

**Mesiniaga Berhad**  
**Registration number: 198101013112 (79244V)**  
**(Incorporated in Malaysia)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For the second quarter ended 30 June 2022**

	2022	2021	2022	2021
	CURRENT Qtr ended 30-Jun (RM '000)	Comparative Qtr ended 30-Jun (RM '000)	6 Months Cumulative to-date (RM '000)	6 Months Cumulative to-date (RM '000)
Revenue	54,137	35,270	139,738	84,473
Operating expenses	-52,316	-35,533	-136,324	-84,125
Depreciation	-462	-504	-932	-1,066
Other operating income/(expenses)	136	-627	123	-377
Profit/(loss) from operations	<u>1,495</u>	<u>-1,394</u>	<u>2,605</u>	<u>-1,095</u>
Finance costs	-172	-76	-291	-148
Finance income	168	104	237	236
Share of results of associated company	0	0	0	0
Profit/(loss) before tax	<u>1,491</u>	<u>-1,366</u>	<u>2,551</u>	<u>-1,007</u>
Taxation and Zakat	-40	-8	-202	-36
Profit/(loss) after tax	<u>1,451</u>	<u>-1,374</u>	<u>2,349</u>	<u>-1,043</u>
Other Comprehensive gain/(loss)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Comprehensive (loss)/profit	<u><u>1,451</u></u>	<u><u>-1,374</u></u>	<u><u>2,349</u></u>	<u><u>-1,043</u></u>
Profit/(loss) attributable to:				
- Equity holders of the Company	1,466	-1,328	2,345	-1,046
- Non-controlling interest	-15	-46	4	3
	<u>1,451</u>	<u>-1,374</u>	<u>2,349</u>	<u>-1,043</u>
Total comprehensive (loss)/income for the financial year attributable to:				
- Equity holders of the Company	1,466	-1,328	2,345	-1,046
- Non-controlling interest	-15	-46	4	3
	<u>1,451</u>	<u>-1,374</u>	<u>2,349</u>	<u>-1,043</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>2.43</u>	<u>-2.20</u>	<u>3.88</u>	<u>-1.73</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 30 June 2022**

	<u>As at 30.6.2022</u> (RM '000)	Audited <u>As at 31.12.2021</u> (RM '000)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	36,174	36,753
Intangible assets	-	-
Finance lease receivable	953	1,106
Trade and other receivables	3,498	3,629
Contract assets	1,642	1,009
Deferred tax assets	1,322	1,322
	<u>43,589</u>	<u>43,819</u>
<b>Current assets</b>		
Inventories	14,503	13,393
Receivables	72,668	58,802
Contract assets	55,274	50,466
Tax recoverable	307	233
Cash and cash equivalents	45,245	54,697
	<u>187,997</u>	<u>177,591</u>
<b>TOTAL ASSETS</b>	<u>231,586</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	39,928	40,953
	<u>104,456</u>	<u>105,481</u>
Non-controlling interest	7,096	7,092
<b>Total equity</b>	<u>111,552</u>	<u>112,573</u>
<b>Non-current liabilities</b>		
Other deferred liabilities	6,033	6,362
Bank term loan	743	908
	<u>6,776</u>	<u>7,270</u>
<b>Current liabilities</b>		
Trade and other payables	76,332	79,135
Contract liabilities	12,742	13,700
Short term borrowing	23,552	8,302
Bank term loan	330	330
Taxation	302	100
	<u>113,258</u>	<u>101,567</u>
<b>Total liabilities</b>	120,034	108,837
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>231,586</u>	<u>221,410</u>
Net asset per share attributable to ordinary equity holders of the parent(RM)	1.7293	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 second quarter ended 30 June 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)
<b><u>6 months quarter ended 30 June 2022</u></b>							
Balance at beginning of year	64,528	-	(4,075)	45,028	105,481	7,092	112,573
Total comprehensive income for the period	-	-	-	2,345	2,345	4	2,349
Dividends	-	-	-	(3,020)	(3,020)	-	(3,020)
Preacquisition reserves	-	-	-	(350)	(350)	-	(350)
Other Comprehensive Income	-	-	-	-	-	-	-
Balance at end of period	<u>64,528</u>	<u>-</u>	<u>(4,075)</u>	<u>44,003</u>	<u>104,456</u>	<u>7,096</u>	<u>111,552</u>

**6 months quarter ended 30 June 2021**

Balance at beginning of year	64,528	-	(376)	39,559	103,711	7,085	110,796
Total comprehensive income for the period	-	-	-	(1,046)	(1,046)	3	(1,043)
Dividends	-	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-	-	-
Balance at end of period	<u>64,528</u>	<u>-</u>	<u>(376)</u>	<u>38,513</u>	<u>102,665</u>	<u>7,088</u>	<u>109,753</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 second quarter ended 30 June 2022**

