

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

	2023	2022	2023	2022
	CURRENT Qtr ended 31-Dec (RM '000)	Comparative Qtr ended 31-Dec (RM '000)	12 Months Cumulative to-date (RM '000)	12 Months Cumulative to-date (RM '000)
Revenue	73,039	68,474	259,795	292,919
Operating expenses	(71,725)	(64,604)	(257,031)	(285,002)
Depreciation	(373)	(385)	(1,640)	(1,737)
Other operating income/(expenses)	1,026	(139)	1,601	243
Profit from operations	<u>1,967</u>	<u>3,346</u>	<u>2,725</u>	<u>6,423</u>
Finance costs	(340)	(195)	(750)	(677)
Finance income	589	328	1,026	688
Profit before tax	<u>2,216</u>	<u>3,479</u>	<u>3,001</u>	<u>6,434</u>
Taxation and Zakat	936	514	864	258
Profit after tax	<u>3,152</u>	<u>3,993</u>	<u>3,865</u>	<u>6,692</u>
Other Comprehensive gain/(loss)	<u>(1,291)</u>	<u>1,846</u>	<u>(1,291)</u>	<u>1,846</u>
Total Comprehensive (loss)/profit	<u><u>1,861</u></u>	<u><u>5,839</u></u>	<u><u>2,574</u></u>	<u><u>8,538</u></u>
Profit/(loss) attributable to:				
- Equity holders of the Company	3,169	3,911	3,903	6,508
- Non-controlling interest	(17)	82	(38)	184
	<u><u>3,152</u></u>	<u><u>3,993</u></u>	<u><u>3,865</u></u>	<u><u>6,692</u></u>
Total comprehensive (loss)/income for the financial year attributable to:				
- Equity holders of the Company	1,878	5,757	2,612	8,354
- Non-controlling interest	(17)	82	(38)	184
	<u><u>1,861</u></u>	<u><u>5,839</u></u>	<u><u>2,574</u></u>	<u><u>8,538</u></u>
Profit per share for profit attributable to the equity holders of the Company during the period				
Profit Per Share - Basic	<u><u>5.25</u></u>	<u><u>6.47</u></u>	<u><u>6.46</u></u>	<u><u>10.77</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 2022)

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

	<u>As at 31.12.2023</u> (RM '000)	Audited <u>As at 31.12.2022</u> (RM '000)
ASSETS		
Non-current assets		
Property, plant and equipment	34,926	35,871
Finance lease receivable	3,081	4,719
Trade and other receivables	5,565	3,364
Contract assets	2,805	3,034
Deferred tax assets	2,400	1,267
	<u>48,777</u>	<u>48,255</u>
Current assets		
Inventories	6,470	9,045
Receivables	62,440	66,221
Contract assets	57,046	55,138
Tax recoverable	187	157
Deposits with licensed financial institutions	38,246	25,033
Cash and bank balances	26,199	31,709
	<u>190,588</u>	<u>187,303</u>
TOTAL ASSETS	<u><u>239,365</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	45,879	46,287
	<u>110,407</u>	<u>110,815</u>
Non-controlling interest	7,238	7,276
Total equity	<u><u>117,645</u></u>	<u><u>118,091</u></u>
Non-current liabilities		
Other deferred liabilities	8,448	7,881
Bank term loan	248	578
	<u>8,696</u>	<u>8,459</u>
Current liabilities		
Trade and other payables	77,625	80,505
Contract liabilities	24,865	21,659
Short term borrowing	10,204	6,439
Bank term loan	330	330
Taxation	-	75
	<u>113,024</u>	<u>109,008</u>
Total liabilities	121,720	117,467
TOTAL EQUITY AND LIABILITIES	<u><u>239,365</u></u>	<u><u>235,558</u></u>
Net asset per share attributable to ordinary equity holders of the parent(RM)	1.8279	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 fourth quarter ended 31 December 2023

	2023 12 months ended 31-Dec (RM '000)	2022 12 months ended 31-Dec (RM '000)
Cash Flows From Operating Activities		
Net profit attributable to shareholders	3,865	6,692
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	1,640	1,737
Taxation	(864)	(258)
Interest expense	750	677
Interest income	(1,026)	(688)
Retirement benefits	399	530
Gain on sales of property, plant and equipment	(4)	-
Reversal of allowance for doubtful debts	(38)	(670)
Gain on net investment of sublease	-	(567)
Unrealised foreign exchange Gain	(169)	(605)
Loss on write down of property, plant and equipment	5	2
Reversal for inventory obsolescence	(18)	(162)
	<u>4,540</u>	<u>6,688</u>
Changes in working capital:		
Inventories	2,575	4,510
Receivables	1,509	(16,048)
Payables	222	13,412
Net cash generated from operations	<u>8,846</u>	<u>8,562</u>
Net taxation (paid)/refunded	38	(219)
Retirement benefits paid	(350)	(300)
Zakat	(10)	-
Net cash generated from operating activities	<u><u>8,524</u></u>	<u><u>8,043</u></u>
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(700)	(857)
Proceeds from disposal of property, plant and equipment	4	-
Interest received	728	509
	<u>32</u>	<u>(348)</u>
Cash Flows From Financing Activities		
Dividends paid	(3,020)	(3,020)
Interest paid	(663)	(610)
Repayment of lease liabilities	(1,097)	(118)
Repayment of term loan	(330)	(330)
Net drawdown of short term borrowing	3,765	(1,863)
Net increase in restricted deposits	(1,070)	(2,887)
	<u>(2,415)</u>	<u>(8,828)</u>
Net increase/(decrease) in cash and cash equivalents	6,141	(1,133)
Effect of foreign exchange translation	492	291
Cash and cash equivalents b/f	52,285	53,127
Cash and cash equivalents c/f	<u><u>58,918</u></u>	<u><u>52,285</u></u>
Cash and cash equivalents comprise :		
Deposits with licensed financial institutions	38,246	25,033
Cash and bank balances	26,199	31,709
Total deposits, cash and bank balances	<u>64,445</u>	<u>56,742</u>
Less: restricted cash	(5,362)	(4,310)
Less: deposits maturing more than three months	(165)	(147)
Cash and cash equivalents	<u><u>58,918</u></u>	<u><u>52,285</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 fourth quarter ended 31 December 2023

