

Mesiniaga Berhad
Registration number: 198101013112 (79244V)
(Incorporated in Malaysia)
Condensed Consolidated Statement of Comprehensive Income
For the first quarter ended 31 March 2023

| | 2023 | 2022 | 2023 | 2022 |
|--|-----------|-------------|------------|------------|
| | CURRENT | Comparative | 3 Months | 3 Months |
| | Qtr ended | Qtr ended | Cumulative | Cumulative |
| | 31-Mar | 31-Mar | to-date | to-date |
| | (RM '000) | (RM '000) | (RM '000) | (RM '000) |
| Revenue | 57,361 | 85,601 | 57,361 | 85,601 |
| Operating expenses | (56,875) | (84,008) | (56,875) | (84,008) |
| Depreciation | (408) | (470) | (408) | (470) |
| Other operating income/(expenses) | 138 | (13) | 138 | (13) |
| Profit from operations | 216 | 1,110 | 216 | 1,110 |
| Finance costs | (106) | (119) | (106) | (119) |
| Finance income | 107 | 69 | 107 | 69 |
| Profit before tax | 217 | 1,060 | 217 | 1,060 |
| Taxation and Zakat | (30) | (162) | (30) | (162) |
| Profit after tax | 187 | 898 | 187 | 898 |
| Other Comprehensive income | - | - | - | - |
| Total Comprehensive income | 187 | 898 | 187 | 898 |
| Profit attributable to: | | | | |
| - Equity holders of the Company | 180 | 879 | 180 | 879 |
| - Non-controlling interest | 7 | 19 | 7 | 19 |
| | 187 | 898 | 187 | 898 |
| Total comprehensive income for the financial year attributable to: | | | | |
| - Equity holders of the Company | 180 | 879 | 180 | 879 |
| - Non-controlling interest | 7 | 19 | 7 | 19 |
| | 187 | 898 | 187 | 898 |
| Earning per share for profit attributable to the equity holders of the Company during the period | | | | |
| Basic/Diluted earnings per share (sen) | 0.30 | 1.46 | 0.30 | 1.46 |

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited Annual Financial Statements for the year ended 31st December 2022)

Mesiniaga Berhad
Registration number: 198101013112 (79244V)
(Incorporated in Malaysia)
Condensed Consolidated Statement of Financial Position
As at 31 March 2023

| | <u>As at 31.3.2023</u> (RM '000) | Audited <u>As at 31.12.2022</u> (RM '000) |
|---|-------------------------------------|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 35,690 | 35,871 |
| Finance lease receivable | 4,175 | 4,719 |
| Trade and other receivables | 2,987 | 3,364 |
| Contract assets | 1,562 | 3,034 |
| Deferred tax assets | 1,267 | 1,267 |
| | <u>45,681</u> | <u>48,255</u> |
| Current assets | | |
| Inventories | 16,133 | 9,045 |
| Receivables | 56,806 | 66,221 |
| Contract assets | 60,589 | 55,138 |
| Tax recoverable | 187 | 157 |
| Deposits with licensed financial institutions | 23,783 | 25,033 |
| Cash and bank balances | 22,852 | 31,709 |
| | <u>180,350</u> | <u>187,303</u> |
| TOTAL ASSETS | <u><u>226,031</u></u> | <u><u>235,558</u></u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to the equity holders of the parent | | |
| Share capital | 64,528 | 64,528 |
| Reserves | 46,467 | 46,287 |
| | <u>110,995</u> | <u>110,815</u> |
| Non-controlling interest | 7,283 | 7,276 |
| Total equity | <u><u>118,278</u></u> | <u><u>118,091</u></u> |
| Non-current liabilities | | |
| Other deferred liabilities | 7,121 | 7,881 |
| Bank term loan | 495 | 578 |
| | <u>7,616</u> | <u>8,459</u> |
| Current liabilities | | |
| Trade and other payables | 77,664 | 80,505 |
| Contract liabilities | 14,700 | 21,659 |
| Short term borrowing | 7,343 | 6,439 |
| Bank term loan | 330 | 330 |
| Taxation | 100 | 75 |
| | <u>100,137</u> | <u>109,008</u> |
| Total liabilities | 107,753 | 117,467 |
| TOTAL EQUITY AND LIABILITIES | <u><u>226,031</u></u> | <u><u>235,558</u></u> |
| Net asset per share attributable to ordinary equity holders of the parent(RM) | 1.8376 | 1.8346 |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Annual Financial Statements for the year ended 31st December 2022)

