

**Mesiniaga Berhad**  
**Registration number: 198101013112 (79244V)**  
**(Incorporated in Malaysia)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For the third quarter ended 30 September 2021**

	2021	2020	2021	2020
	CURRENT	Comparative	9 Months	9 Months
	Qtr ended	Qtr ended	Cumulative	Cumulative
	30-Sep	30-Sep	to-date	to-date
	(RM '000)	(RM '000)	(RM '000)	(RM '000)
Revenue	69,093	51,452	153,566	139,185
Operating expenses	-66,463	-54,915	-150,588	-142,316
Depreciation	-477	-921	-1,543	-2,951
Other operating income/(expense)	152	235	-225	514
Profit/(loss) from operations	<u>2,305</u>	<u>-4,149</u>	<u>1,210</u>	<u>-5,568</u>
Finance costs	-88	-147	-236	-321
Finance income	103	108	339	785
Share of results of associated company	0	0	0	0
Profit/(loss) before tax	<u>2,320</u>	<u>-4,188</u>	<u>1,313</u>	<u>-5,104</u>
Taxation and Zakat	0	-48	-36	-135
Profit/(loss) after tax	<u>2,320</u>	<u>-4,236</u>	<u>1,277</u>	<u>-5,239</u>
Other Comprehensive gain/(loss)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Comprehensive (loss)/profit	<u><u>2,320</u></u>	<u><u>-4,236</u></u>	<u><u>1,277</u></u>	<u><u>-5,239</u></u>
Profit/(loss) attributable to:				
- Equity holders of the Company	2,326	-4,314	1,280	-5,447
- Non-controlling interest	-6	78	-3	208
	<u>2,320</u>	<u>-4,236</u>	<u>1,277</u>	<u>-5,239</u>
Total comprehensive (loss)/income for the financial year attributable to:				
- Equity holders of the Company	2,326	-4,314	1,280	-5,447
- Non-controlling interest	-6	78	-3	208
	<u>2,320</u>	<u>-4,236</u>	<u>1,277</u>	<u>-5,239</u>
Profit/(loss) per share for profit/(loss) attributable to the equity holders of the Company during the period				
Profit/(loss) Per Share - Basic	<u>3.85</u>	<u>-7.14</u>	<u>2.12</u>	<u>-9.02</u>

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 2020)

**Mesiniaga Berhad**  
**Registration number: 198101013112 (79244V)**  
**(Incorporated in Malaysia)**  
**Condensed Consolidated Statement of Financial Position**  
**As at 30 September 2021**

	<u>As at 30.9.2021</u> (RM '000)	Audited <u>As at 31.12.2020</u> (RM '000)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	37,132	37,923
Intangible assets	-	-
Finance lease receivable	1,199	2,389
Trade and other receivables	2,989	3,791
Contract assets	3,939	2,703
Deferred tax assets	1,867	1,867
	<u>47,126</u>	<u>48,673</u>
<b>Current assets</b>		
Inventories	11,147	9,245
Receivables	44,969	40,509
Contract assets	44,221	31,623
Tax recoverable	295	164
Cash and cash equivalents	32,237	51,742
	<u>132,869</u>	<u>133,283</u>
<b>TOTAL ASSETS</b>	<u><u>179,995</u></u>	<u><u>181,956</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to the equity holders of the parent</b>		
Share capital	64,528	64,528
Reserves	40,463	39,183
	<u>104,991</u>	<u>103,711</u>
Non-controlling interest	7,082	7,085
<b>Total equity</b>	<u><u>112,073</u></u>	<u><u>110,796</u></u>
<b>Non-current liabilities</b>		
Other deferred liabilities	3,696	3,334
Bank term loan	990	1,238
	<u>4,686</u>	<u>4,572</u>
<b>Current liabilities</b>		
Trade and other payables	46,689	48,437
Contract liabilities	7,841	13,001
Short term borrowing	8,376	4,820
Bank term loan	330	330
Taxation	-	-
	<u>63,236</u>	<u>66,588</u>
<b>Total liabilities</b>	<u>67,922</u>	<u>71,160</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>179,995</u></u>	<u><u>181,956</u></u>
Net asset per share attributable to ordinary equity holders of the parent(RM)	1.7382	1.7170

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Annual Financial Statements for the year ended 31st December 2020)

