONTINUED)

(b) Credit risk (continued)

Measurement of Expected Credit Loss ("ECL") (continued)

(i) Trade receivables, contract assets and finance lease receivables (continued)

	Current RM'000	1 - 180 days past due RM'000	> 180 days past due RM'000	Total RM'000
Company				
31 December 2024				
Expected loss rate				
Gross carrying amount				
- trade receivables	26,689	4,305	130	31,124
- contract assets	40,236	0	0	40,236
- finance lease receivables	3,081	0	0	3,081
Loss allowance	(1,028)	(14)	(1)	(1,043)
Loss allowance – individual assessment	0	0	(108)	(108)
Carrying amount (net of loss allowance)	68,978	4,291	21	73,290

On that basis, the loss allowance as at 31 December 2023 was determined as follows for trade receivables, contract assets and finance lease receivables:

	Current RM'000	1 - 180 days past due RM'000	> 180 days past due RM'000	Total RM'000
Group				
31 December 2023				
Expected loss rate	0%-1%	0%-1%	1%-5%	
Gross carrying amount				
- trade receivables	27,141	18,119	896	46,156
- contract assets	59,979	0	0	59,979
- finance lease receivables	5,028	0	0	5,028
Loss allowance	(426)	(77)	(4)	(507)
Carrying amount (net of loss allowance)	91,722	18,042	892	110,656

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (Continued)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 FINANCIAL RISK FACTORS (CONTINUED)

(b) Credit risk (continued)

Measurement of Expected Credit Loss ("ECL") (continued)

(i) Trade receivables, contract assets and finance lease receivables (continued)

	Current RM'000	1 - 180 days past due RM'000	> 180 days past due RM'000	Total RM'000
Company				
31 December 2023				
Expected loss rate	0%-1%	0%-1%	1%-5%	
Gross carrying amount				
- trade receivables	27,078	17,802	897	45,777
- contract assets	59,979	0	0	59,979
- finance lease receivables	5,028	0	0	5,028
Loss allowance	(426)	(76)	(3)	(505)
Carrying amount (net of loss allowance)	91,659	17,726	894	110,279

The creation and release of provision for receivables impairment have been reflected on a net basis in the consolidated statements of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item.

The reconciliation of the loss allowances for trade receivables, contract assets and finance lease receivables as at 31 December to the opening loss allowances are as follows:

	Contract assets RM'000	Trade receivables RM'000	Finance lease receivables RM'000
Group:			
31 December 2024			
Opening loss allowance	326	168	13
Increase loss allowance recognised during the year	584	0	0
Reversal of loss	0	(48)	0
Closing loss allowance	910	120	13

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 FINANCIAL RISK FACTORS (CONTINUED)

(b) Credit risk (continued)

Measurement of Expected Credit Loss ("ECL") (continued)

(i) Trade receivables, contract assets and finance lease receivables (continued)

	Contract assets RM'000	Trade receivables RM'000	Finance lease receivables RM'000
Company:			
31 December 2024			
Opening loss allowance	326	166	13
Increase loss allowance recognised during the year	584	0	0
Reversal of loss	0	(46)	0
Closing loss allowance	910	120	13

During the financial year, there has been reversal of loss allowances due to subsequent payment by the customers and billings made thereafter.

	Contract assets RM'000	Trade receivables RM'000	Finance lease receivables RM'000
Group:			
31 December 2023			
Opening loss allowance	335	200	13
Reversal of loss	(9)	(32)	0
Closing loss allowance	326	168	13
Company:			
31 December 2023			
Opening loss allowance	335	195	13
Reversal of loss	(9)	(29)	0
Closing loss allowance	326	166	13

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (Continued)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 FINANCIAL RISK FACTORS (CONTINUED)

(b) Credit risk (continued)

Measurement of Expected Credit Loss ("ECL") (continued)

(ii) Other receivables and deposits

Credit risk for other receivables and deposits are mainly arising from rental deposits, staff advances, interest receivables from fixed deposits and deposits with utilities companies.

Interest receivables from fixed deposits and deposits from utilities companies have low credit risk as these are receivables from credit worthy counterparties. Staff advances are provided to existing staff and credit risk is managed through salary deduction arrangements. Deposits and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery includes, amongst others, failure of a debtor to engage in a repayment plan with the Company and failure to make contractual payments or refunds. Nevertheless, deposits and other receivables that are written off could still be subjected to enforcement activities.

The following table contains an analysis of the credit risk exposure of other receivables and deposits and the corresponding ECL allowance. The gross carrying amount of other receivables and deposits disclosed below also represents the Group's and the Company's maximum exposure to credit risk on these assets:

	ECL rate	Basis for recognition of ECL provision	Gross RM'000	Loss allowance RM'000	Net RM'000
31 December 2024					
Group					
Performing	0%	12 months ECL	982	0	982
Not performing	100%	Lifetime ECL	0	0	0
			982	0	982
Company					
Performing	0%	12 months ECL	966	0	966
Not performing	100%	Lifetime ECL	0	0	0
			966	0	966

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 FINANCIAL RISK FACTORS (CONTINUED)

(b) Credit risk (continued)

Measurement of Expected Credit Loss ("ECL") (continued)

(ii) Other receivables and deposits (continued)

	ECL rate	Basis for recognition of ECL provision	Gross RM'000	Loss allowance RM'000	Net RM'000
31 December 2023					
Group					
Performing	0%	12 months ECL	884	0	884
Not performing	100%	Lifetime ECL	0	0	0
			884	0	884
Company					
Performing	0%	12 months ECL	772	0	772
Not performing	100%	Lifetime ECL	0	0	0
			772	0	772

(iii) Loan to a key management personnel

The Group and the Company consider the loan to a key management personnel to have low credit risk as the Group and the Company are able to determine the timing of payments when they fall due. The Group and the Company determine the probability of default using internal information available and collection received subsequent to the reporting date.

(iv) Amounts due from subsidiaries

Amounts due from subsidiaries consist of advances and amount due arising from trade activities. The Company monitors the results of each subsidiary regularly.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (Continued)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 FINANCIAL RISK FACTORS (CONTINUED)

(b) Credit risk (continued)

Measurement of Expected Credit Loss ("ECL") (continued)

(iv) Amounts due from subsidiaries (continued)

The following table contains an analysis of the credit risk exposure of amounts due from subsidiaries for which ECL allowances are recognised. The gross carrying amounts below also represent the Company's maximum exposure to credit risk on these assets:

	ECL rate	Basis for recognition of ECL provision	Gross RM'000	Loss allowance RM'000	Net RM'000
31 December 2024					
Company					
Performing	0%	12 months ECL	27,533	(223)	27,310
Not performing	100%	Lifetime ECL	906	(906)	0
			28,439	(1,129)	27,310
31 December 2023					
Company					
Performing	0%	12 months ECL	7,972	0	7,972
Not performing	100%	Lifetime ECL	24,255	(24,255)	0
			32,227	(24,255)	7,972

The closing balances of allowance for amounts due from subsidiaries as at 31 December reconcile to the opening loss allowances as follows:

	Company 2024 RM'000	Company 2023 RM'000
Opening loss allowance as at 1 January, as stated	24,255	32,227
Decrease in the allowance recognised in profit or loss during the financial year	(23,126)	(7,972)
As at 31 December	1,129	24,255

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 FINANCIAL RISK FACTORS (CONTINUED)

(b) Credit risk (continued)

Measurement of Expected Credit Loss ("ECL") (continued)

(v) Deposits and bank balances

Deposits and bank balances are with approved and reputable financial institutions.

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

In view of the sound credit rating of counterparties, Management expects the counterparties will meet their respective obligations. The credit ratings of the financial institutions in respect of deposits and bank balances are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
AAA	23,301	40,409	20,306	27,833
AA	25,024	24,024	25,024	24,024
	48,325	64,433	45,330	51,857

The credit ratings are assigned by RAM Ratings Services Berhad.