Mesiniaga Berhad
Registration number: 198101013112 (79244V)
(Incorporated in Malaysia)
Condensed Consolidated Statement of Cash Flow
For the first quarter ended 31 March 2023

| | 2023 | 2022 |
|---|------------------------|------------------------|
| | 3 months ended | 3 months ended |
| | 31-Mar | 31-Mar |
| | (RM '000) | (RM '000) |
| Cash Flows From Operating Activities | | |
| Net profit attributable to shareholders | 187 | 898 |
| Adjustments for non-cash items: | | |
| Depreciation of property, plant and equipment | 408 | 470 |
| Taxation | 30 | - |
| Interest expense | 106 | 119 |
| Interest income | (107) | (69) |
| Allowance for doubtful debts | - | 61 |
| Unrealised foreign exchange Gain | (30) | 67 |
| | <u>594</u> | <u>1,546</u> |
| Changes in working capital: | | |
| Inventories | (7,088) | 6,028 |
| Receivables | 1,403 | (11,860) |
| Payables | (4,594) | (14,945) |
| Net cash generated from operations | <u>(9,685)</u> | <u>(19,231)</u> |
| Net taxation (paid)/refunded | (34) | (35) |
| Retirement benefits paid | (350) | (300) |
| Net cash (used in)/generated from operating activities | <u><u>(10,069)</u></u> | <u><u>(19,566)</u></u> |
| Cash Flows From Investing Activities | | |
| Purchase of property, plant and equipment | (227) | (186) |
| Interest received | 106 | 119 |
| | <u>(121)</u> | <u>(67)</u> |
| Cash Flows From Financing Activities | | |
| Interest paid | (72) | (119) |
| Repayment of finance lease | (740) | (368) |
| Repayment of term loan | (83) | (83) |
| Net drawdown of short term borrowing | 904 | 14,003 |
| (Increase)/Drawdown in restricted deposits | (1,717) | (1,136) |
| | <u>(1,708)</u> | <u>12,297</u> |
| Net (decrease)/increase in cash and cash equivalents | (11,898) | (7,336) |
| Effect of foreign exchange translation | 74 | 34 |
| Cash and cash equivalents b/f | 52,285 | 53,127 |
| Cash and cash equivalents c/f | <u><u>40,461</u></u> | <u><u>45,825</u></u> |
| Cash and cash equivalents comprise : | | |
| Deposits with licensed financial institutions | 23,783 | 35,730 |
| Cash and bank balances | 22,852 | 12,963 |
| Total deposits, cash and bank balances | <u>46,635</u> | <u>48,693</u> |
| Less: restricted cash | (6,027) | (2,721) |
| Less: deposits maturing more than three months | (147) | (147) |
| Cash and cash equivalents | <u><u>40,461</u></u> | <u><u>45,825</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 2022)

Mesiniaga Berhad

Registration number: 198101013112 (79244V)

(Incorporated in Malaysia)

Condensed Consolidated Statements of Changes in Equity

For the first quarter ended 31 March 2023

| | <u>Share Capital</u> (RM '000) | <u>Share Premium</u> (RM '000) | <u>Retirement benefit reserves</u> (RM '000) | <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 2023</u> | | | | | | | |
| Balance at beginning of year | 64,528 | - | (2,229) | 48,516 | 110,815 | 7,276 | 118,091 |
| Total comprehensive income for the period | - | - | - | 180 | 180 | 7 | 187 |
| Balance at end of period | <u>64,528</u> | <u>-</u> | <u>(2,229)</u> | <u>48,696</u> | <u>110,995</u> | <u>7,283</u> | <u>118,278</u> |
| <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 |
| 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> |

(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 2022)

MESINIAGA BERHAD

Registration number: 198101013112 (79244V)

**UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE
FIRST QUARTER ENDED 31 MARCH 2023**

**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 2022. The audited financial statements of the Group for the year ended 31 December 2022 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 2022, except for the adoption of the following Amendment to MFRS during the current financial period:

- Amendments to MFRS 112 ‘Deferred Tax related to Assets and Liabilities arising from a Single Transaction’

The adoption of the above amendment 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.