**Mesiniaga Berhad**  
**Registration number: 198101013112 (79244V)**  
**(Incorporated in Malaysia)**  
**Condensed Consolidated Statement of Cash Flow**  
**For the third quarter ended 30 September 2021**

	<b><u>2021</u></b> <b>9 months ended</b> <b>30-Sep</b> <b>(RM '000)</b>	<b><u>2020</u></b> <b>9 months ended</b> <b>30-Sep</b> <b>(RM '000)</b>
<b>Cash Flows From Operating Activities</b>		
Net profit/(loss) attributable to shareholders	1,277	(5,239)
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	1,543	2,951
Property, plant and equipment write off	-	2
Taxation	36	135
Interest expense	236	321
Interest income	(339)	(785)
Gain on sales of property, plant and equipment	-	(4)
Allowance for doubtful debts	-	100
Unrealised foreign exchange Gain	(120)	(267)
	<u>2,633</u>	<u>(2,786)</u>
<b>Changes in working capital:</b>		
Inventories	(1,902)	(680)
Receivables	(16,302)	(8,382)
Payables	(6,788)	(126,602)
Net cash generated from operations	<u>(22,359)</u>	<u>(138,450)</u>
Net taxation (paid)/refunded	(167)	(240)
Zakat	-	-
<b>Net cash (used)/generated from operating activities</b>	<u><u>(22,526)</u></u>	<u><u>(138,690)</u></u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(752)	(789)
Proceeds from disposal of property, plant and equipment	-	4
Interest received	339	785
	<u>(413)</u>	<u>-</u>
<b>Cash Flows From Financing Activities</b>		
Dividends paid to NCI	-	-
Interest paid on borrowings	(236)	(321)
Repayment of finance lease	388	278
Repayment of term loan	(247)	(248)
Net drawdown of short term borrowing	3,529	11,252
Drawdown/(increase) in restricted deposits	1,485	183
	<u>4,919</u>	<u>11,144</u>
Net (decrease)/increase in cash and cash equivalents	(18,020)	(127,546)
<b>Cash and cash equivalents b/f</b>	44,026	144,692
<b>Cash and cash equivalents c/f</b>	<u><u>26,006</u></u>	<u><u>17,146</u></u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited Annual Financial Statements for the year ended 31st December 2020)

**Mesiniaga Berhad**  
**Registration number: 198101013112 (79244V)**  
**(Incorporated in Malaysia)**  
**Condensed Consolidated Statements of Changes in Equity**  
**For the third quarter ended 30 September 2021**

	<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>9 months quarter ended 30 September 2021</u>							
Balance at beginning of year	64,528	-	(376)	39,559	103,711	7,085	110,796
Total comprehensive income for the period	-	-	-	1,280	1,280	(3)	1,277
Dividends	-	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-	-	-
Balance at end of period	<u>64,528</u>	<u>-</u>	<u>(376)</u>	<u>40,839</u>	<u>104,991</u>	<u>7,082</u>	<u>112,073</u>
<u>9 months quarter ended 30 September 2020</u>							
Balance at beginning of year	64,528	-	667	48,903	114,098	7,228	121,326
Total comprehensive income for the period	-	-	-	(5,447)	(5,447)	208	(5,239)
Dividends	-	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-	-	-
Balance at end of period	<u>64,528</u>	<u>-</u>	<u>667</u>	<u>43,456</u>	<u>108,651</u>	<u>7,436</u>	<u>116,087</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 2020)

**MESINIAGA BERHAD**

Registration number: 198101013112 (79244V)

**UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE  
THIRD QUARTER ENDED 30 SEPTEMBER 2021**

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**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 2020. The audited financial statements of the Group for the year ended 31 December 2020 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 2020, except for the adoption of the following Amendments to MFRS during the current financial period:

Standards, amendments to published standards and interpretations that are effective for the Group’s financial year beginning on 1 January 2021:

- Amendments to MFRS 16 ‘COVID-19-Related Rent Concessions’

The adoption of the above amendments did not have any significant financial impact to the Group upon initial application.

The Malaysian Accounting Standards Board had issued the following amendments and annual improvements to existing accounting standards which are relevant to the Group.