(c) Liquidity risk

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 and the Company have sufficient cash and bank balances and maintain standby credit lines to ensure availability of funding to meet operational requirements. The Group's and the Company's borrowings and standby credit lines are provided by financial institutions with sound credit ratings.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2024 (Continued)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 FINANCIAL RISK FACTORS (CONTINUED)

(c) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

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

	2024		
	Total RM'000	Within 1 year RM'000	1 - 5 years RM'000
Group			
Financial Liabilities			
Trade and other payables, excluding statutory liabilities and short-term lease	35,132	35,132	0
Borrowings	13,426	13,426	0
Lease liabilities	2,878	1,016	1,862
Total undiscounted financial liabilities	51,436	49,574	1,862
Company			
Financial Liabilities			
Trade and other payables, excluding statutory liabilities and short-term lease	34,643	34,643	0
Amount due to subsidiaries	10,912	10,912	0
Borrowings	13,426	13,426	0
Lease liabilities	2,878	1,016	1,862
Total undiscounted financial liabilities	61,859	59,997	1,862

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (Continued)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 FINANCIAL RISK FACTORS (CONTINUED)

(c) Liquidity risk (continued)

	2023		
	Total RM'000	Within 1 year RM'000	1 - 5 years RM'000
Group			
Financial Liabilities			
Trade and other payables, excluding statutory liabilities and short-term lease	72,952	72,952	0
Borrowings	11,013	10,760	253
Lease liabilities	4,553	1,675	2,878
Total undiscounted financial liabilities	88,518	85,387	3,131
Company			
Financial Liabilities			
Trade and other payables, excluding statutory liabilities and short-term lease	71,241	71,241	0
Amount due to subsidiaries	13,047	13,047	0
Borrowings	11,013	10,760	253
Lease liabilities	4,526	1,648	2,878
Total undiscounted financial liabilities	99,827	96,696	3,131

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from future profitability. The Group and the Company maintain a level of cash and cash equivalents, and bank facilities deemed adequate by the management to ensure, as far as possible, that there will have sufficient liquidity to meet liabilities when they fall due. In the current financial year, the Company is in a net current assets position of RM72.8 million. The Group has reassessed the cash flow and funding requirements for the upcoming 12 months. This reassessment ensures the Group's capability to fulfil financial obligations and utilise available facilities efficiently.

Additionally, the Group and the Company have undrawn bank facilities of RM132.1 million (2023: RM132.7 million) that can be used for trade related working capital requirements whenever the need arises.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (Continued)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 FINANCIAL RISK FACTORS (CONTINUED)

(d) Financial instruments by category

	2024 RM'000	2023 RM'000
Group		
Financial assets classified at amortised cost as per statement of financial position		
Trade and other receivables, excluding prepayments	31,969	46,872
Finance lease receivables	3,068	5,015
Deposits, cash and bank balances	48,337	64,445
	83,374	116,332
Financial liabilities classified as other financial liabilities at amortised cost, as per statement of financial position		
Trade and other payables, excluding statutory liabilities	35,132	72,952
Borrowings	13,426	10,782
Lease liabilities	2,704	4,218
	51,262	87,952
Company		
Financial assets classified at amortised cost as per statement of financial position		
Trade and other receivables, excluding prepayments	31,901	46,383
Amount due from subsidiaries	27,310	7,972
Finance lease receivables	3,068	5,015
Deposits, cash and bank balances	45,340	51,867
	107,619	111,237
Financial liabilities classified as other financial liabilities at amortised cost, as per statement of financial position		
Trade and other payables, excluding statutory liabilities	34,643	71,241
Amounts due to subsidiaries	10,912	13,047
Borrowings	13,426	10,782
Lease liabilities	2,704	4,194
	61,685	99,264

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 FINANCIAL RISK FACTORS (CONTINUED)

(e) Fair value estimation

Amounts that are measured in the statement of financial position at fair value are disclosed by the following fair value measurement hierarchy:

- Unadjusted quoted prices in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2).
- Inputs for the asset or liability that are not based on observable market data (Level 3).

There were no amounts measured at fair value in the statement of financial position as at 31 December 2024 and 31 December 2023. Other than as disclosed, the carrying amounts of the financial instruments are a reasonable approximation of fair value due to their relatively short-term nature or that they are floating rate instruments.

3.2 CAPITAL MANAGEMENT

The Group's objectives are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statements of financial position) less deposits, cash and bank balances. Total capital is calculated as 'equity' as shown in the statements of financial position plus net debt.

	2024 RM'000	2023 RM'000
The Group		
Total borrowings (Note 23)	13,426	10,782
Deposits, cash and bank balances (Note 19)	(48,337)	(64,445)
Net debt	(34,911)	(53,663)
Total equity	110,980	117,645
Total capital	110,980	117,645
Gearing ratio (%)	0	0

There were no externally imposed capital requirements during the financial year other than the property pledged as disclosed in Note 10.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2024 (Continued)

4 REVENUE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Sales of hardware	21,678	64,648	20,854	62,153
Sales of software licences				
- perpetual	35,520	54,267	35,520	54,267
- term-based	9,050	10,880	9,050	10,880
Services				
- support and maintenance services	97,375	103,371	97,375	103,371
- application development services	16,770	26,629	16,770	26,629
	180,393	259,795	179,569	257,300

Disaggregation of the Group's and of the Company's revenue from contracts with customers

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Timing of revenue recognition:				
- over time	123,195	134,830	123,195	134,833
- at point in time	57,198	124,965	56,374	122,467
	180,393	259,795	179,569	257,300

During the financial year ended 31 December 2024, the Group and Company have recognised revenue from contracts with customers amounting to RM18,517,339 (2023: RM16,873,970) and RM18,517,339 (2023: RM16,873,970) respectively that were included in the contract liability at the beginning of the reporting period (Note 13).

The following table shows unsatisfied performance obligations resulting from fixed-price long-term contracts, which include sales of hardware, sales of software licence, and all type of services that are partially or fully unsatisfied as at 31 December.

	Group and Company	
	2024 RM'000	2023 RM'000
To be satisfied:		
- within 12 months	87,706	119,310
- between 1 and 2 years	22,211	51,779
- between 2 and 5 years	36,284	29,212
	146,201	200,301

5 STAFF COST (INCLUDING DIRECTORS' EMOLUMENTS)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Staff cost				
- wages, salaries, bonus and other employment benefits	63,090	66,096	36,344	38,209
- cost recharged from a subsidiary	0	0	13,695	17,290
Defined contribution plan	6,526	7,073	3,711	4,052
Defined benefit plan (Note 21)	401	399	401	399
	70,017	73,568	54,151	59,950

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

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Directors' remuneration:				
Non-Executive Directors:				
- fees	368	372	368	372
- other emoluments*	120	156	120	156
Executive Director:				
- salary	699	665	699	665
- other emoluments*	77	82	77	82
- defined contribution plan	133	126	133	126
Total Directors' remuneration	1,397	1,401	1,397	1,401

* There is no benefit-in-kind (based on estimated monetary value) receivable from the Group and the Company in Directors' emoluments during the financial year ended 31 December 2024 and 31 December 2023.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2024 (Continued)

6 (LOSS)/PROFIT FROM OPERATIONS

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

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Auditors' remuneration:				
- audit fee	504	426	406	365
- over provision of prior years	0	(20)	0	(15)
- non-audit	57	67	17	17
Depreciation of:				
- property, plant and equipment	1,565	1,566	1,466	1,368
- right-of-use assets	41	74	41	74
Recovery from a legal dispute	(5,084)	0	(5,084)	0
Dividend income from subsidiary	0	0	(5,100)	0
Net realised foreign exchange gains	(1,515)	(35)	(1,515)	(27)
Net unrealised foreign exchange losses/(gains)	290	(856)	290	(856)
Loss on written off property, plant and equipment	0	5	0	5
Short-term lease	193	248	75	92
Rental income	(457)	(493)	(457)	(493)
Provision/(reversal) for slow moving inventory	1,083	(44)	360	(34)
Provision for onerous contracts	279	0	279	0
Net (reversal)/impairment of losses:				
- trade receivables	60	(32)	62	(29)
- contract asset	584	(9)	584	(9)
- amount due from subsidiaries	0	0	(23,126)	(7,972)
(Reversal)/provision of loss allowance on other receivables	(160)	160	(160)	160
Impairment of investment in subsidiaries	0	0	0	208
Write off amount due from subsidiaries	0	0	42	205
Accounting services fees	0	0	(288)	(288)

