

Mesiniaga Berhad
Registration number: 198101013112 (79244V)
(Incorporated in Malaysia)
Condensed Consolidated Statement of Comprehensive Income
For the fourth quarter ended 31 December 2020

	CURRENT	Comparative	12 Months	12 Months
	Qtr ended 31-Dec (RM '000)	Qtr ended 31-Dec (RM '000)	Cumulative to-date (RM '000)	Cumulative to-date (RM '000)
Revenue	58,533	212,927	197,718	313,956
Operating expenses	-62,270	-199,183	-204,586	-308,747
Depreciation	-743	-1,060	-3,694	-4,134
Other operating income	664	819	1,178	921
Profit/(loss) from operations	-3,816	13,503	-9,384	1,996
Finance costs	-140	-367	-462	-1,016
Finance income	66	677	851	1,206
Share of results of associated company	0	39	0	0
Profit/(loss) before tax	-3,890	13,852	-8,995	2,186
Taxation and Zakat	132	-2,444	-3	-2,664
Profit/(loss) after tax	-3,758	11,408	-8,998	-478
Other Comprehensive gain/(loss)	-1,043	75	-1,043	75
Total Comprehensive (loss)/profit	-4,801	11,483	-10,041	-403
Profit/(loss) attributable to:				
- Equity holders of the Company	-3,897	11,347	-9,345	-881
- Non-controlling interest	139	61	347	403
	-3,758	11,408	-8,998	-478
Total comprehensive (loss)/income for the financial year attributable to:				
- Equity holders of the Company	-4,940	11,422	-10,388	-806
- Non-controlling interest	139	61	347	403
	-4,801	11,483	-10,041	-403
Profit/(loss) per share for profit/(loss) attributable to the equity holders of the Company during the period				
Profit/(loss) Per Share - Basic	-6.45	18.79	-15.47	-1.46

Remarks

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited Annual Financial Statements for the year ended 31st December 2019)

Mesiniaga Berhad
Registration number: 198101013112 (79244V)
(Incorporated in Malaysia)
Condensed Consolidated Statement of Financial Position
As at 31 December 2020

	<u>As at 31.12.2020</u> (RM '000)	Audited <u>As at 31.12.2019</u> (RM '000)
ASSETS		
Non-current assets		
Property, plant and equipment	37,923	40,242
Intangible assets	-	979
Finance lease receivable	2,452	3,456
Trade and other receivables	3,791	2,881
Contract assets	2,796	4,122
Deferred tax assets	1,764	1,879
	<hr/> 48,726	<hr/> 53,559
Current assets		
Inventories	9,245	9,577
Receivables	38,892	50,587
Contract assets	33,322	25,476
Tax recoverable	267	7
Cash and cash equivalents	51,742	152,591
	<hr/> 133,468	<hr/> 238,238
TOTAL ASSETS	<hr/> 182,194	<hr/> 291,797
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	64,528	64,528
Reserves	39,182	49,570
	<hr/> 103,710	<hr/> 114,098
Non-controlling interest	7,085	7,228
Total equity	<hr/> 110,795	<hr/> 121,326
Non-current liabilities		
Other deferred liabilities	4,768	2,850
Bank term loan	1,314	1,568
	<hr/> 6,082	<hr/> 4,418

Current liabilities

Trade and other payables	47,151	143,919
Contract liabilities	12,990	19,601
Short term borrowing	4,846	2,030
Bank term loan	330	330
Taxation	-	173
	<u>65,317</u>	<u>166,053</u>

Total liabilities

71,399 170,471

TOTAL EQUITY AND LIABILITIES

182,194 291,797

Net asset per share attributable to ordinary equity holders of the parent (RM)

1.72 1.89

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Annual Financial Statements for the year ended 31st December 2019)

Mesiniaga Berhad
Registration number: 198101013112 (79244V)
(Incorporated in Malaysia)
Condensed Consolidated Statement of Cash Flow
For the fourth quarter ended 31 December 2020