- (i) Improvements and amendments to published standards and interpretations that are issued but not yet effective:
- Annual Improvements to MFRS 9 ‘Fees in the 10% test for derecognition of financial liabilities’
  - Amendments to MFRS 3 ‘Reference to Conceptual Framework’
  - Amendments to MFRS 116 ‘Proceeds before intended use’
  - Amendments to MFRS 137 ‘onerous contracts—cost of fulfilling a contract’
  - Amendments to MFRS 101 ‘Classification of liabilities as current or non-current’

- (ii) Improvements and amendments to published standards and interpretations that are issued but effective date yet to be determined:
- Amendments to MFRS 10 “Consolidated Financial Statements” and MFRS 128 “Investment in associates and joint ventures - Sale or contribution of assets between an investor and its associates/joint ventures”

The Group did not early adopt any of the above amendments and annual improvements to the published accounting standards. Based on the work performed to date, the Group 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 2020 was not subject to any qualification.

A3. SEASONALITY OR CYCLICALITY 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 or 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's revenue for the first nine months of 2021 amounted to RM153.6 million, which was 10.3% higher than RM139.2 million for the comparative period in 2020. The profit before tax was RM1.3 million for the first nine months of 2021, compared to a loss before tax of RM 5.1 million for the same period in 2020.

Higher project deliveries resulting from the progressive easing of movement controls contributed to better performance.

**B2. MATERIAL CHANGES IN THE QUARTERLY RESULTS**

For the current quarter ended 30 September 2021, the Group's revenue was RM69.1 million which was 95.8% higher than RM 35.3 million for the preceding quarter. The current quarter's profit before tax was RM2.3 million compared to a loss before tax of RM1.4 million for the preceding quarter.

The Group managed to catch up with the delivery of ongoing projects, thereby contributing to higher revenue during the quarter under review.

**B3. PROSPECTS**

The good progress in the vaccination rate has resulted in the progressive easing of the movement control order conditions, which has enabled higher business activities. The global supply shortage of computer chips and equipment is likely to continue through the rest of 2021. Subject to this consideration, we believe the Group is well-positioned to achieve improved business performance in the current year, based on the contracts won and the opportunities we are engaged in.

**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 30.09.2021 RM'000	9 months Cumulative to 30.09.2021 RM'000
<b><u>Major components of tax expenses:</u></b>		
Current year tax	0	36
Deferred tax	0	0
Tax expense	0	36
Zakat	0	0
	0	36

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 30 September 2021 are as follows:

	As at 30.09.2021 RM '000
<b>Short term borrowings</b>	
<i>Unsecured</i>	
Loan denominated in USD	0
Short term borrowings in RM	8,376
	8,376
Term loan in RM	
<i>Secured</i>	330
	8,706
<b>Long term loan</b>	
<i>Secured</i>	
Term loan in RM	990
	9,696

## 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

There is no material litigation initiated by or against the Company during the quarter.

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 next trial dates are scheduled for 24th to 28th January 2022.

B12. PROPOSED DIVIDEND

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

B13. EARNINGS PER SHARE

	Quarter Ended 30.09.2021	9 months Cumulative 30.09.2021
<b>Basic and Diluted Earnings</b>		
	RM'000	RM'000
Profit attributable to the equity holders of the Company	2,326	1,280
Weighted average number of ordinary shares in issue ('000)	60,402	60,402
Basic profit earnings per share (sen)	3.85	2.12

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 as transactions with unrelated parties.

The significant related party transactions are as follows:

	Quarter Ended 30.09.2021 RM'000	9 months Cumulative 30.09.2021 RM'000
<b><u>Related party</u></b>		
Subsidiary companies		
- Purchase of goods	41	43
- Purchase of services	5,870	17,727
- Sales of goods	0	14
- Sales of services	72	216

B15. CAPITAL COMMITMENT

Capital commitments for the Group in respect of property, plant and equipment not provided for as of 30 September 2021 are as follows:

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

B16. ADDITIONAL DISCLOSURES

RM'000	Quarter ended		9 months Cumulative	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
<b>Profit/(loss) for the period is arrived at after charging:</b>				
Interest expense	88	147	236	321
Depreciation	477	921	1,543	2,951
Foreign exchange gain/(loss)	250	432	694	700
<b>and after crediting:</b>				
Interest income	103	108	339	785

By Order of the Board

Jasni Abdul Jalil (MACS 01359)  
Company Secretary  
19 November 2021