	<b>2022</b> <b>6 months ended</b> <b>30-Jun</b> <b>(RM '000)</b>	<b>2021</b> <b>6 months ended</b> <b>30-Jun</b> <b>(RM '000)</b>
<b>Cash Flows From Operating Activities</b>		
Net profit/(loss) attributable to shareholders	2,349	(1,043)
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	932	1,066
Property, plant and equipment write off	-	-
Taxation	162	28
Impairment of intangible assets	-	-
Interest expense	291	148
Interest income	(237)	(236)
Retirement benefits	250	-
Gain on sales of property, plant and equipment	-	-
Reversal of allowance for doubtful debts	(520)	-
Unrealised foreign exchange Gain	(20)	-
Write down of inventory	-	-
	<u>3,207</u>	<u>(37)</u>
<b>Changes in working capital:</b>		
Inventories	(1,110)	(6,572)
Receivables	(18,557)	15
Payables	(3,445)	(12,101)
Net cash generated from operations	<u>(19,905)</u>	<u>(18,695)</u>
Net taxation (paid)/refunded	(73)	(70)
Retirement benefits paid	(300)	-
Zakat	-	-
<b>Net cash (used)/generated from operating activities</b>	<u><u>(20,278)</u></u>	<u><u>(18,765)</u></u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(353)	(380)
Proceeds from disposal of property, plant and equipment	-	-
Interest received	217	236
	<u>(136)</u>	<u>(144)</u>
<b>Cash Flows From Financing Activities</b>		
Dividends paid	(3,020)	-
Interest paid on borrowings	(267)	(148)
Repayment of finance lease	(836)	(120)
Repayment of term loan	(165)	(165)
Net drawdown of short term borrowing	15,250	644
Drawdown/(increase) in restricted deposits	(1,284)	-
	<u>9,678</u>	<u>211</u>
Net (decrease)/increase in cash and cash equivalents	(10,736)	(18,698)
<b>Cash and cash equivalents b/f</b>	53,127	51,742
<b>Cash and cash equivalents c/f</b>	<u><u>42,391</u></u>	<u><u>33,044</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  
SECOND QUARTER ENDED 30 JUNE 2022**

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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 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 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

The following dividend was paid out in the financial period under review:

In respect of the financial year ending 31 December 2022:

	RM'000
First single-tier interim dividend of 5.0 sen per ordinary share paid on 26 May 2022	<u>3,020</u>

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 changes in composition of the Group during the interim period, including business combination, acquisition or disposal of subsidiaries and long-term investment, restructurings, and discontinuing operations except for the following:

On 22 April 2022, the Group acquired the remaining 20% share in Mesiniaga Mobility Sdn. Bhd. for a total consideration of RM1. With this, Mesiniaga Mobility is now a wholly owned subsidiary of Mesiniaga Berhad.

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 RM139.7 million for the first half of 2022, which was 65.3% higher than the RM84.5 million for the corresponding period in 2021. A profit before tax of RM2.6 million was recorded in the first half of 2022, compared to a loss before tax of RM1.0 million in the same period of 2021.

Higher project deliveries contributed to better performance for the first half of 2022.

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

The Group's current quarter revenue of RM54.1 million is lower than RM85.6 million recorded in the preceding quarter. However, the current quarter's profit before tax of RM1.5 million is 36% higher than the RM1.1 million recorded in the prior quarter. This was due to lower operating costs and higher services revenue with better margins.

**B3. PROSPECTS**

While regular business activities have substantially resumed, the IT industry faces a shortage of semiconductor chips due to disruption in the supply of the required raw materials and high demand for chips for customer electronics and computing equipment. This will affect the Group's timely delivery of secured projects. In addition, higher inflation, the US Dollar's strengthening and an increase in interest rates are expected to impact the Group's performance in 2022. To mitigate this, hedging is being done where necessary to minimise the impact of the fluctuations in US Dollars while we continue our focus on operational efficiency improvement and cashflow management to minimise borrowing.

**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 30.06.2022 RM'000	6 months Cumulative to 30.06.2022 RM'000
<b><u>Major components of tax expenses:</u></b>		
Current year tax	237	564
Deferred tax	(197)	(362)
Tax expense	40	202
Zakat	0	0
	40	202

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 30 June 2022 are as follows:

	As at 30.06.2022 RM '000
<b>Short term borrowings</b>	
<i>Unsecured</i>	
Loan denominated in USD	0
Short term borrowings in RM	23,552
	23,552
Term loan in RM	
<i>Secured</i>	330
	23,882
<b>Long term loan</b>	
<i>Secured</i>	
Term loan in RM	743
	24,625

## 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 22nd to 25th August 2022 and 12th to 13th September 2022.

B12. PROPOSED DIVIDEND

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

B13. EARNINGS PER SHARE

	Quarter Ended 30.06.2022	6 months Cumulative 30.06.2022
<b>Basic and Diluted Earnings</b>		
	RM'000	RM'000
Profit attributable to the ordinary equity holders of the Company	1,466	2,345
Weighted average number of ordinary shares in issue ('000)	60,402	60,402
Basic/diluted earnings per share (sen)	2.43	3.88

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 30.06.2022 RM'000	6 months Cumulative 30.06.2022 RM'000
<b><u>Related party</u></b>		
Subsidiary companies		
- Purchase of goods	1	4
- Purchase of services	8,907	16,455
- Sales of goods	0	0
- Sales of services	72	144

B15. CAPITAL COMMITMENT

Capital commitments for the Group in respect of property, plant and equipment not provided for as of 30 June 2022 are as follows:

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

B16. ADDITIONAL DISCLOSURES

RM'000	Quarter ended		6 months Cumulative	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
<b>Profit/(loss) for the period is arrived at after charging:</b>				
Interest expense	172	76	291	148
Depreciation	462	504	932	1,066
Foreign exchange gain/(loss)	45	280	230	426
<b>and after crediting:</b>				
Interest income	168	104	237	236

By Order of the Board  
 Jasni Abdul Jalil (MACS 01359)  
 Company Secretary  
 17 August 2022