7 FINANCE INCOME/(COST)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Finance income				
Interest income on:				
- deposits with licensed banks	949	728	846	524
- finance lease receivables	192	298	191	298
	1,141	1,026	1,037	822
Finance cost				
Finance cost on:				
- bank borrowings	(601)	(503)	(601)	(503)
- finance lease liabilities	(160)	(247)	(158)	(244)
	(761)	(750)	(759)	(747)

8 TAXATION AND ZAKAT

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current taxation:				
Current financial year	0	0	0	0
Over provision in prior years	0	(149)	0	0
	0	(149)	0	0
Deferred taxation (Note 17)	(2,368)	(725)	(1,168)	8
Tax (expense)/credit	(2,368)	(874)	(1,168)	8
Zakat	0	10	0	10
	(2,368)	(864)	(1,168)	18

Notes to the Financial Statements

For the Financial Year Ended 31 December 2024 (Continued)

8 TAXATION AND ZAKAT (CONTINUED)

The reconciliation of (loss)/income tax expense applicable to (loss)/profit before taxation and zakat at Malaysian statutory income tax rate to (loss)/income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(Loss)/Profit before taxation and zakat	(6,322)	3,001	21,014	4,049
Taxation calculated at the applicable Malaysian tax rate of 24% (2023: 24%)	(1,517)	720	5,043	972
Tax effects of:				
- income not subject to tax	(56)	(71)	(6,820)	(1,985)
- expenses not deductible for tax purposes	172	98	154	181
- tax losses, capital allowances and temporary differences not recognised	0	1,372	0	840
- utilisation and recognition of previously unrecognised tax losses and temporary differences	(967)	(2,844)	455	0
- over provision in prior financial years	0	(149)	0	0
- zakat	0	10	0	10
Tax (credit)/expense and zakat	(2,368)	(864)	(1,168)	18

The tax charge relating to components of other comprehensive (loss)/income during the current financial year is as follows:

	Group and Company		
	Before Tax RM'000	Tax Charge RM'000	After Tax RM'000
Actuarial loss on defined benefit plan as at 31 December 2024	4,867	(1,168)	3,699
Actuarial gain on defined benefit plan as at 31 December 2023	(1,699)	408	(1,291)

8 TAXATION AND ZAKAT (CONTINUED)

The deductible temporary differences and unutilised tax losses for which no deferred tax assets are recognised in the statements of financial position are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deductible temporary differences	2,706	7,140	686	5,836
Unutilised tax losses	28,377	28,840	19,431	13,228
Unabsorbed capital allowances	1,571	705	1,336	494
	32,654	36,685	21,453	19,558
Deferred tax assets not recognised at 24% (2023: 24%)	7,837	8,804	5,149	4,694

Expiry date of unutilised losses are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Year Assessment 2028	3,732	11,529	0	0
Year Assessment 2029	141	141	0	0
Year Assessment 2030	8,674	9,520	7,298	8,144
Year Assessment 2031	565	565	0	0
Year Assessment 2032	1,269	1,269	0	0
Year Assessment 2033	5,816	5,816	5,084	5,084
Year Assessment 2034	8,180	0	7,049	0
	28,377	28,840	19,431	13,228

9 EARNINGS PER SHARE

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

	Group	
	2024	2023
(Loss)/Profit attributable to equity holders of the Company (RM'000)	(3,378)	3,903
Weighted average number of ordinary shares in issue ('000)	60,402	60,402
Total basic earnings per share attributable to the ordinary equity holders of the Company (sen)	(5.59)	6.46

Diluted earnings per share is the same as basic earnings per share in both financial years.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2024 (Continued)

10 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land RM'000	Freehold land RM'000	Building RM'000	Office equipment, furniture and fittings RM'000	Motor vehicle RM'000	Total RM'000
Cost						
At 1 January 2024	300	19,567	29,807	39,700	140	89,514
Additions	0	0	0	1,885	0	1,885
Write off	0	0	0	(143)	0	(143)
At 31 December 2024	300	19,567	29,807	41,442	140	91,256
Accumulated depreciation						
At 1 January 2024	34	0	16,840	37,574	140	54,588
Charge for the financial year	6	0	605	995	0	1,606
Write off	0	0	0	(143)	0	(143)
At 31 December 2024	40	0	17,445	38,426	140	56,051
Net book value						
At 31 December 2024	260	19,567	12,362	3,016	0	35,205
Cost						
At 1 January 2023	300	19,567	29,771	39,325	140	89,103
Additions	0	0	36	664	0	700
Write off	0	0	0	(289)	0	(289)
At 31 December 2023	300	19,567	29,807	39,700	140	89,514
Accumulated depreciation						
At 1 January 2023	28	0	16,238	36,858	108	53,232
Charge for the financial year	6	0	602	1,000	32	1,640
Write off	0	0	0	(284)	0	(284)
At 31 December 2023	34	0	16,840	37,574	140	54,588
Net book value						
At 31 December 2023	266	19,567	12,967	2,126	0	34,926

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (Continued)

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Leasehold land RM'000	Freehold land RM'000	Building RM'000	Office equipment, furniture and fittings RM'000	Total RM'000
Cost					
At 1 January 2024	300	19,567	29,807	35,700	85,374
Additions	0	0	0	1,686	1,686
Write off	0	0	0	(45)	(45)
At 31 December 2024	300	19,567	29,807	37,341	87,015
Accumulated depreciation					
At 1 January 2024	34	0	16,840	33,784	50,658
Charge for the financial year	6	0	605	896	1,507
Write off	0	0	0	(45)	(45)
At 31 December 2024	40	0	17,445	34,635	52,120
Net book value					
At 31 December 2024	260	19,567	12,362	2,706	34,895
Cost					
At 1 January 2023	300	19,567	29,771	35,329	84,967
Additions	0	0	36	525	561
Write off	0	0	0	(154)	(154)
At 31 December 2023	300	19,567	29,807	35,700	85,374
Accumulated depreciation					
At 1 January 2023	28	0	16,238	33,099	49,365
Charge for the financial year	6	0	602	834	1,442
Write off	0	0	0	(149)	(149)
At 31 December 2023	34	0	16,840	33,784	50,658
Net book value					
At 31 December 2023	266	19,567	12,967	1,916	34,716

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (Continued)

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

A building with a net book value RM2,950,486 (2023: RM3,018,705) is charged to a financial institution for bank facilities granted to the Group and the Company as disclosed in Note 23 to the financial statements.

Freehold land is not depreciated as it has an infinite life. Other property, plant and equipment are depreciated on the straight-line method to allocate the cost or the revalued amounts over their estimated useful lives, at the following annual rates:

Building	2%
Leasehold land	1%
Office equipment, furniture and fittings	7% - 33%
Motor vehicle	25%

Fair values of the Group's property, plant and equipment at the end of the financial year have been determined based on the market comparison approach for similar properties and are within level 2 of the fair value hierarchy.

The Group's and the Company's property, plant and equipment balances disclosed above include the right-of-use of leasehold land and various office equipment as shown below:

RIGHT-OF-USE ("ROU") ASSETS

	Group and Company		
	Leasehold land RM'000	Office equipment RM'000	Total RM'000
Cost			
At 1 January and 31 December 2024	300	2,115	2,415
Accumulated depreciation			
At 1 January 2024	34	1,748	1,782
Charge for the financial year	6	35	41
At 31 December 2024	40	1,783	1,823
Net book value			
At 31 December 2024	260	332	592

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RIGHT-OF-USE ("ROU") ASSETS (continued)

The Group's and the Company's property, plant and equipment balances disclosed above include the right-of-use of leasehold land and various office equipment as shown below (continued):

	Group and Company		
	Leasehold land RM'000	Office equipment RM'000	Total RM'000
Cost			
At 1 January and 31 December 2023	300	2,115	2,415
Accumulated depreciation			
At 1 January 2023	28	1,680	1,708
Charge for the financial year	6	68	74
At 31 December 2023	34	1,748	1,782
Net book value			
At 31 December 2023	266	367	633

11 INTANGIBLE ASSETS

	Group	
	Internally developed software	
	2024 RM'000	2023 RM'000
Cost		
At 1 January	3,030	3,030
Write off	(3,030)	0
At 31 December	0	3,030
Accumulated depreciation		
At 1 January	3,030	3,030
Write off	(3,030)	0
At 31 December	0	3,030
Net book value		
At 31 December	0	0

Notes to the Financial Statements

For the Financial Year Ended 31 December 2024 (Continued)

12 INVESTMENT IN SUBSIDIARIES

	Company	
	2024 RM'000	2023 RM'000
Unquoted shares, at cost	2,006	2,006
Less: Accumulated impairment losses	(416)	(416)
	1,590	1,590

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

Details of the subsidiaries, all of which are incorporated and the place of their businesses are in Malaysia, are as follows:

		Group's effective interest	
Name of subsidiaries	Principal activities	2024 %	2023 %
VA Dynamics Sdn. Bhd.	Sales of networking cables and related products	51	51
Mesiniaga Digital Sdn. Bhd.	Provision of design, development and implementation of business solutions and product development	100	100
Mesiniaga Alliances Sdn. Bhd.	Provision of strategic information technology outsourcing services	100	100
Mesiniaga Services Sdn. Bhd.	Dormant	100	100
Mesiniaga MSC Sdn. Bhd.	Dormant	100	100
Mesiniaga Mobility Sdn. Bhd.	Dormant	100	100

All the above subsidiaries are audited by PricewaterhouseCoopers PLT Malaysia.