	<u>2020</u> 12 months ended 31-Dec (RM '000)	<u>2019</u> 12 months ended 31-Dec (RM '000)
Cash Flows From Operating Activities		
Net profit/(loss) attributable to shareholders	(8,998)	(478)
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	3,694	4,134
Property, plant and equipment write off	4	-
Taxation	443	2,664
Share of results of associates	-	-
Impairment of intangible assets	503	-
Interest expense	462	1,016
Interest income	(851)	(1,206)
Retirement benefits	(361)	200
Gain on sales of property, plant and equipment	(7)	(31)
Allowance for doubtful debts	100	673
Gain on net investment of sublease	-	(594)
Unrealised foreign exchange Gain	(729)	585
Write down of inventory	352	126
	<u>(5,388)</u>	<u>7,089</u>
Changes in working capital:		
Inventories	(20)	(1,039)
Receivables	5,344	9,878
Payables	<u>(103,239)</u>	<u>115,977</u>
Net cash generated from operations	(103,303)	131,905
Net taxation (paid)/refunded	(318)	(546)
Zakat	<u>(10)</u>	<u>(50)</u>
Net cash (used)/generated from operating activities	<u><u>(103,631)</u></u>	<u><u>131,309</u></u>

Cash Flows From Investing Activities

Purchase of property, plant and equipment	(903)	(1,245)
Proceeds from disposal of property, plant and equipment	7	31
Interest received	<u>851</u>	<u>1,059</u>
	<u>(45)</u>	<u>(155)</u>

Cash Flows From Financing Activities

Dividends paid to NCI	(490)	(980)
Interest paid on borrowings	(461)	(851)
Repayment of finance lease	1,216	(421)
Repayment of term loan	(254)	(330)
Net drawdown of short term borrowing	<u>2,816</u>	<u>(12,190)</u>
	<u>2,827</u>	<u>(14,772)</u>

Net (decrease)/increase in cash and cash equivalents (100,849) 116,382

Cash and cash equivalents b/f 152,591 36,209

Cash and cash equivalents c/f 51,742 152,591

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited Annual Financial Statements for the year ended 31st December 2019)

Mesiniaga Berhad
Registration number: 198101013112 (79244V)
(Incorporated in Malaysia)
Condensed Consolidated Statements of Changes in Equity
For the fourth quarter ended 31 December 2020

	<u>Share Capital</u> (RM '000)	<u>Share Premium</u> (RM '000)	<u>Retirement benefit reserves</u>	<u>Retained Earnings</u> (RM '000)	<u>Total</u> (RM '000)	<u>Non- controlling Interest</u> (RM '000)	<u>Total</u> (RM '000)
<u>12 months quarter ended 31 December 2020</u>							
Balance at beginning of year	64,528	-	667	48,903	114,098	7,228	121,326
Total comprehensive income for the period	-	-	(1,043)	(9,345)	(10,388)	347	(10,041)
Dividends	-	-	-	-	-	(490)	(490)
Other Comprehensive Income	-	-	-	-	-	-	-
Balance at end of period	<u>64,528</u>	<u>-</u>	<u>(376)</u>	<u>39,558</u>	<u>103,710</u>	<u>7,085</u>	<u>110,795</u>
<u>12 months quarter ended 31 December 2019</u>							
Balance at beginning of year	64,528	-	592	49,784	114,904	7,805	122,709
Total comprehensive income for the period	-	-	75	(881)	(806)	403	(403)
Dividends	-	-	-	-	-	(980)	(980)
Other Comprehensive Income	-	-	-	-	-	-	-
Balance at end of period	<u>64,528</u>	<u>-</u>	<u>667</u>	<u>48,903</u>	<u>114,098</u>	<u>7,228</u>	<u>121,326</u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited Annual Financial Statements for the year ended 31st December 2019)

