

**Mesiniaga Berhad**  
**Registration number: 198101013112 (79244V)**  
**(Incorporated in Malaysia)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For the first quarter ended 31 March 2022**

	2022	2021	2022	2021
	CURRENT Qtr ended 31-Mar (RM '000)	Comparative Qtr ended 31-Mar (RM '000)	3 Months Cumulative to-date (RM '000)	3 Months Cumulative to-date (RM '000)
Revenue	85,601	49,203	85,601	49,203
Operating expenses	-84,008	-48,591	-84,008	-48,591
Depreciation	-470	-562	-470	-562
Other operating income/(expenses)	-13	250	-13	250
Profit from operations	<u>1,110</u>	<u>300</u>	<u>1,110</u>	<u>300</u>
Finance costs	-119	-72	-119	-72
Finance income	69	132	69	132
Share of results of associated company	0	0	0	0
Profit before tax	<u>1,060</u>	<u>360</u>	<u>1,060</u>	<u>360</u>
Taxation and Zakat	-162	-28	-162	-28
Profit after tax	<u>898</u>	<u>332</u>	<u>898</u>	<u>332</u>
Other Comprehensive gain/(loss)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Comprehensive profit	<u><u>898</u></u>	<u><u>332</u></u>	<u><u>898</u></u>	<u><u>332</u></u>
Profit attributable to:				
- Equity holders of the Company	879	283	879	283
- Non-controlling interest	19	49	19	49
	<u>898</u>	<u>332</u>	<u>898</u>	<u>332</u>
Total comprehensive income for the financial year attributable to:				
- Equity holders of the Company	879	283	879	283
- Non-controlling interest	19	49	19	49
	<u>898</u>	<u>332</u>	<u>898</u>	<u>332</u>
Profit per share for profit attributable to the equity holders of the Company during the period				
Profit Per Share - Basic	<u>1.46</u>	<u>0.47</u>	<u>1.46</u>	<u>0.47</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 2021)

**Mesiniaga Berhad**  
**Registration number: 198101013112 (79244V)**  
**(Incorporated in Malaysia)**  
**Condensed Consolidated Statement of Financial Position**  
**As at 31 March 2022**

	<u>As at 31.3.2022</u> (RM '000)	<u>Audited</u> <u>As at 31.12.2021</u> (RM '000)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	36,469	36,753
Intangible assets	-	-
Finance lease receivables	692	1,106
Trade and other receivables	3,972	3,629
Contract assets	1,383	1,009
Deferred tax assets	1,322	1,322
	<u>43,838</u>	<u>43,819</u>
<b>Current assets</b>		
Inventories	7,365	13,393
Receivables	45,156	58,802
Contract assets	75,457	50,466
Tax recoverable	268	233
Cash and cash equivalents	48,693	54,697
	<u>176,939</u>	<u>177,591</u>
<b>TOTAL ASSETS</b>	<u>220,777</u>	<u>221,410</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to the equity holders of the parent</b>		
Share capital	64,528	64,528
Reserves	41,832	40,953
	<u>106,360</u>	<u>105,481</u>
Non-controlling interest	7,111	7,092
<b>Total equity</b>	<u>113,471</u>	<u>112,573</u>
<b>Non-current liabilities</b>		
Other deferred liabilities	5,925	6,362
Bank term loan	825	908
	<u>6,750</u>	<u>7,270</u>
<b>Current liabilities</b>		
Trade and other payables	65,830	79,135
Contract liabilities	11,829	13,700
Short term borrowing	22,305	8,302
Bank term loan	330	330
Taxation	262	100
	<u>100,556</u>	<u>101,567</u>
<b>Total liabilities</b>	<u>107,306</u>	<u>108,837</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>220,777</u>	<u>221,410</u>
Net asset per share attributable to ordinary equity holders of the parent (RM)	1.7609	1.7463

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Annual Financial Statements for the year ended 31st December 2021)

**Mesiniaga Berhad**

Registration number: 198101013112 (79244V)