In the previous financial year, the Company recognised impairment loss of RM208,000 on investments in subsidiaries as these subsidiaries ceased operations. The recoverable amount of the asset was based on value in use under an adjusted net asset method.

No impairment was noted during the current financial year.

Summarised financial information on subsidiary with material non-controlling interests

Set out below are the summarised financial information for the subsidiary, VA Dynamics Sdn. Bhd., that has non-controlling interests that are material to the Group. The amounts disclosed are before inter-company eliminations.

12 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Summarised financial information on subsidiary with material non-controlling interests (continued)

Summarised statement of financial position

	2024 RM'000	2023 RM'000
Current		
Assets	3,664	14,826
Liabilities	(72)	(65)
Total current net assets	3,592	14,761
Non-current		
Assets	3	10
Net assets	3,595	14,771

Summarised statement of comprehensive income

	For the financial year ended 31 December	
	2024 RM'000	2023 RM'000
Revenue	826	2,499
Loss before taxation	(1,176)	(44)
Tax expense	0	(118)
Loss for the financial year and total comprehensive loss	(1,176)	(162)
Loss and total comprehensive loss attributable to non-controlling interest	(576)	(38)
Dividend paid to non-controlling interest	4,900	0
Accumulated non-controlling interest	1,762	7,238

Summarised statement of cash flows

	For the financial year ended 31 December	
	2024 RM'000	2023 RM'000
Cash flow generated from operations	426	3,445
Income tax refund	0	266
Income tax paid	(103)	(132)
Net cash generated from operating activities	323	3,579
Net cash generated from investing activities	110	204
Net cash used in financing activities	(10,000)	0
Net (decrease)/increase in cash and cash equivalents	(9,567)	3,783
Cash and cash equivalents at beginning of financial year	12,483	8,700
Cash and cash equivalents at end of financial year	2,916	12,483

There were no transactions with non-controlling interest in 2024 and 2023.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (Continued)

13 CONTRACT ASSETS/(LIABILITIES)

The Group and Company have recognised the following assets and liabilities related to contracts with customers:

	Group and Company	
	2024 RM'000	2023 RM'000
Current asset		
Contract assets	40,236	57,174
Less: loss allowance and discounting	(910)	(190)
	39,326	56,984
Non-current assets		
Contract assets	0	2,805
Less: loss allowance and discounting	0	(136)
	0	2,669
Current liabilities		
Contract liabilities	(10,596)	(24,865)

The following table shows the movement of contract assets/(liabilities) during the financial year:

	Group and Company	
	2024 RM'000	2023 RM'000
Current asset		
At 1 January	59,979	58,507
Increase as a result of performance obligation fulfilled but not yet billed	27,516	51,398
Decrease due to billings made during the financial year	(47,259)	(49,926)
	40,236	59,979
Less: loss allowance and discounting	(910)	(326)
	39,326	59,653
Contract liabilities		
At 1 January	(24,865)	(21,659)
Revenue recognised during the financial year	18,517	16,874
Advance consideration received from customers, excluding amounts recognised as revenue during the financial year	(4,248)	(20,080)
At 31 December	(10,596)	(24,865)

14 FINANCE LEASE RECEIVABLES

	Group and Company	
	2024 RM'000	2023 RM'000
Gross receivables	3,283	5,423
Less: unearned finance income	(202)	(395)
Less: loss allowance	(13)	(13)
Present value of finance lease receivables	3,068	5,015

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

	Group and Company	
	2024 RM'000	2023 RM'000
Receivable within 12 months	1,250	2,139
Receivable after 12 months:		
- between 1 and 2 years	1,188	1,250
- between 2 and 5 years	845	2,034
	3,283	5,423
Less: unearned finance income	(202)	(395)
Less: loss allowance	(13)	(13)
	3,068	5,015
Current assets		
Finance lease receivable	1,164	1,947
Less: loss allowance	(8)	(7)
	1,156	1,940
Non-Current assets		
Finance lease receivable	1,917	3,081
Less: loss allowance	(5)	(6)
	1,912	3,075

Finance lease receivables are related to lease of laptops and related IT equipment. The weighted average effective interest rate for finance lease receivables is 2.83% (2023: 4.16%) per annum.

The finance lease receivables are denominated in Ringgit Malaysia.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (Continued)

14 FINANCE LEASE RECEIVABLES (CONTINUED)

The Group's and Company's net movement in finance lease receivables are as below:

	Group and Company	
	2024 RM'000	2023 RM'000
At 1 January	5,015	7,426
New leases entered into during the financial year	0	331
Lease payments received during the financial year	(1,947)	(2,742)
	3,068	5,015

15 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current				
Trade receivables	31,177	46,156	31,124	45,777
Less: loss allowance	(229)	(168)	(228)	(166)
	30,948	45,988	30,896	45,611
Other receivables	893	986	888	986
Less: loss allowance	0	(160)	0	(160)
	893	826	888	826
Loan to key management personnel (Note 26)	40	20	40	20
Prepayments	0	13,482	0	12,581
Deposits	89	106	78	96
Amounts due from subsidiaries:				
- non trade	0	0	4,205	19,426
- loan	0	0	7,215	12,801
Less: loss allowance	0	0	(906)	(24,255)
	0	0	10,514	7,972
	31,970	60,422	42,416	67,106
Non-current				
Loan to key management personnel (Note 26)	0	60	0	60
Other receivables	0	5,565	0	5,565
Amount due from subsidiary				
- non trade	0	0	11,474	0
- loan	0	0	5,545	0
Less: loss allowance and discounting	0	0	(223)	0
	0	5,625	16,796	5,625
Trade and other receivables	31,970	66,047	59,212	72,731

15 TRADE AND OTHER RECEIVABLES (CONTINUED)

Credit terms of trade receivables range from 30 days to 90 days (2023: 30 days to 90 days).

Other receivables and deposits are with creditworthy parties and are neither past due nor impaired.

Details of amounts due from subsidiaries and a related party are disclosed in Note 26 to the financial statements.

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

The Company recognised a reversal of expected credit losses amounting to RM24.0 million (2023: RM7.9 million) related to amounts due from a subsidiary. This reversal reflects the subsidiary's sustained financial performance and cash flow position in line with the restructured business model since prior financial year.

The disclosure of loss allowances is set out in Note 3.1(b) to the financial statements.

Trade receivables, other receivables and deposits are denominated in Ringgit Malaysia.

16 PREPAYMENTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Prepayments	17,001	0	16,986	0

Prepayments are payment made to vendors in advance for acquiring services for the projects in hand.

Prepayment consist of prepaid licences and maintenance services to be rendered over a range of 1 to 5 years.

