

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

	2022	2021	2022	2021
	CURRENT	Comparative	12 Months	12 Months
	Qtr ended	Qtr ended	Cumulative	Cumulative
	31-Dec	31-Dec	to-date	to-date
	(RM '000)	(RM '000)	(RM '000)	(RM '000)
Revenue	68,474	86,623	292,919	240,189
Operating expenses	(64,604)	(81,317)	(285,002)	(231,905)
Depreciation	(385)	(470)	(1,737)	(2,013)
Other operating income/(expenses)	(139)	48	243	(177)
Profit/(loss) from operations	<u>3,346</u>	<u>4,884</u>	<u>6,423</u>	<u>6,094</u>
Finance costs	(195)	(141)	(677)	(377)
Finance income	328	203	688	542
Share of results of associated company	-	-	-	-
Profit/(loss) before tax	<u>3,479</u>	<u>4,946</u>	<u>6,434</u>	<u>6,259</u>
Taxation and Zakat	514	(747)	258	(783)
Profit/(loss) after tax	<u>3,993</u>	<u>4,199</u>	<u>6,692</u>	<u>5,476</u>
Other Comprehensive gain/(loss)	<u>1,846</u>	<u>(3,699)</u>	<u>1,846</u>	<u>(3,699)</u>
Total Comprehensive (loss)/profit	<u><u>5,839</u></u>	<u><u>500</u></u>	<u><u>8,538</u></u>	<u><u>1,777</u></u>
Profit/(loss) attributable to:				
- Equity holders of the Company	3,911	4,189	6,508	5,469
- Non-controlling interest	82	10	184	7
	<u><u>3,993</u></u>	<u><u>4,199</u></u>	<u><u>6,692</u></u>	<u><u>5,476</u></u>
Total comprehensive (loss)/income for the financial year attributable to:				
- Equity holders of the Company	5,757	490	8,354	1,770
- Non-controlling interest	82	10	184	7
	<u><u>5,839</u></u>	<u><u>500</u></u>	<u><u>8,538</u></u>	<u><u>1,777</u></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><u>6.47</u></u>	<u><u>6.94</u></u>	<u><u>10.77</u></u>	<u><u>9.05</u></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 December 2022

	<u>As at 31.12.2022</u>	Audited <u>As at 31.12.2021</u>
	(RM '000)	(RM '000)
ASSETS		
Non-current assets		
Property, plant and equipment	35,871	36,753
Intangible assets	-	-
Finance lease receivable	4,736	1,106
Trade and other receivables	3,364	3,629
Contract assets	3,185	1,009
Deferred tax assets	1,267	1,322
	<u>48,423</u>	<u>43,819</u>
Current assets		
Inventories	9,045	13,393
Receivables	66,533	58,802
Contract assets	54,756	50,466
Tax recoverable	157	233
Cash and cash equivalents	56,742	54,697
	<u>187,233</u>	<u>177,591</u>
TOTAL ASSETS	<u><u>235,656</u></u>	<u><u>221,410</u></u>
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	64,528	64,528
Reserves	46,287	40,953
	<u>110,815</u>	<u>105,481</u>
Non-controlling interest	7,276	7,092
Total equity	<u><u>118,091</u></u>	<u><u>112,573</u></u>
Non-current liabilities		
Other deferred liabilities	7,846	6,362
Bank term loan	578	908
	<u>8,424</u>	<u>7,270</u>
Current liabilities		
Trade and other payables	80,638	79,135
Contract liabilities	21,659	13,700
Short term borrowing	6,439	8,302
Bank term loan	330	330
Taxation	75	100
	<u>109,141</u>	<u>101,567</u>
Total liabilities	<u>117,565</u>	<u>108,837</u>
TOTAL EQUITY AND LIABILITIES	<u><u>235,656</u></u>	<u><u>221,410</u></u>
	-	
Net asset per share attributable to ordinary equity holders of the parent(RM)	1.8346	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 fourth quarter ended 31 December 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>12 months quarter ended 31 December 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	-	-	1,846	6,508	8,354	184	8,538
Dividends	-	-	-	(3,020)	(3,020)	-	(3,020)
Balance at end of period	<u>64,528</u>	<u>-</u>	<u>(2,229)</u>	<u>48,516</u>	<u>110,815</u>	<u>7,276</u>	<u>118,091</u>
					-		-
<u>12 months quarter ended 31 December 2021</u>							
Balance at beginning of year	64,528	-	(376)	39,559	103,711	7,085	110,796
Total comprehensive income for the period	-	-	(3,699)	5,469	1,770	7	1,777
Dividends	-	-	-	-	-	-	-
Balance at end of period	<u>64,528</u>	<u>-</u>	<u>(4,075)</u>	<u>45,028</u>	<u>105,481</u>	<u>7,092</u>	<u>112,573</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 fourth quarter ended 31 December 2022

