

**Mesiniaga Berhad**  
**Registration number: 198101013112 (79244V)**  
**(Incorporated in Malaysia)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For the third quarter ended 30 September 2023**

	2023	2022	2023	2022
	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	64,627	84,707	186,756	224,445
Operating expenses	(63,259)	(84,074)	(185,306)	(220,398)
Depreciation	(469)	(420)	(1,267)	(1,352)
Other operating income	694	259	575	382
Profit from operations	<u>1,593</u>	<u>472</u>	<u>758</u>	<u>3,077</u>
Finance costs	(168)	(191)	(410)	(482)
Finance income	147	123	437	360
Profit before tax	<u>1,572</u>	<u>404</u>	<u>785</u>	<u>2,955</u>
Taxation and Zakat	(20)	(54)	(72)	(256)
Profit after tax	<u>1,552</u>	<u>350</u>	<u>713</u>	<u>2,699</u>
Other Comprehensive income	-	-	-	-
Total Comprehensive income	<u><u>1,552</u></u>	<u><u>350</u></u>	<u><u>713</u></u>	<u><u>2,699</u></u>
Profit/(loss) attributable to:				
- Equity holders of the Company	1,526	252	734	2,597
- Non-controlling interest	26	98	(21)	102
	<u><u>1,552</u></u>	<u><u>350</u></u>	<u><u>713</u></u>	<u><u>2,699</u></u>
Total comprehensive income/(loss) for the financial year attributable to:				
- Equity holders of the Company	1,526	252	734	2,597
- Non-controlling interest	26	98	(21)	102
	<u><u>1,552</u></u>	<u><u>350</u></u>	<u><u>713</u></u>	<u><u>2,699</u></u>
Earning per share for profit attributable to the equity holders of the Company during the period				
Basic/Diluted earning per share (sen)	<u><u>2.53</u></u>	<u><u>0.42</u></u>	<u><u>1.22</u></u>	<u><u>4.30</u></u>

(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 30 September 2023**

	<u>As at 30.9.2023</u> (RM '000)	Audited <u>As at 31.12.2022</u> (RM '000)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	35,151	35,871
Finance lease receivable	3,394	4,719
Trade and other receivables	6,493	3,364
Contract assets	2,095	3,034
Deferred tax assets	1,267	1,267
	<u>48,400</u>	<u>48,255</u>
<b>Current assets</b>		
Inventories	8,074	9,045
Receivables	67,861	66,221
Contract assets	58,218	55,138
Tax recoverable	7	157
Deposits with licensed financial institutions	22,111	25,033
Cash and bank balances	14,402	31,709
	<u>170,673</u>	<u>187,303</u>
<b>TOTAL ASSETS</b>	<u><u>219,073</u></u>	<u><u>235,558</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to the equity holders of the parent</b>		
Share capital	64,528	64,528
Reserves	44,001	46,287
	<u>108,529</u>	<u>110,815</u>
Non-controlling interest	7,255	7,276
<b>Total equity</b>	<u>115,784</u>	<u>118,091</u>
<b>Non-current liabilities</b>		
Other deferred liabilities	6,621	7,881
Bank term loan	330	578
	<u>6,951</u>	<u>8,459</u>
<b>Current liabilities</b>		
Trade and other payables	60,257	80,505
Contract liabilities	24,262	21,659
Short term borrowing	11,423	6,439
Bank term loan	330	330
Taxation	66	75
	<u>96,338</u>	<u>109,008</u>
<b>Total liabilities</b>	103,289	117,467
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>219,073</u></u>	<u><u>235,558</u></u>
Net asset per share attributable to ordinary equity holders of the parent (RM)	1.7968	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 third quarter ended 30 September 2023**

	<b>2023</b> <b>9 months ended</b> <b>30-Sep</b> <b>(RM '000)</b>	<b>2022</b> <b>9 months ended</b> <b>30-Sep</b> <b>(RM '000)</b>
<b>Cash Flows From Operating Activities</b>		
Net profit attributable to shareholders	713	2,699
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	1,267	1,352
Taxation	72	256
Interest expense	410	482
Interest income	(437)	(360)
Retirement benefits	266	392
Reversal of allowance for doubtful debts	-	(553)
Unrealised foreign exchange Gain	(169)	(231)
	<u>2,122</u>	<u>4,037</u>
<b>Changes in working capital:</b>		
Inventories	971	6,375
Receivables	(5,435)	(25,812)
Payables	(18,418)	6,796
Net cash used in operations	<u>(20,760)</u>	<u>(8,604)</u>
Net taxation (paid)/refunded	143	(181)
Retirement benefits paid	(350)	(300)
<b>Net cash used in operating activities</b>	<u><u>(20,967)</u></u>	<u><u>(9,085)</u></u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(547)	(527)
Interest received	406	380
<b>Net cash used in investing activities</b>	<u><u>(141)</u></u>	<u><u>(147)</u></u>
<b>Cash Flows From Financing Activities</b>		
Dividends paid	(3,020)	(3,020)
Interest paid	(323)	(450)
Repayment of finance lease	(1,097)	(1,291)
Repayment of term loan	(247)	(247)
Net drawdown of short term borrowing	4,984	1,056
Increase in restricted deposits	(2,015)	(1,707)
<b>Net cash used in financing activities</b>	<u><u>(1,718)</u></u>	<u><u>(5,659)</u></u>
Net decrease in cash and cash equivalents	(22,826)	(14,891)
Effect of foreign exchange translation	583	535
<b>Cash and cash equivalents b/f</b>	<u>52,285</u>	<u>53,127</u>
<b>Cash and cash equivalents c/f</b>	<u><u>30,042</u></u>	<u><u>38,771</u></u>
<b>Cash and cash equivalents comprise :</b>		
Deposits with licensed financial institutions	22,111	15,849
Cash and bank balances	14,402	26,199
Total deposits, cash and bank balances	<u>36,513</u>	<u>42,048</u>
Less: restricted cash	(6,306)	(3,130)
Less: deposits maturing more than three months	(165)	(147)
Cash and cash equivalents	<u><u>30,042</u></u>	<u><u>38,771</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 third quarter ended 30 September 2023**