Prepayment is denominated in Ringgit Malaysia.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2024 (Continued)

17 DEFERRED TAX ASSETS

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

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	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deferred tax assets:	3,600	2,400	1,400	1,400
At 1 January	2,400	1,267	1,400	1,000
Credited/(Charged) to statement of comprehensive income: (Note 8)				
- property, plant and equipment	(11)	88	5	83
- defined benefit obligations	50	1,264	50	1,264
- tax losses	1,188	1,000	0	0
- receivables	115	40	115	40
- inventories	(985)	985	(985)	985
- payables	(23)	(1,470)	(23)	(1,198)
- others	171	177	143	177
- advance billings	1,863	(106)	1,863	(106)
	2,368	1,978	1,168	1,245
Credited/(Charged) to other comprehensive income:				
- Defined benefit obligations	(1,168)	(845)	(1,168)	(845)
At 31 December	3,600	2,400	1,400	1,400

Notes to the Financial Statements

For the Financial Year Ended 31 December 2024 (Continued)

17 DEFERRED TAX ASSETS (CONTINUED)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Subject to income tax:				
Deferred tax assets (before offsetting):				
- defined benefits obligations	184	1,302	184	1,302
- tax losses	2,188	1,000	0	0
- receivables	155	40	155	40
- inventories	0	985	0	985
- payables	89	112	89	112
- others	195	1,099	167	1,099
- advance billings	2,962	100	2,962	100
	5,773	4,638	3,557	3,638
Offsetting	(2,173)	(2,238)	(2,157)	(2,238)
Deferred tax assets (after offsetting)	3,600	2,400	1,400	1,400
Deferred tax liabilities (before offsetting):				
- property, plant and equipment	(1,898)	(1,887)	(1,882)	(1,887)
- others	(275)	(351)	(275)	(351)
Offsetting	2,173	2,238	2,157	2,238
Deferred tax liabilities (after offsetting)	0	0	0	0

Notes to the Financial Statements

For the Financial Year Ended 31 December 2024 (Continued)

18 INVENTORIES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At net realisable value:				
Cables	360	1,716	0	0
Spare parts	17	49	17	49
	377	1,765	17	49
At cost:				
Cables	55	63	0	0
Equipment	857	712	857	712
Software for re-sale	0	3,995	0	3,995
Spare parts	0	37	0	37
	912	4,807	857	4,744
	1,289	6,572	874	4,793

The 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 necessary to make the sale.

19 DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	9,966	26,199	9,059	22,339
Deposits with licensed financial institutions	38,371	38,246	36,281	29,528
Total deposits, cash and bank balances	48,337	64,445	45,340	51,867
Less: restricted cash	(5,286)	(5,362)	(5,286)	(5,362)
Less: deposits maturing more than three months (restricted cash)	(177)	(166)	(177)	(166)
Cash and cash equivalents	42,874	58,917	39,877	46,339

The restricted cash is deposits maintained under financing facilities covenants and not available for general use.

19 DEPOSITS, CASH AND BANK BALANCES (CONTINUED)

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

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ringgit Malaysia	42,220	57,912	39,223	45,334
United States Dollar	6,117	6,533	6,117	6,533
	48,337	64,445	45,340	51,867

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

The Group's and the Company's effective weighted average interest rate of deposits at the end of the financial year is 2.95% (2023: 2.9%) per annum.

Deposits of the Group and of the Company have a range of maturity period of between 5 to 365 days (2023: 5 to 365 days).

The Company issued bank guarantees for performance bonds with a total amount of RM26,740,370 (2023: RM29,316,344).

20 SHARE CAPITAL

	Group and Company			
	2024 Number of shares '000	2024 RM'000	2023 Number of shares '000	2023 RM'000
ISSUED AND FULLY PAID-UP:				
Ordinary shares with no par value:				
At 1 January and 31 December				
- ordinary shares of RM1.00 each	60,402	64,528	60,402	64,528

Ordinary shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the substance of the contractual arrangement of the particular instrument.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2024 (Continued)

21 POST-EMPLOYMENT BENEFIT OBLIGATIONS

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 and the Company have no further payment obligations.

Defined benefit plan

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 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 movement in the actuarial gain is as a result of both the actual experience of the Plan and changes to actuarial assumptions for relevance. These include but not limited to discount rates, membership movement and early retirement pattern as included on pages 148 to 149. The latest actuarial valuation of the Plan was carried out for the year ended 2024.

The net movement in the present value of defined benefit obligations during the financial year is as follows:

	Group and Company		
2024	**Defined benefit obligation RM'000**	**Fair value of plan assets RM'000**	**Net defined benefit liability RM'000**
At 1 January 2024	(7,695)	2,268	(5,427)
Charged to profit or loss:			
Service cost	(167)	(59)	(226)
Interest (cost)/income	(269)	94	(175)
	(436)	35	(401)
Charged to other comprehensive income:			
Actuarial gain	4,498	369	4,867
Payment made:			
Contribution paid by the employer	0	195	195
Benefits paid	972	(972)	0
At 31 December 2024	(2,661)	1,895	(766)

21 POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

Defined benefit plan (continued)

	Group and Company		
2023	**Defined benefit obligation RM'000**	**Fair value of plan assets RM'000**	**Net defined benefit liability RM'000**
At 1 January 2023	(5,852)	2,172	(3,680)
Charged to profit or loss:			
Service cost	(171)	(53)	(224)
Interest (cost)/income	(268)	94	(174)
	(439)	41	(398)
Charged to other comprehensive income:			
Actuarial (loss)/gain	(1,918)	219	(1,699)
Payment made:			
Contribution paid by the employer	0	350	350
Benefits paid	514	(514)	0
At 31 December 2023	(7,695)	2,268	(5,427)

Plan assets comprised the following:

	Group and Company			
	2024		**2023**	
	RM'000	**%**	**RM'000**	**%**
At 31 December				
Equity instruments	1,295	68	1,252	55
Government bonds	408	22	409	18
Cash and cash equivalents and others	192	10	607	27
Total	1,895	100	2,268	100

Notes to the Financial Statements

For the Financial Year Ended 31 December 2024 (Continued)

21 POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

Defined benefit plan (continued)

Description of funding arrangements and policies

The Plan is funded. There is no formal funding policy in place for the Plan. Benefit payments are paid from the Plan's assets when they fall due. Employees do not contribute to the Plan.

A breakdown of the expected future benefit payment from the Plan is as follows:

Numbers of years after the valuation date	Expected benefit payments in years following 1 January 2025 RM'000
1	412
2	359
3	368
4	285
5	292
6 to 10	1,526

The weighted average term to settlement of the liabilities at the valuation date was around 5 years.

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 Company 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	
	2024	2023
At 31 December		
Discount rate	4.1%	4.2%
Expected rate of salary increases:		
- up to age 44	6%	6%
- from age 45 and above	3%	3%
Turnover (per annum):		
- up to age 54	2%	2%
- from age 55 and above	0%	0%
Retirement age:		
- normal retirement age, 60	50%	50%
- early retirement age, 55 - 59	15%*	50%

* The early retirement rate was revised from 50% of active members retire at age 55 to 15% from ages 55 to 59 (for the remaining 50%) for active members at the current full valuation.

21 POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

M1115 Life Tables

The following table highlights the rates at selected ages for males and females:

	M1115 Mortality (sample rates per 1,000)				
Gender	Age 40	Age 50	Age 60	Age 70	Age 80
2024					
Male	1.36	3.00	7.41	20.34	63.97
Female	0.71	1.50	4.24	16.22	57.70

No allowance is made for future mortality improvements as there are expected to be sufficient margins in the insured lives table compared to general population statistics, and this reflects typical market practice for retirement plan valuations in Malaysia.

Significant actuarial assumptions and sensitivity analysis

	Core assumption	Sensitivity analysis	Effect on defined benefit obligation RM'000
Discount rate	4.1%	1.0% decrease	125
Mortality	M1115 Life Tables	Age adjusted by + 1 year	(22)

Method and assumptions used in sensitivity analysis

The sensitivity analysis results above determine their individual impact to the end of financial year defined benefit obligation. In reality, the plan is subject to multiple external experience items which may move the defined benefit obligation in similar or opposite directions, while the plan's sensitivity to such changes can vary over time.

The methods and assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2024 (Continued)

22 LEASE LIABILITIES

This represents future installments under lease agreements, repayable as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Minimum lease payments				
Repayable within 12 months	1,016	1,674	1,016	1,648
Repayable after 12 months:				
- between 1 and 2 years	1,016	2,032	1,016	2,032
- between 2 and 5 years	846	847	846	847
	2,878	4,553	2,878	4,527
Future finance charges on leases	(174)	(335)	(174)	(333)
Present value of the lease liability	2,704	4,218	2,704	4,194
Analyse by:				
Current	914	1,514	914	1,490
Non-current	1,790	2,704	1,790	2,704
	2,704	4,218	2,704	4,194

The lease liabilities are secured as the rights to the leased assets revert to the lessor in the event of default. The weighted average effective interest rate for lease liabilities is 1.95% (2023: 4.94%) per annum.