(Incorporated in Malaysia)

**Condensed Consolidated Statements of Changes in Equity****For the first quarter ended 31 March 2022**

	<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>3 months quarter ended 31 March 2022</u>							
Balance at beginning of year	64,528	-	(4,075)	45,028	105,481	7,092	112,573
Total comprehensive income for the period	-	-	-	879	879	19	898
Dividends	-	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-	-	-
Balance at end of period	<u>64,528</u>	<u>-</u>	<u>(4,075)</u>	<u>45,907</u>	<u>106,360</u>	<u>7,111</u>	<u>113,471</u>
<u>3 months quarter ended 31 March 2021</u>							
Balance at beginning of year	64,528	-	(376)	39,559	103,711	7,085	110,796
Total comprehensive income for the period	-	-	-	283	283	49	332
Dividends	-	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-	-	-
Balance at end of period	<u>64,528</u>	<u>-</u>	<u>(376)</u>	<u>39,842</u>	<u>103,994</u>	<u>7,134</u>	<u>111,128</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 2021)

**Mesiniaga Berhad**  
**Registration number: 198101013112 (79244V)**  
**(Incorporated in Malaysia)**  
**Condensed Consolidated Statement of Cash Flow**  
**For the first quarter ended 31 March 2022**

	<b>2022</b>	<b>2021</b>
	<b>3 months ended</b>	<b>3 months ended</b>
	<b>31-Mar</b>	<b>31-Mar</b>
	<b>(RM '000)</b>	<b>(RM '000)</b>
<b>Cash Flows From Operating Activities</b>		
Net profit/(loss) attributable to shareholders	898	332
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	470	562
Property, plant and equipment write off	-	-
Taxation	-	28
Impairment of intangible assets	-	-
Interest expense	119	72
Interest income	(69)	(132)
Retirement benefits	-	-
Gain on sales of property, plant and equipment	-	-
Allowance for doubtful debts	61	-
Unrealised foreign exchange Gain	67	-
Write down of inventory	-	-
	<u>1,546</u>	<u>862</u>
<b>Changes in working capital:</b>		
Inventories	6,028	579
Receivables	(11,826)	(4,746)
Payables	(14,945)	(15,137)
Net cash generated from operations	<u>(19,197)</u>	<u>(18,442)</u>
Net taxation (paid)/refunded	(35)	(70)
Retirement benefits paid	(300)	-
Zakat	-	-
<b>Net cash (used)/generated from operating activities</b>	<u><u>(19,532)</u></u>	<u><u>(18,512)</u></u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(186)	(172)
Proceeds from disposal of property, plant and equipment	-	-
Interest received	119	132
	<u>(67)</u>	<u>(40)</u>
<b>Cash Flows From Financing Activities</b>		
Dividends paid to NCI	-	-
Interest paid on borrowings	(119)	(72)
Repayment of finance lease	(368)	(257)
Repayment of term loan	(83)	(83)
Net drawdown of short term borrowing	14,003	(1,583)
Drawdown/(increase) in restricted deposits	(1,136)	-
	<u>12,297</u>	<u>(1,995)</u>
Net (decrease)/increase in cash and cash equivalents	(7,302)	(20,547)
<b>Cash and cash equivalents b/f</b>	53,127	51,742
<b>Cash and cash equivalents c/f</b>	<u><u>45,825</u></u>	<u><u>31,195</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 2021)

**MESINIAGA BERHAD**

Registration number: 198101013112 (79244V)

**UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE  
FIRST QUARTER ENDED 31 MARCH 2022**

---

**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 2021. The audited financial statements of the Group for the year ended 31 December 2021 were prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016. 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 2021, except for the adoption of the following Amendments to MFRS during the current financial period:

- 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’

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:
- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current’
  - Amendments to MFRS 112 ‘Deferred Tax related to Assets and Liabilities arising from a Single Transaction’

- (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”

Based on the work performed to-date, the Group currently does not expect the impact to be significant upon the adoption of the amendments on their effective dates.