Effective for financial periods beginning on or after 1 January 2024:

- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current’
- Amendments to MFRS 101 Presentation of Financial Statements - Non-current Liabilities with Covenants
- Amendment to MFRS 16 Leases - Lease Liability in a Sale and Leaseback

Effective date of these Amendments to Standards has been deferred, and yet to be announced:

- Amendments to MFRS 10 “Consolidated Financial Statements”
- 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 2022 was not subject to any qualification.

A3. SEASONALITY OR CYCLICALITY OPERATIONS

The Group’s operations were 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 were 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 final dividend in respect of financial year ended 31 December 2022 has been recommended 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 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.

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 of RM57.4 million for the first quarter of 2023 was 33.0% lower than the RM85.6 million for the corresponding period in 2022. A profit before tax of RM0.2 million was recorded in the first quarter of 2023, compared to a profit before tax of RM1.0 million in the same period of 2022. The lower revenue was primarily due to delay in hardware delivery resulting from supply constraints.

B2. MATERIAL CHANGES IN THE QUARTERLY RESULTS

The Group's current quarter revenue of RM57.4 million was lower than RM68.5 million recorded in the preceding quarter. The Group recorded a profit before tax of RM0.2 million in the current quarter, compared to a profit RM3.5 million in the immediately preceding quarter. The fourth quarter has historically yielded a higher percentage of the Group's results.

B3. PROSPECTS

The Group secured a few sizeable projects in recent months which will be delivered from 2023 onwards. Barring any further global supply chain disruption and deferment of decisions on projects, the Group maintains an optimistic outlook for the current year. The Group will continue implementing the measures it started earlier, such as cost rationalisation, process transformation, sales and marketing drives, and product differentiation initiatives to address any challenges ahead.

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 31.03.2023 RM'000 | 3 months Cumulative to 31.03.2023 RM'000 |
|---|---------------------------------------|--|
| <u>Major components of tax expenses:</u> | | |
| | | |
| Current year tax | 30 | 30 |
| Deferred tax | 0 | 0 |
| Tax expense/(reversal) | 30 | 30 |
| Zakat | 0 | 0 |
| | 30 | 30 |

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 2023 are as follows:

| | As at 31.03.2023 RM '000 |
|------------------------------|--------------------------------|
| | |
| Short term borrowings | |
| | |
| Banker acceptance | 7,343 |
| <i>Unsecured</i> | |
| | |
| Term loan | 330 |
| <i>Secured</i> | |
| | 7,673 |
| | |
| Long term loan | |
| | |
| Term loan | 495 |
| <i>Secured</i> | |
| | |
| | 8,168 |

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) A first single tier interim dividend of 5.0 sen net per share was declared on 1 April 2022.**B13. EARNINGS PER SHARE**

| | Quarter Ended 31.03.2023 | 3 months Cumulative 31.03.2023 |
|---|-----------------------------|--------------------------------------|
| Basic and Diluted Earnings | | |
| | RM'000 | RM'000 |
| Profit attributable to the ordinary equity holders of the Company | 180 | 180 |
| Weighted average number of ordinary shares in issue ('000) | 60,402 | 60,402 |
| Basic/diluted earnings per share (sen) | 0.30 | 0.30 |

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 31.03.2023 RM'000 | 3 months Cumulative 31.03.2023 RM'000 |
|-----------------------------|---------------------------------------|--|
| <u>Related party</u> | | |
| Subsidiary companies | | |
| - Purchase of goods | 2 | 2 |
| - Purchase of services | 9,203 | 9,203 |
| - 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 2023 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 | |
|---|---------------|------------|------------------------|------------|
| | 31.03.2023 | 31.03.2022 | 31.03.2023 | 31.03.2022 |
| Profit/(loss) for the period is arrived at after charging: | | | | |
| Interest expense | 106 | 119 | 106 | 119 |
| Depreciation | 408 | 470 | 408 | 470 |
| Foreign exchange gain/(loss) | 411 | 185 | 411 | 185 |
| and after crediting: | | | | |
| Interest income | 107 | 69 | 107 | 69 |

By Order of the Board
Jasni Abdul Jalil (MACS 01359)
Company Secretary
23 May 2023