The Group's and Company's net movement in lease liabilities are analysed as below:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	4,218	6,051	4,194	6,001
Repayment of lease liabilities (included in cashflow from financing activities)	(1,674)	(2,080)	(1,648)	(2,051)
Non-cash changes:				
- finance cost on lease	160	247	158	244
At 31 December	2,704	4,218	2,704	4,194

The Company leases office equipment and IT equipment. IT equipment comprise mainly laptops which are subsequently subleased to its customers over a term of 2 to 3 years (2023: 2 to 3 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

22 LEASE LIABILITIES (CONTINUED)

Charged to statement of comprehensive income

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Lease payment not recognised as liability:				
- expenses related to short-term lease	193	248	75	92

23 BORROWINGS

	Group and Company	
	2024 RM'000	2023 RM'000
Non-current		
Term financing – Secured	0	248
Current		
Banker Acceptance – Unsecured	13,178	10,204
Term financing – Secured	248	330
	13,426	10,534
Total borrowings	13,426	10,782

A building with the net book value of RM2,950,486 (2023: RM3,018,705) is charged to a financial institution for bank facility granted to the Group and the Company.

The average interest rate of short-term bank borrowings is at 4.73% (2023: 4.83%), and term financing is at 5.37% (2023: 5.37%).

Notes to the Financial Statements

For the Financial Year Ended 31 December 2024 (Continued)

23 BORROWINGS (CONTINUED)

The remaining maturities of the borrowing as at 31 December 2024 and 2023 are as follows:

		Group and Company		
	Interest/profit rate	Total RM'000	< 1 year RM'000	1 - 5 years RM'000
31 December 2024				
Banker acceptance	variable rate	13,178	13,178	0
Term financing	floating on COF	248	248	0
		13,426	13,426	0
31 December 2023				
Banker acceptance	variable rate	10,204	10,204	0
Term financing	floating on COF	578	330	248
		10,782	10,534	248

The Group's and Company's net movement in borrowings are analysed as below:

	Group and Company	
	2024 RM'000	2023 RM'000
At 1 January	10,782	7,347
Drawdown of borrowings	40,448	28,689
Repayment of borrowings (included in cash flow from financing activities)	(37,804)	(25,254)
Payment of interest	(480)	(388)
Non-cash changes:		
- interest expense	480	388
At 31 December	13,426	10,782

The carrying amounts of the Group's and of the Company's borrowings are denominated in Ringgit Malaysia.

24 TRADE AND OTHER PAYABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade payables	32,398	69,314	32,380	69,302
Other payables	5,660	2,660	5,602	2,623
Payroll liabilities	1,959	1,588	1,201	862
Accruals	1,312	2,746	1,083	1,292
Amounts due to subsidiaries	0	0	10,912	13,047
	41,329	76,308	51,178	87,126

The currency exposure profile of trade and other payables is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ringgit Malaysia	31,441	61,003	41,290	71,821
United States Dollar	9,888	15,305	9,888	15,305
	41,329	76,308	51,178	87,126

Credit terms of trade payables range from 7 to 90 days (2023: 7 to 90 days).

The amounts due to subsidiaries are trade in nature. They are unsecured, interest free and repayable on demand. The amounts are denominated in Ringgit Malaysia.

25 PROVISIONS

Provision for onerous contracts is recognised in the reporting period in which it is identified that the loss will probably occur due to unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The provision is derived based on the difference between the expected economic benefits from the contract and the unavoidable costs of fulfilling or exiting the onerous contract.

	Group and Company	
	2024 RM'000	2023 RM'000
At 1 January	0	0
Charged to profit or loss		
- provision recognised during the financial year	279	0
At 31 December	279	0

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (Continued)

26 SIGNIFICANT RELATED PARTY DISCLOSURES

All related party transactions were entered into in the normal course of business and at prices at negotiated terms. The names of the related parties, nature of the transactions and their total value have been set out in accordance with the provision of MFRS 124 'Related Party Disclosures'. The nature of the transactions and relationships with the related parties are as follows:

Related parties	Nature of the relationship with related parties	Nature of transaction
VA Dynamics Sdn. Bhd.	Subsidiary of the Company	Sales/purchase of cabling, accounting services fee
Mesiniaga Digital Sdn. Bhd.	Subsidiary of the Company	Purchase of information technology services, accounting services fee, cost recharges
Mesiniaga Alliances Sdn. Bhd.	Subsidiary of the Company	Purchase of information technology services, accounting services fee

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

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

	Company	
	2024 RM'000	2023 RM'000
Related party		
Loan to a key management personnel	40	80
Subsidiary companies		
Dividend received from a subsidiary	5,100	0
Purchase of information technology services from subsidiaries	(18,873)	(21,274)
Accounting services fees from subsidiaries	288	288
Cost recharged from a subsidiary	(13,695)	(17,290)

26 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(b) Financial year-end balances arising from sales/purchases of goods/services and advances:

	Company	
	2024 RM'000	2023 RM'000
Amount due from subsidiaries	27,310	7,972
Amounts due to subsidiaries	10,912	13,047

The receivables from a subsidiary arise mainly from loan to a subsidiary and is repayable on demand. The receivables are unsecured and bear no interest.

The payables to subsidiaries arise mainly from purchase transactions and are repayable on demand. The payables are unsecured and bear no interest.

(c) Key management compensation

Key management personnel is defined as "those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity". The key management compensation is disclosed as follows:

	Group and Company	
	2024 RM'000	2023 RM'000
Salaries and other short-term employee benefits	2,478	2,543
Defined contribution plan	310	336
	2,788	2,879

27 DIVIDENDS

The dividends on ordinary shares declared and paid by the Company since 31 December 2023 are as follow:

	RM'000
In respect of the financial year ended 31 December 2023	
- Final single-tier dividend of RM 0.025 per share declared on 29 February 2024 and paid on 3 July 2024	1,510

The Directors do not recommend the payment of any dividend in respect of the financial year ended 31 December 2024.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2024 (Continued)

28 CAPITAL COMMITMENT

Capital commitments for the Group and the Company in respect of property, plant and equipment not provided for as of 31 December 2024 are as follows:

	Group and Company	
	2024 RM'000	2023 RM'000
Authorised and contracted for	465	1,085

29 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

In February 2017, Amanah Raya Berhad ("ARB") initiated legal proceedings in the High Court of Kuala Lumpur, alleging that the Company breached the contract to deliver to ARB the Amanah Raya Integrated System. ARB claimed damages in the sum of RM8,228,975 for payments already made to the Company under the contract. The Company then filed its counterclaim against ARB for RM18,651,594 being the total sum for unpaid invoices, additional costs incurred and balance purchase price under the said contract.

On 14 December 2023, the High Court ruled in favour of the Company and partially allowed the Company's counterclaim. The amount awarded to the Company was RM6,638,396 exclusive of costs and interest of RM241,000.

On 12 January 2024, ARB filed the Notice of Appeal against the High Court judgement of 14 December 2023.

On 18 January 2024, pending the appeal proceedings, ARB remitted the sum of RM6,879,183 to the Company appointed Solicitors, Cheah Teh Su Advocate & Solicitors, which the Company received on 22 January 2024.

Subsequently, on 8 April 2024, ARB withdrew the appeal. As a result of this closure, the Company recorded a gain of RM5,084,000 net of settlement of associated costs and expenses in current financial year.

30 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issuance in accordance with a resolution of the Board of Directors on 14 April 2025.