A2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group’s Annual Financial Statements for the year ended 31 December 2021 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. The interim dividend in respect of financial year ended 31 December 2022 had been declared as per Note B12.

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 recorded revenue of RM85.6 million for the first quarter of 2022, which was 74.0% higher than the RM49.2 million for the corresponding period in 2021. A profit before tax of RM1.1 million was recorded in the first quarter of 2022, compared to a profit before tax of RM0.4 million in the same period of 2021.

Higher project deliveries of contracts secured in the prior year contributed to the better performance.

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

The Group's current quarter revenue of RM85.6 million is slightly lower than the RM86.6 million recorded in the preceding quarter. However, the current quarter's profit before tax of RM1.1 million is 77% lower than the RM4.9 million for the preceding quarter due to higher composition of products and services with lower margins.

**B3. PROSPECTS**

While normal business activities have substantially resumed, the IT industry continues to face a shortage of semiconductor chips due to the combination of disruption in the supply of the required raw materials, labour shortage and high demand for chips for customer electronics and computing equipment. This will affect the Group's timely delivery of the secured projects. In addition, higher inflation, the potential strengthening of the US Dollar and an increase in interest rates are expected to impact the Group's performance in 2022.

**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 31.03.2022 RM'000	3 months Cumulative to 31.03.2022 RM'000
<b><u>Major components of tax expenses:</u></b>		
Current year tax	327	327
Deferred tax	(165)	(165)
Tax expense	162	162
Zakat	0	0
	162	162

Deferred tax assets have not been recognised in respect of tax losses and deductible temporary differences of a subsidiary due to uncertainty of its recoverability.

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 March 2022 are as follows:

	As at 31.03.2022 RM '000
<b>Short term borrowings</b>	
<i>Unsecured</i>	
Loan denominated in USD	0
Short term borrowings in RM	22,305
	<u>22,305</u>
Term loan in RM	
<i>Secured</i>	330
	<u>22,635</u>
<b>Long term loan</b>	
<i>Secured</i>	
Term loan in RM	825
	<u>23,460</u>

## B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were 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 20th to 23rd June 2022 and 22nd to 25th August 2022.

B12. PROPOSED DIVIDEND

On 1 April 2022, the Board of Directors declared a first single-tier interim dividend of 5.0 sen per ordinary share in respect of the financial year ending 31 December 2022 (2021: Nil), to be paid on 26 May 2022. The entitlement date is 9 May 2022. Depositors shall qualify for the entitlement only in respect of shares transferred to their Security Accounts before 4.30 p.m. on 9 May 2022.

B13. EARNINGS PER SHARE

	Quarter Ended 31.03.2022	3 months Cumulative 31.03.2022
<b>Basic and Diluted Earnings</b>		
	RM'000	RM'000
Profit attributable to the ordinary equity holders of the Company	879	879
Weighted average number of ordinary shares in issue ('000)	60,402	60,402
Basic/diluted earnings per share (sen)	1.46	1.46

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 31.03.2022 RM'000	3 months Cumulative 31.03.2022 RM'000
<b><u>Related party</u></b>		
Subsidiary companies		
- Purchase of goods	3	3
- Purchase of services	7,548	7,548
- Sales of goods	0	0
- Sales of services	72	72

B15. CAPITAL COMMITMENT

Capital commitments for the Group in respect of property, plant and equipment not provided for as of 31 March 2022 are as follows:

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

B16. ADDITIONAL DISCLOSURES

RM'000	Quarter ended		3 months Cumulative	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>Profit/(loss) for the period is arrived at after charging:</b>				
Interest expense	119	72	119	72
Depreciation	470	562	470	562
Foreign exchange gain/(loss)	185	146	185	146
<b>and after crediting:</b>				
Interest income	69	132	69	132

By Order of the Board  
Jasni Abdul Jalil (MACS 01359)  
Company Secretary  
25 May 2022