	<u>Share Capital</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 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	-	(1,291)	3,903	2,612	(38)	2,574
Dividends	-	-	(3,020)	(3,020)	-	(3,020)
Balance at end of period	<u>64,528</u>	<u>(3,520)</u>	<u>49,399</u>	<u>110,407</u>	<u>7,238</u>	<u>117,645</u>
<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>(2,229)</u>	<u>48,516</u>	<u>110,815</u>	<u>7,276</u>	<u>118,091</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 FOUR QUARTER ENDED 31 DECEMBER 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”), 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 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 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
- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosure - Supplier Finance Arrangements

The effective dates of the following Amendments to Standards are pending announcement:

- 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 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 was RM259.8 million for the year ended 2023, which was 11.3% lower than the revenue of RM292.9 million for 2022. A profit before tax of RM3.0 million was recorded compared to RM6.4 million in the previous year. The decrease of profit before tax was due to lower revenue achieved.

B2. MATERIAL CHANGES IN THE QUARTERLY RESULTS

The Group's current quarter revenue of RM73.0 million was 13.0% higher than RM64.6 million recorded in the preceding quarter. The current quarter's profit before tax of RM2.2 million improved by 37.5% compared to RM1.6 million recorded in the preceding quarter due to increased revenue with higher composition of service revenue with better margins.

B3. PROSPECTS

The Group recognises the challenges associated with inflation, currency depreciation, shortage of technical skills and customers' focus on budget control. In view of these, the Group has initiated cost rationalisation measures in 2023 and will continue to pursue process transformation and product differentiation. We believe these measures will help the Group achieve positive results in 2024.

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 31.12.2023 RM'000	12 months Cumulative to 31.12.2023 RM'000
<u>Major components of tax expenses:</u>		
Current year tax	126	1,707
Deferred tax	(1,072)	(2,581)
Tax expense	(946)	(874)
Zakat	10	10
	(936)	(864)

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 2023 are as follows:

	As at 31.12.2023 RM '000
Short term borrowings	
Banker acceptance	10,204
<i>Unsecured</i>	
Term loan	248
<i>Secured</i>	
	10,452
Long term loan	
Term loan	330
<i>Secured</i>	
	10,782

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.

In February 2017, Amanah Raya Berhad (ARB) initiated legal proceedings in the High Court of Kuala Lumpur, alleging that Mesiniaga breached a contract for Amanah Raya Integrated System. ARB claimed damages in the sum of RM8,228,975.32 for wasted expenditure and payments already made to Mesiniaga under the said contract. Mesiniaga then filed its counterclaim against ARB for RM18,651,594.00 being the total sum for unpaid invoices, additional costs incurred and balance purchase price under the said contract.

On 14 December 2023, the High Court ruled in favour of Mesiniaga and partially allowed Mesiniaga's counterclaim. The amounts awarded to Mesiniaga were RM6,638,396.00 and costs of RM200,000.00.

On 12 January 2024, ARB filed a Notice of Appeal against the High Court Judgement of 14 December 2023.

B12. PROPOSED DIVIDEND

For the financial year ended 31 December 2023, the Board of Directors has recommended a first and final single-tier cash dividend of 2.5 sen per share, amounting to RM1,510,050 subject to the shareholders' approval at the forthcoming Annual General Meeting.

Upon shareholders' approval, the first and final dividend will be paid on 3 July 2024 to shareholders whose names appear in the Record of Depositors on 6 June 2024.

The dividend for the financial year ended 31 December 2022 comprised of:

- (i) Single-tier interim dividend of 5 sen per share, amounting to RM3,020,100 paid on 26 May 2022.
- (ii) Single-tier final dividend of 5 sen per share, amounting to RM3,020,100 paid on 3 July 2023.

B13. EARNINGS PER SHARE

	Quarter Ended 31.12.2023	12 months Cumulative 31.12.2023
Basic and Diluted Earnings		
	RM'000	RM'000
Profit attributable to the ordinary equity holders of the Company	3,169	3,903
Weighted average number of ordinary shares in issue ('000)	60,402	60,402
Basic/diluted earnings per share (sen)	5.25	6.46

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 31.12.2023 RM'000	12 months Cumulative 31.12.2023 RM'000
<u>Related party</u>		
Subsidiary companies		
- Purchase of goods	1	3
- Purchase of services	10,172	38,384
- Sales of goods	0	1
- Sales of services	72	288

B15. CAPITAL COMMITMENT

Capital commitments for the Group in respect of property, plant and equipment not provided for as of 31 December 2023 are as follows:

	RM'000
Approved and not contracted for	NIL
Approved and contracted for	1,085

B16. ADDITIONAL DISCLOSURES

RM'000	Quarter ended		12 months Cumulative	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Profit/(loss) for the period is arrived at after charging:				
Interest expense	340	195	750	677
Depreciation	373	385	1,640	1,737
Foreign exchange gain	860	606	1,660	942
and after crediting:				
Interest income	589	328	1,026	688

By Order of the Board
Deborah Sharmini Benjamin (MAICSA 7077164)
Company Secretary
29 February 2024