	2022	2021
	12 months ended	12 months ended
	31-Dec	31-Dec
	(RM '000)	(RM '000)
Cash Flows From Operating Activities		
Net profit/(loss) attributable to shareholders	6,692	5,476
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	1,737	2,013
Property, plant and equipment write off	-	-
Taxation	(258)	783
Impairment of intangible assets	-	-
Interest expense	677	377
Interest income	(688)	(542)
Retirement benefits	529	200
Gain on sales of property, plant and equipment	(3)	-
Reversal of allowance for doubtful debts	(670)	(537)
Gain on net investment of sublease	(567)	(23)
Unrealised foreign exchange Gain	217	422
Loss on write down of property, plant and equipment	2	-
Write down of inventory	-	1,989
	<u>7,668</u>	<u>10,158</u>
Changes in working capital:		
Inventories	4,348	(6,137)
Receivables	(17,486)	(33,251)
Payables	10,042	30,173
Net cash generated from operations	<u>4,572</u>	<u>943</u>
Net taxation (paid)/refunded	(219)	(197)
Retirement benefits paid	(300)	-
Zakat	-	(10)
Net cash generated from operating activities	<u><u>4,053</u></u>	<u><u>736</u></u>
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(857)	(843)
Proceeds from disposal of property, plant and equipment	3	-
Interest received	509	355
Withdrawal of deposit maturing more than three months	-	2,855
	<u>(345)</u>	<u>2,367</u>
Cash Flows From Financing Activities		
Dividends paid	(3,020)	-
Interest paid	(628)	(257)
Repayment of finance lease	4,177	(188)
Repayment of term loan	(330)	(330)
Net drawdown of short term borrowing	(1,863)	3,482
(Increase)/Drawdown in restricted deposits	(2,886)	3,291
	<u>(4,550)</u>	<u>5,998</u>
Net (decrease)/increase in cash and cash equivalents	(842)	9,101
Cash and cash equivalents b/f	53,127	44,026
Cash and cash equivalents c/f	<u><u>52,285</u></u>	<u><u>53,127</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
FOURTH QUARTER ENDED 31 DECEMBER 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 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 respective 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 RM292.9 million for the year ended 2022, which is 21.9% higher than the RM240.2 million for 2021. A profit before tax of RM6.4 million was recorded compared to RM6.3 million in the previous year.

Despite the 21.9% year-on-year increase in total revenue, the profit before tax increased only marginally. This was due to the higher composition of revenue with lower margin.

B2. MATERIAL CHANGES IN THE QUARTERLY RESULTS

The Group's current quarter revenue of RM68.5 million was lower than RM84.7 million recorded in the preceding quarter. The current quarter's profit before tax of RM3.5 million improved by 775% compared to RM0.4 million recorded in the preceding quarter due to a substantial portion of the revenue being derived from services contracts with higher margins.

B3. PROSPECTS

The Group secured a few sizeable projects in recent months, giving an excellent kick-start for 2023. Barring any global supply chain disruption that may affect the supply of computer chips and IT equipment, the Group expects 2023 to be a profitable year. The Group has designed and implemented various measures such as cost rationalisation, process transformation, sales and marketing drives, and product differentiation initiatives to address challenges that may be encountered in 2023.

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 31.12.2022 RM'000	12 months Cumulative to 31.12.2022 RM'000
<u>Major components of tax expenses:</u>		
Current year tax	(884)	270
Deferred tax	370	(528)
Tax expense/(reversal)	(514)	(258)
Zakat	0	0
	(514)	(258)

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 December 2022 are as follows:

	As at 31.12.2022 RM '000
Short term borrowings	
Banker acceptance	6,439
<i>Unsecured</i>	
Term loan	330
<i>Secured</i>	
	6,769
Long term loan	
Term loan	578
<i>Secured</i>	
	<u>7,347</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 on 22nd to 25th May 2023.

B12. PROPOSED DIVIDEND

(i) Proposed final dividend

For the financial year ended 31 December 2022, the Board of Directors has recommended a final single-tier cash dividend of 5 sen per share (2021: Nil), amounting to RM3,020,100 subject to the shareholders' approval at the forthcoming Annual General Meeting.

Upon shareholders' approval, the final dividend will be paid on 3 July 2023 to shareholders whose names appear in the Record of Depositors on 12 June 2023.

(ii) Total dividend

Total dividend for the financial year ended 31 December 2022 comprises of:

- (a) Single-tier interim dividend of 5 sen per share, amounting to RM3,020,100, declared on 1st April 2022 and paid on 26 May 2022.
- (b) Proposed single-tier final dividend of 5 sen per share, amounting to RM3,020,100, subject to shareholders' approval at the forthcoming Annual General Meeting.

B13. EARNINGS PER SHARE

	Quarter Ended 31.12.2022	12 months Cumulative 31.12.2022
Basic and Diluted Earnings		
	RM'000	RM'000
Profit attributable to the ordinary equity holders of the Company	3,911	6,508
Weighted average number of ordinary shares in issue ('000)	60,402	60,402
Basic/diluted earnings per share (sen)	6.47	10.77

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 31.12.2022 RM'000	12 months Cumulative 31.12.2022 RM'000
<u>Related party</u>		
Subsidiary companies		
- Purchase of goods	1	9
- Purchase of services	8,447	33,248
- Sales of goods	0	0
- Sales of services	74	290

B15. CAPITAL COMMITMENT

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

	RM'000
Approved and not contracted for	<u>NIL</u>
Approved and contracted for	<u>NIL</u>

B16. ADDITIONAL DISCLOSURES

RM'000	Quarter ended		12 months Cumulative	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Profit/(loss) for the period is arrived at after charging:				
Interest expense	195	141	677	377
Depreciation	385	470	1,737	2,013
Foreign exchange gain/(loss)	606	425	942	1,119
and after crediting:				
Interest income	328	203	688	542

By Order of the Board
 Jasni Abdul Jalil (MACS 01359)
 Company Secretary
 28 December 2022