MESINIAGA BERHAD

Registration number: 198101013112 (79244V)

UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT – FINANCIAL REPORTING STANDARD

A1. BASIS OF PREPARATION

The unaudited quarterly financial statements have been prepared in accordance with MFRS 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”), and Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The unaudited quarterly financial statements should be read in conjunction with the Group’s audited annual financial statements for the financial year ended 31 December 2019. The audited financial statements of the Group for the year ended 31 December 2019 were prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The accounting policies and presentation adopted by the Group for the quarterly financial statements are consistent with those adopted in the Group’s consolidated audited financial statements for the financial year ended 31 December 2019, except for the adoption of the following Amendments to MFRS during the current financial period:

Effective for financial periods beginning on or after 1 January 2020:

- Amendments to MFRS 3 “Business Combinations – Definition of a Business”
- Amendments to MFRS 101 “Presentation of Financial Statements” and MFRS 108 “Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material”
- Amendment to MFRS 137 “Provisions, Contingent Liabilities and Contingent Assets”
- Amendment to MFRS 138 “Intangible Assets”
- Amendment to IC Interpretation 22 “Foreign Currency Transactions and Advances Consideration”

Based on the work performed to date, the Company does not currently expect the impact of these changes to be significant.

A2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group’s Annual Financial Statements for the year ended 31 December 2019 was not subject to any qualification.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The Group's operations are not significantly affected by any seasonal or cyclical factors.

A4. UNUSUAL ITEMS

There were no items affecting the assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence.

A5. MATERIAL CHANGES IN ACCOUNTING ESTIMATES

There were no changes in accounting estimates of amounts reported in prior interim periods or the current financial year or changes in estimates of amounts reported in prior financial years.

A6. ISSUANCE OR REPAYMENT OF DEBTS AND EQUITY SECURITIES

There were no issuance and repayment of debts and equity securities, shares buy-back, share cancellations, shares held as treasury shares or resale of treasury shares during the current quarter under review.

A7. DIVIDEND PAID

No dividend has been paid for the current quarter.

A8. SEGMENTAL REPORTING

Segmental information is not presented as the Group is primarily engaged in the sale of information technology products and related services in Malaysia.

A9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The values of property, plant and equipment have been brought forward without amendment from previous annual financial statements.

A10. SUBSEQUENT MATERIAL EVENTS

There were no subsequent material events as at the date of this report that will affect the financial results of the current quarter under review.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no significant changes in composition of the Group during the interim period, including business combination, acquisition of disposal of subsidiaries and long-term investment, restructurings or discontinued operations.

A12. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent liabilities or contingent assets to be disclosed.

B. BURSA MALAYSIA LISTING REQUIREMENTS

B1. REVIEW OF THE PERFORMANCE

The Group recorded revenue of RM197.7 million for the year 2020 which was 37% lower than comparative period in 2019 of RM314.0 million. A loss before tax of RM9.0 million was recorded in 2020, compared to a profit before tax of RM2.2 million in 2019.

The reduction in revenue and the loss incurred in 2020 are due to the impact of the Covid-19 pandemic.

B2. MATERIAL CHANGES IN THE QUARTERLY RESULTS

For the quarter ended 31 December 2020, the Group recorded a revenue of RM58.5 million which was 13.6% higher than the preceding quarter of RM51.5 million. The Group registered a lower loss before tax of RM3.9 million compared to RM4.2 million in the preceding quarter due to delivery of a few significant projects in the fourth quarter.

B3. PROSPECTS

The GDP shrank 3.4% in Q4 and 5.6% for the full year of 2020. We expect the business environment to remain challenging for the 1st half of 2021. With the progressive roll out of the vaccination program and the implementation of the projects under the Malaysia Digital Economy Blueprint (MyDigital), we expect a turnaround during the 2nd half of 2021. Among the key initiatives in the blueprint are digital transformation in the public sector and enabling digital infrastructure which require the deployment of 5G technology, expansion of network infrastructure and provision of IT access to all Malaysians. These are in line with our Company's products and service offerings and we are well positioned to pursue these opportunities.

