

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

	2022	2021	2022	2021
	CURRENT Qtr ended 30-Sep (RM '000)	Comparative Qtr ended 30-Sep (RM '000)	9 Months Cumulative to-date (RM '000)	9 Months Cumulative to-date (RM '000)
Revenue	84,707	69,093	224,445	153,566
Operating expenses	(84,074)	(66,463)	(220,398)	(150,588)
Depreciation	(420)	(477)	(1,352)	(1,543)
Other operating income	259	152	382	(225)
Profit from operations	472	2,305	3,077	1,210
Finance costs	(191)	(88)	(482)	(236)
Finance income	123	103	360	339
Share of results of associated company	-	-	-	-
Profit before tax	404	2,320	2,955	1,313
Taxation and Zakat	(54)	-	(256)	(36)
Profit after tax	350	2,320	2,699	1,277
Other Comprehensive gain	-	-	-	-
Total Comprehensive profit	350	2,320	2,699	1,277
Profit/(loss) attributable to:				
- Equity holders of the Company	252	2,326	2,597	1,280
- Non-controlling interest	98	(6)	102	(3)
	350	2,320	2,699	1,277
Total comprehensive income/(loss) for the financial year attributable to:				
- Equity holders of the Company	252	2,326	2,597	1,280
- Non-controlling interest	98	(6)	102	(3)
	350	2,320	2,699	1,277
Earning per share for profit attributable to the equity holders of the Company during the period				
Earning Per Share - Basic	0.42	3.85	4.30	2.12

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 September 2022**

	<u>As at 30.9.2022</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	35,928	36,753
Intangible assets	-	-
Finance lease receivable	413	1,106
Trade and other receivables	3,446	3,629
Contract assets	2,967	1,009
Deferred tax assets	1,322	1,322
	<u>44,076</u>	<u>43,819</u>
<b>Current assets</b>		
Inventories	7,018	13,393
Receivables	71,610	58,802
Contract assets	62,330	50,466
Tax recoverable	291	233
Cash and cash equivalents	42,048	54,697
	<u>183,297</u>	<u>177,591</u>
<b>TOTAL ASSETS</b>	<u>227,373</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	40,180	40,953
	<u>104,708</u>	<u>105,481</u>
Non-controlling interest	7,194	7,092
<b>Total equity</b>	<u>111,902</u>	<u>112,573</u>
<b>Non-current liabilities</b>		
Other deferred liabilities	6,095	6,362
Bank term loan	660	908
	<u>6,755</u>	<u>7,270</u>
<b>Current liabilities</b>		
Trade and other payables	80,121	79,135
Contract liabilities	18,674	13,700
Short term borrowing	9,358	8,302
Bank term loan	330	330
Taxation	233	100
	<u>108,716</u>	<u>101,567</u>
<b>Total liabilities</b>	115,471	108,837
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>227,373</u>	<u>221,410</u>
Net asset per share attributable to ordinary equity holders of the parent(RM)	1.7335	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 third quarter ended 30 September 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>9 months quarter ended 30 September 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	-	-	-	2,597	2,597	102	2,699
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>44,255</u>	<u>104,708</u>	<u>7,194</u>	<u>111,902</u>

9 months quarter ended 30 September 2021

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>

(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 third quarter ended 30 September 2022**