	<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 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	-	-	-	734	734	(21)	713
Dividend	-	-	-	(3,020)	(3,020)	-	(3,020)
Balance at end of period	<u>64,528</u>	<u>-</u>	<u>(2,229)</u>	<u>46,230</u>	<u>108,529</u>	<u>7,255</u>	<u>115,784</u>
<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	-	-	-	2,247	2,247	102	2,349
Dividends	-	-	-	(3,020)	(3,020)	-	(3,020)
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>

(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  
THIRD QUARTER ENDED 30 SEPTEMBER 2023**

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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 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 amendments to MFRS during the current financial period:

- Amendments to MFRS 112 Income Taxes in relation to Deferred Tax on Assets and Liabilities arising from a Single Transaction
- MFRS 17 Insurance Contracts and Amendments to MFRS 17

The adoption of the above amendments did not have any significant financial impact on 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
- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosure - Supplier Finance Arrangements

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 above pronouncements 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 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 final dividend in respect of financial year ended 31 December 2022 was paid 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 for the first nine months of 2023 was RM186.8 million, a 16.8% decrease from RM224.4 million for the corresponding period of 2022. The lower revenue was mainly due to delayed project awards and completions.

The Group reported a profit before tax of RM0.8 million for the nine months ended 30 September 2023, compared to a profit before tax of RM3.0 million for the same period in 2022, as a result of the lower revenue.

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

The Group's revenue for the current quarter was RM64.6 million compared to RM64.8 million recorded in the previous quarter. The Group recorded a profit before tax of RM1.6 million in the current quarter compared to a loss before tax of RM1.0 million in the last quarter. The profit was mainly due to foreign exchange transaction gains and service-based projects with better margins.

**B3. PROSPECTS**

The Group has secured a few projects in recent months for delivery in the final quarter of 2023 and maintains a positive outlook for the current year. The Group continues to face challenges in foreign exchange fluctuations, inflation and intense competition. To address these, the Group has proactively restructured the sales and marketing organisation to enhance effectiveness while undertaking product differentiation and cost-rationalisation.

**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 30.09.2023 RM'000	9 months Cumulative to 30.09.2023 RM'000
<b><u>Major components of tax expenses:</u></b>		
Current year tax	729	1581
Deferred tax	(709)	(1509)
Tax expense	20	72
Zakat	0	0
	20	72

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 2023 are as follows:

	As at 30.09.2023 RM '000
<b>Short term borrowings</b>	
Banker acceptance	11,423
<i>Unsecured</i>	
Term loan	330
<i>Secured</i>	
	11,753
<b>Long term loan</b>	
Term loan	330
<i>Secured</i>	
	12,083

## 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 hearing was concluded on 25 May 2023 and the decision is expected to be delivered on 19 January 2024.

B12. PROPOSED DIVIDEND

The payment of final single tier dividend in respect of the financial year ended 31 December 2022 of 5.0 sen per share (2021: Nil), amounting to RM3,020,100 was paid on 3 July 2023. A first single tier interim dividend of 5.0 sen per share was paid on 26 May 2022.

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

B13. EARNINGS PER SHARE

	Quarter Ended 30.09.2023	9 months Cumulative 30.09.2023
<b>Basic and Diluted Earnings</b>		
	RM'000	RM'000
Profit attributable to the ordinary equity holders of the Company	1,526	734
Weighted average number of ordinary shares in issue ('000)	60,402	60,402
Basic/diluted earnings per share (sen)	2.53	1.22

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 30.09.2023 RM'000	9 months Cumulative 30.09.2023 RM'000
<b><u>Related party</u></b>		
Subsidiary companies		
- Purchase of goods	0	2
- Purchase of services	10313	28,212
- Sales of goods	1	1
- 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 2023 are as follows:

	RM'000
Approved and not contracted for	NIL
Approved and contracted for	1,550

B16. ADDITIONAL DISCLOSURES

RM'000	Quarter ended		9 months Cumulative	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
<b>Profit/(loss) for the period is arrived at after charging:</b>				
Interest expense	168	191	410	482
Depreciation	469	420	1,267	1,352
Foreign exchange gain	798	106	800	336
<b>and after crediting:</b>				
Interest income	147	123	437	360

By Order of the Board  
Jasni Abdul Jalil (MACS 01359)  
Company Secretary  
21 November 2023