B4. VARIANCES FROM PROFIT FORECAST AND PROFIT GUARANTEE

Not applicable as there were no profits forecast and profit guarantee published.

B5. TAXATION

Income tax expenses

	Quarter Ended 31.12.2020 RM'000	12 months Cumulative to 31.12.2020 RM'000
<u>Major components of tax expenses:</u>		
Current year tax	(27)	108
Deferred tax	(115)	(115)
Tax expense	(142)	(7)
Zakat	10	10
	(132)	3

Deferred tax assets have not been recognised in respect of tax losses and deductible temporary differences.

B6. SALES OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no sales of unquoted investments and properties for the current quarter and financial year to date.

B7. PARTICULARS OF PURCHASE OR DISPOSAL OF QUOTED SECURITIES

There were no purchases or disposal of quoted securities for the current quarter and financial year to date.

B8. THE STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but not completed at the latest practicable date.

B9. BORROWINGS AND DEBT SECURITIES

Details of the Company's borrowings as at 31 December 2020 are as follows:

	As at 31.12.2020 RM '000
Short term borrowings	
<i>Unsecured</i>	
Loan denominated in USD	0
Short term borrowings in RM	4,846
	4,846
Term loan in RM	
<i>Secured</i>	330
	5,176
Long term loan	
<i>Secured</i>	
Term loan in RM	1,314
	6,490

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There are no financial instruments with off balance sheet risk as at the date of this report.

B11. MATERIAL LITIGATION

As announced on 3 March 2017, Amanah Raya Berhad had on 27 February 2017 filed a claim of RM8.2 million against the Company disputing the obligations of a contract that was awarded to the Company in 2014.

Subsequent to the service of the Writ of Summons and Statement of Claim, the Company had on 17 April 2017 filed its defence and counterclaim for damages of RM18.7 million for unlawful termination and/or repudiation of the agreement between the parties under the law.

The continuation of the trial originally scheduled between 23rd and 26th November 2020 has been postponed to between 26th and 29th July 2021 due to the Covid-19 pandemic.

B12. PROPOSED DIVIDEND

There was no dividend proposed for the financial period under review.

B13. EARNINGS PER SHARE

	Quarter Ended 31.12.2020	12 months Cumulative 31.12.2020
Basic and Diluted Earnings		
	RM'000	RM'000
Profit/(Loss) attributable to the equity holders of the Company	(3,897)	(9,345)
Weighted average number of ordinary shares in issue	60,402	60,402
Basic profit/(loss) earnings per share (sen)	(6.45)	(15.47)

B14. RELATED PARTY TRANSACTIONS

Listed below are the significant related party transactions. The related party transactions were carried out on the same terms and conditions in transactions with unrelated parties.

The significant related party transactions are as follows:

	Quarter Ended 31.12.2020 RM'000	12 months Cumulative 31.12.2020 RM'000
<u>Related party</u>		
Subsidiary companies		
- Purchase of goods	24	51
- Purchase of services	6,508	25,986
- Sales of goods	0	0
- Sales of services	72	288

B15. CAPITAL COMMITMENT

Capital commitments for the Group in respect of property, plant and equipment not provided for as of 31 December 2020 are as follows:

	RM'000
Approved and not contracted for	NIL
Approved and contracted for	NIL

B16. ADDITIONAL DISCLOSURES

RM'000	Quarter ended		12 months Cumulative	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Profit/(loss) for the period is arrived at after charging:				
Interest expense	140	367	462	1,016
Depreciation	743	1,060	3,694	4,134
Foreign exchange gain/(loss)	1,132	268	1,832	287
and after crediting:				
Interest income	66	677	851	1,206

By Order of the Board

Jasni Abdul Jalil (MACS 01359)
Company Secretary
5 March 2021