	<b>2022</b>	<b>2021</b>
	<b>9 months ended</b>	<b>9 months ended</b>
	<b>30-Sep</b>	<b>30-Sep</b>
	<b>(RM '000)</b>	<b>(RM '000)</b>
<b>Cash Flows From Operating Activities</b>		
Net profit attributable to shareholders	2,699	1,277
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	1,352	1,543
Property, plant and equipment write off	-	-
Taxation	256	36
Impairment of intangible assets	-	-
Interest expense	482	236
Interest income	(360)	(339)
Retirement benefits	392	-
Gain on sales of property, plant and equipment	-	-
Reversal of allowance for doubtful debts	(553)	-
Unrealised foreign exchange Gain	(231)	(120)
Write down of inventory	-	-
	<u>4,037</u>	<u>2,633</u>
<b>Changes in working capital:</b>		
Inventories	6,375	(1,902)
Receivables	(25,812)	(16,302)
Payables	7,331	(6,788)
Net cash generated from operations	<u>(8,069)</u>	<u>(22,359)</u>
Net taxation (paid)/refunded	(181)	(167)
Retirement benefits paid	(300)	-
Zakat	-	-
<b>Net cash used from operating activities</b>	<u><u>(8,550)</u></u>	<u><u>(22,526)</u></u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(527)	(752)
Proceeds from disposal of property, plant and equipment	-	-
Interest received	380	339
	<u>(147)</u>	<u>(413)</u>
<b>Cash Flows From Financing Activities</b>		
Dividends paid	(3,020)	-
Interest paid on borrowings	(450)	(236)
Repayment of finance lease	(1,291)	388
Repayment of term loan	(247)	(247)
Net drawdown of short term borrowing	1,056	3,529
(Increase)/Drawdown in restricted deposits	(1,707)	1,485
	<u>(5,659)</u>	<u>4,919</u>
Net decrease in cash and cash equivalents	(14,356)	(18,020)
<b>Cash and cash equivalents b/f</b>	53,127	44,026
<b>Cash and cash equivalents c/f</b>	<u><u>38,771</u></u>	<u><u>26,006</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  
THIRD QUARTER ENDED 30 SEPTEMBER 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 during 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's revenue was RM224.4 million for the first nine months of 2022, 46.1% higher than the RM153.6 million for the corresponding period in 2021. A profit before tax of RM3.0 million was recorded in the first nine months of 2022, compared to a loss before tax of RM1.3 million in the same period of 2021.

The higher year-on-year profit was due to improved sales.

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

The Group's current quarter revenue of RM84.7 million was higher than the RM54.1 million recorded in the preceding quarter. However, the current quarter's profit before tax of RM0.4 million was 73.3% lower than the RM1.5 million recorded in the prior quarter. This was due to higher operating expenses for new projects fulfillment.

**B3. PROSPECTS**

While regular business activities have substantially resumed, the IT industry continues to face 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 delivery timing of secured projects. In addition, higher inflation, the strengthening US Dollars and increase in the interest rates are expected to impact the Group's overall performance for 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.

**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 30.09.2022 RM'000	9 months Cumulative to 30.09.2022 RM'000
<b><u>Major components of tax expenses:</u></b>		
Current year tax	590	1,154
Deferred tax	(536)	(898)
Tax expense	54	256
Zakat	0	0
	54	256

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 September 2022 are as follows:

	As at 30.09.2022 RM '000
<b>Short term borrowings</b>	
<i>Unsecured</i>	
Loan denominated in USD	0
Short term borrowings in RM	9,358
	9,358
Term loan in RM	
<i>Secured</i>	330
	9,688
<b>Long term loan</b>	
<i>Secured</i>	
Term loan in RM	660
	10,348

## 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 on 22nd to 25th May 2023.

B12. PROPOSED DIVIDEND

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

B13. EARNINGS PER SHARE

	Quarter Ended 30.09.2022	9 months Cumulative 30.09.2022
<b>Basic and Diluted Earnings</b>		
	RM'000	RM'000
Profit attributable to the ordinary equity holders of the Company	252	2,597
Weighted average number of ordinary shares in issue ('000)	60,402	60,402
Basic/diluted earnings per share (sen)	0.42	4.30

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 30.09.2022 RM'000	9 months Cumulative 30.09.2022 RM'000
<b><u>Related party</u></b>		
Subsidiary companies		
- Purchase of goods	4	8
- Purchase of services	8,346	24,801
- Sales of goods	0	0
- 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 2022 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	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
<b>Profit/(loss) for the period is arrived at after charging:</b>				
Interest expense	191	88	482	236
Depreciation	420	477	1,352	1,543
Foreign exchange gain/(loss)	106	251	336	677
<b>and after crediting:</b>				
Interest income	123	103	360	339

By Order of the Board  
 Jasni Abdul Jalil (MACS 01359)  
 Company Secretary  
 22 November 2022