Properties Owned by the Group

As at 31 December 2024

Address	Description	Usage	Tenure	Terms of Tenant's Leases or Under Leases	Appropriate Age	Net Book Value (RM'000)
Menara Mesiniaga, 1A, Jalan SS16/1, 47500 Subang Jaya, Selangor	Commercial land comprising of 15-storey office building	Office building	Freehold	Nil	31 years	29,239
5-G-9, Persiaran Mahsuri, Bandar Bayan Baru, 11900 Bayan Lepas, Pulau Pinang	4-storey Shop	Office building	Leasehold	Nil	12 years	2,950

Shareholding Statistics

Shareholding Structure as at : 19 March 2025
Issued and Paid-up Capital : 60,402,000
Class of Shares : There is only one class of shares, namely Ordinary Shares

Analysis of Shareholdings as at 19 March 2025

Size of Shareholdings	No. of Shareholders	% of shareholders	No. of Shares	% of shares
1 to 99	65	3.177	1,535	0.003
100 to 1,000	802	39.198	674,300	1.116
1,001 to 10,000	950	46.432	4,020,697	6.657
10,001 to 100,000	187	9.140	5,125,280	8.485
100,001 to 3,020,099 (*)	35	1.711	17,377,480	28.770
3,020,100 and above (**)	2	0.098	21,984,741	36.397
Directors' Holding	5	0.244	11,217,967	18.572
Total	2,046	100	60,402,000	100

Substantial Shareholders as at 19 March 2025

No.	Name of Shareholders	Direct Shareholdings	%
1	Shapadu Capital Sdn. Bhd.	16,972,700	28.100
2	Fathil Sulaiman bin Ismail	7,747,927	12.827
3	Safiah Sulaiman binti Ismail	5,012,041	8.298
4	Datuk Wan Mohamed Fusil bin Wan Mahmood	3,470,040	5.745

Directors Direct and Deemed Interests as at 19 March 2025

No.	Name of Directors	Direct Shareholdings	%
1	Datuk Wan Mohamed Fusil bin Wan Mahmood	3,470,040	5.745
2	Fathil Sulaiman bin Ismail	7,747,927	12.827
3	Sim Hong Kee	0	0
4	Datuk Noor Azian binti Shaari	0	0
5	Dato' Darawati Hussain	0	0
6	Zaim Husni bin Omar	0	0
7	Dr. Veerinderjeet Singh A/L Tejwant Singh	0	0

Shareholding Statistics

30 Largest Shareholders as at 19 March 2025

No.	Name of Shareholders	No. of Shares Held	% of Shares Held
1	Shapadu Capital Sdn. Bhd.	16,972,700	28.100
2	Fathil Sulaiman bin Ismail	7,747,927	12.827
3	Safiah Sulaiman binti Ismail	5,012,041	8.298
4	Datuk Wan Mohamed Fusil bin Wan Mahmood	1,800,000	2.980
5	Hor Yee @ Ho Cheong Fatt	1,728,940	2.862
6	Inter-Pacific Equity Nominees (Tempatan) Sdn. Bhd. <Berjaya Mutual Berhad For Amanah Raya Berhad For Common Fund>	1,263,600	2.092
7	Aimi Khalidah binti Mohd Puzi	1,169,646	1.936
8	Nor Hafifah binti Mohd Puzi	1,169,646	1.936
9	Nor Zaliza binti Mohd Puzi	1,139,648	1.887
10	Lim Poh Tiong	1,040,000	1.722
11	Cimb Islamic Trustee Berhad <Datuk Wan Mohamed Fusil bin Wan Mahmood>	1,000,000	1.656
12	Wong Ta Nooy @ Wong Keng Yong	1,000,000	1.656
13	Sri Susayati binti Ramlan	990,000	1.639
14	Public Invest Nominees (Asing) Sdn. Bhd. <Pledged Securities Account For Muhamad Aloysius Heng (M)>	944,000	1.563
15	Ching Heng Zee	610,000	1.010
16	Yee Men Fong	600,000	0.993
17	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <Pledged Securities Account For Teh Swee Heng (MM1118)>	585,000	0.969
18	Datuk Wan Mohamed Fusil bin Wan Mahmood	475,940	0.788
19	Lim Poh Tiong	460,000	0.762
20	Lee Kok Hin	458,100	0.758
21	Low Lay Ping	430,000	0.712
22	Toh Ying Choo	396,000	0.656
23	Public Nominees (Tempatan) Sdn. Bhd. <Pledged Securities Account For Keng Chin Eng (E-SGM)>	395,900	0.655
24	Voon Seng Chuan	308,500	0.511
25	Nur Aliyah binti Abdullah	258,800	0.428
26	Lai Yock Ching	227,100	0.376
27	Siew Kim Man	203,500	0.337
28	Khalijah @ Khadijah binti Jamari	200,000	0.331
29	Maybank Nominees (Tempatan) Sdn. Bhd. <Chua Eng Ho Wa'a @ Chua Eng Wah>	196,600	0.325
30	Khor Keng Saw @ Khaw Ah Soay	195,300	0.323

Notice of the Forty-Third (43rd) Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Third (43rd) Annual General Meeting (AGM) of the Company will be held at 1st Floor, Auditorium Ismail Sulaiman, Menara Mesiniaga, 1A, Jalan SS16/1, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 5 June 2025 at 2.30 p.m. for the following purposes:

Agenda

1. To receive the Audited Financial Statements for the year ended 31 December 2024, together with the Directors' Report and the Independent Auditors' Report thereon.

2. To approve the payment of Directors' Remuneration of up to RM530,000 to the Non-Executive Directors for the year ending 31 December 2025. **Resolution 1**

3. To re-elect Datuk Noor Azian binti Shaari, Independent Non-Executive Director, who retires by rotation in accordance with Article 104 of the Company's Articles of Association, and being eligible, offers herself for re-election. **Resolution 2**

   Dato' Darawati Hussain, Non-Independent Non-Executive Director who retires by rotation in accordance with Article 104 of the Company's Article of Association, has informed the Board of Directors that she will not be seeking re-election.

4. To re-elect Dr. Veerinderjeet Singh A/L Tejwant Singh, Independent Non-Executive Director who retires in accordance with Article 108 of the Company's Article of Association, who being eligible, offers himself for re-election. **Resolution 3**

5. To re-appoint Messrs PricewaterhouseCoopers PLT as the Company's Auditors and to authorise the Directors to fix their remuneration. **Resolution 4**

BY ORDER OF THE BOARD

DEBORAH SHARMINI BENJAMIN (MAICSA 7077164)
Company Secretary
Subang Jaya
30 April 2025

Note:
1. For the purposes of determining a member who shall be entitled to participate and vote at the forthcoming Forty-Third (43rd) Annual General Meeting of the Company, the Company shall be requesting the Record of Depositors as of 29 May 2025. Only a depositor whose name appears on the Record of Depositors as of 29 May 2025 shall be entitled to participate and vote at the meeting and for the appointment of proxy(ies) to participate and vote in his/her stead.
2. A member entitled to participate and vote at this AGM is entitled to appoint proxy(ies) to participate and vote in his/her stead. A proxy need not be a member of the Company.
3. 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.
4. All proxy forms must be deposited at the Company's Share Registrar's Office at Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or via e-mail at bsr.helpdesk@boardroomlimited.com not less than 48 hours before the time set for holding the meeting or any adjournment thereof. The last date and time for lodging the proxy form is on **Tuesday**, **3 June 2025** at **2.30 p.m.**
5. You are required to read and adhere to the **Administrative Guide** issued in the annual report on pages 163 to 164 and published on the Company's website at https://mesiniaga.com.my/annual-general-meeting/

Statement Accompanying Notice of the Forty-Third (43rd) Annual General Meeting

1) **Audited Financial Statements for the Financial Year Ended 31 December 2024.**

This Agenda is meant for discussion only as Section 340(1)(a) of the Companies Act 2016 provides that the audited financial statements are to be laid in the general meeting and do not require formal approval of the shareholders. Hence, this Agenda item is not put forward for voting.

2) **Payment of Directors' Remuneration of up to RM530,000 to the Non-Executive Directors for the year ending 31 December 2025.**

Section 230(1) of the Companies Act 2016 (CA 2016) provides that the 'fees' of the Directors and 'any benefits' payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval shall be sought at this AGM for the payment of Directors' fees and benefits payable to the Non-Executive Directors of the Company under Resolution 1.

The proposal is made upon benchmarking against selected peer companies in the IT industry with similar market capitalisation, revenue or profit before tax.

The payment of the Directors' fees totalling RM530,000 in respect of the financial year ending 31 December 2025 will only be made if the proposed Resolution 1 is approved by the Company shareholders at this meeting pursuant to Section 230(1)(b) of the CA 2016.

3) **Re-election of Director, who retires by rotation in accordance with Article 104 of the Company's Articles of Association.**

Datuk Noor Azian binti Shaari, Independent Non-Executive Director, is standing for re-election by rotation as stated in the Company's Annual Report, page 17.

The following is the justifications for her re-election:

Director subject to re-election pursuant to Article 104	Statement of Support by the Board
Datuk Noor Azian binti Shaari	1. Her wealth of experience in the Judicial and Legal Service, as well as a High Court Judge, and her exposure to other industries through her other board positions, enable her to provide insightful legal perspectives on audit and risk management, governance and industrial relations matters. 2. As an Independent Non-Executive Director, she has demonstrated her independence through her active participation in the Board's deliberations and decision-making in an objective manner. 3. She is not involved in any potential conflict of interest that might adversely affect her ability to perform her duties properly. 4. She has never been convicted of anything other than traffic offences within the past ten (10) years.

Datuk Noor Azian binti Shaari does not hold any securities in the Company.

Dato' Darawati Hussain, Non-Independent Non-Executive Director who retires by rotation in accordance with Article 104 of the Company's Article of Association, has informed the Board of Directors that she will not be seeking re-election.

Statement Accompanying Notice of the Forty-Third (43rd) Annual General Meeting

4) Re-election of Director in accordance with Article 108 of the Company's Articles of Association.

Dr. Veerinderjeet Singh A/L Tejwant Singh, Independent Non-Executive Director, is standing for re-election as stated in the Company's Annual Report, page 20.

The following is the justifications for his re-election:

Director subject to re-election pursuant to Article 108	Statement of Support by the Board
Dr. Veerinderjeet Singh A/L Tejwant Singh	1. He is a seasoned tax expert with over 40 years of experience and brings deep expertise in taxation and accounting, strengthened by his directorship roles across various industries locally and internationally. He is currently a Senior Adviser on Tax Policy at a Big Four accounting firm. He offers valuable insights into audit and risk management, governance, and strategy. 2. As an Independent Non-Executive Director, he has demonstrated his independence through his active participation in the Board's deliberations and decision-making in an objective manner. 3. He is not involved in any potential conflict of interest that might adversely affect his ability to perform his duties properly. 4. He has never been convicted of anything other than traffic offences within the past ten (10) years.

Dr. Veerinderjeet Singh A/L Tejwant Singh does not hold any securities in the Company.

BY ORDER OF THE BOARD

DEBORAH SHARMINI BENJAMIN (MAICSA 7077164)
Company Secretary
Subang Jaya
30 April 2025

Administrative Guide

Administrative Guide for the Forty-Third Annual General Meeting ("43rd AGM") of Mesiniaga Berhad ("the Company")

Date : 5 June 2025 (Thursday)

Time : 2.30 p.m.

Venue : 1st Floor, Auditorium Ismail Sulaiman, Menara Mesiniaga, 1A, Jalan SS16/1
47500 Subang Jaya, Selangor Darul Ehsan

(I) REGISTRATION

The registration counter will be opened at 12.30 p.m. on Thursday, 5 June 2025, at 1st Floor, Auditorium Ismail Sulaiman, Menara Mesiniaga, 1A, Jalan SS16/1, 47500 Subang Jaya, Selangor Darul Ehsan.

Attendees are requested to produce/display their original National Registration Identity Card (NRIC) or Passport (for non-Malaysian) to the registration staff for verification purposes. Kindly ensure that your original NRIC or Passport is returned to you thereafter. Please take note that no person will be allowed to register on behalf of another person, even with the original NRIC or Passport of that person.

Attendees will also be given an identification wristband with a personalised passcode for voting purposes. No person will be allowed to enter the meeting hall without the identification wristband. A replacement for the identification wristband will not be issued should you lose or misplace it.

(II) ELIGIBILITY TO ATTEND BASED ON THE RECORD OF DEPOSITORS

Only shareholders whose name appears on the Record of Depositor as of 29 May 2025 shall be entitled to attend or appoint proxy(ies) to attend and/or vote on his/her behalf.

(III) APPOINTMENT OF PROXY(IES)

A shareholder who is unable to attend the 43rd AGM on Thursday, 5 June 2025 may appoint proxy and indicate the voting instructions in the proxy form. Please deposit the proxy form with the Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. Alternatively, you have the option of submitting the proxy form electronically via e-mail at bsr.helpdesk@boardroomlimited.com not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

The last date and time for lodging the proxy form is on **Tuesday, 3 June 2025 at 2.30 p.m.**

(IV) VOTING PROCEDURES

The voting will be conducted by poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements. All resolutions set out in the Notice of 43rd AGM will be put to vote by way of poll. Boardroom Share Registrars Sdn. Bhd. has been appointed as the Poll Administrator to conduct the polling process. The Independent Scrutineers will verify the results of the poll thereafter.

Administrative Guide

(V) OTHER INFORMATION

In the event of unforeseen circumstances, the arrangements for our 43rd AGM may be subject to change at short notice. Please refer to the Company's website or announcements on Bursa Malaysia for the latest updates.

(VI) ENQUIRY

If you have any enquiries prior to the 43rd AGM, please contact our Share Registrar during office hours on Monday to Friday, from 9.00 a.m. to 5.00 p.m. (except on public holidays)

Boardroom Share Registrars Sdn. Bhd.
[Registration No. 199601006647 (378993-D)]

Address	:	11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan
General Line	:	+603-7890 4700
E-mail	:	bsr.helpdesk@boardroomlimited.com

Proxy Form

For 43rd Annual General Meeting

Mesiniaga

MESINIAGA BERHAD
Registration No.: 198101013112 (79244-V)
(Incorporated in Malaysia)

Number of Shares Held	
CDS Account No.	- -

I/We,____________________________ NRIC/Passport/Registration No.______________
(FULL NAME AS PER NRIC/PASSPORT/CERTIFICATE OF INCORPORATION IN BLOCK LETTERS)

(Tel No.:________________) of______________________________

____
(FULL ADDRESS)

Being member(s) of MESINIAGA BERHAD, hereby appoint the following:

Proxy 1	
Full Name of Proxy as per NRIC/Passport	
NRIC/Passport No.	
Proportion of Shareholdings (%)	
Contact No.	

and/or failing him/her;

Proxy 2	
Full Name of Proxy as per NRIC/Passport	
NRIC/Passport No.	
Proportion of Shareholdings (%)	
Contact No.	

or failing him/her, THE CHAIRMAN OF THE MEETING as my/our proxy(ies) to vote for me/us and on my/our behalf at the Forty-Third (43rd) Annual General Meeting of the Company, to be held at **1st Floor, Auditorium Ismail Sulaiman, Menara Mesiniaga, 1A, Jalan SS16/1, 47500 Subang Jaya, Selangor Darul Ehsan (Tel: +603-5635 8828) on Thursday, 5 June 2025 at 2.30 p.m.** 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.

No.	Resolution	For	Against
1	Approval of Non-Executive Directors' remuneration for the year ending 31 December 2025		
2	Re-election by rotation of Datuk Noor Azian binti Shaari as Independent Non-Executive Director		
3	Re-election of Dr. Veerinderjeet Singh A/L Tejwant Singh as Independent Non-Executive Director		
4	Re-appointment of Messrs. PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration		

Dated this ______________ day of ____________, 2025

____
Signature/Common Seal of Shareholders

Note:-

For the purposes of determining a member who shall be entitled to participate and vote at the forthcoming Forty-Third (43rd) Annual General Meeting of the Company, the Company shall be requesting the Record of Depositors as at 29 May 2025. Only a depositor whose name appears on the Record of Depositors as at 29 May 2025 shall be entitled to participate and vote at the meeting as for appointment of proxy(ies) to participate and vote on his/her stead.

A member entitled to participate and vote at this AGM is entitled to appoint proxy(ies) to participate and vote in his/her 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 Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or via e-mail at bsr.helpdesk@boardroomlimited.com not less than 48 hours before the time set for holding the meeting or any adjournment thereof. The last date and time for lodging the proxy form is on **Tuesday**, **3 June 2025** at **2.30 p.m.**

First fold

AFFIX STAMP

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

Second fold

Mesiniaga Berhad
198101013112 (79244-V)

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

Tel : 03-5635 8828
Fax : 03-5636 3838

https://mesiniaga.com.my