

Mesiniaga Berhad**Registration number: 198101013112 (79244V)****(Incorporated in Malaysia)****Condensed Consolidated Statement of Comprehensive Income****For the third quarter ended 30 September 2024**

	2024	2023	2024	2023
	CURRENT	Comparative	9 Months	9 Months
	Qtr ended	Qtr ended	Cumulative	Cumulative
	30-Sep	30-Sep	to-date	to-date
	(RM '000)	(RM '000)	(RM '000)	(RM '000)
Revenue	41,729	64,627	140,047	186,756
Operating expenses	(44,266)	(63,259)	(146,140)	(185,306)
Depreciation	(411)	(469)	(1,131)	(1,267)
Other operating income	269	694	5,181	575
(Loss)/profit from operations	(2,679)	1,593	(2,043)	758
Finance costs	(171)	(168)	(445)	(410)
Finance income	374	147	724	437
(Loss)/profit before tax	(2,476)	1,572	(1,764)	785
Taxation and Zakat	(85)	(20)	(151)	(72)
(Loss)/profit after tax	(2,561)	1,552	(1,915)	713
Other Comprehensive gain	-	-	-	-
Total Comprehensive (loss)/profit	(2,561)	1,552	(1,915)	713
(Loss)/profit attributable to:				
- Equity holders of the Company	(2,457)	1,526	(1,674)	734
- Non-controlling interest	(104)	26	(241)	(21)
	(2,561)	1,552	(1,915)	713
Total comprehensive (loss)/income for the financial year attributable to:				
- Equity holders of the Company	(2,457)	1,526	(1,674)	734
- Non-controlling interest	(104)	26	(241)	(21)
	(2,561)	1,552	(1,915)	713
(Loss)/profit per share for (loss)/profit attributable to the equity holders of the Company during the period				
(Loss)/profit Per Share - Basic	(4.07)	2.53	(2.77)	1.22

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 2023)

Mesiniaga Berhad
Registration number: 198101013112 (79244V)
(Incorporated in Malaysia)
Condensed Consolidated Statement of Financial Position
As at 30 September 2024

	<u>As at 30.9.2024</u>	Audited <u>As at 31.12.2023</u>
	(RM '000)	(RM '000)
ASSETS		
Non-current assets		
Property, plant and equipment	35,037	34,926
Services inventories	5,745	5,565
Contract assets	3,826	2,669
Finance lease receivable	2,239	3,075
Trade and other receivables	12	60
Deferred tax assets	2,400	2,400
	<u>49,259</u>	<u>48,695</u>
Current assets		
Inventories	4,005	6,572
Services inventories	8,770	10,685
Contract assets	59,103	56,984
Receivables	42,762	51,677
Tax recoverable	244	187
Deposits with licensed financial institutions	14,625	38,246
Cash and bank balances	8,214	26,199
	<u>137,723</u>	<u>190,550</u>
TOTAL ASSETS	<u><u>186,982</u></u>	<u><u>239,245</u></u>
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	64,528	64,528
Reserves	42,695	45,879
	<u>107,223</u>	<u>110,407</u>
Non-controlling interest	2,097	7,238
Total equity	<u><u>109,320</u></u>	<u><u>117,645</u></u>
Non-current liabilities		
Other deferred liabilities	7,439	8,131
Bank term loan	-	248
	<u>7,439</u>	<u>8,379</u>
Current liabilities		
Trade and other payables	38,449	77,822
Contract liabilities	16,109	24,865
Short term borrowing	15,206	10,204
Bank term loan	330	330
Taxation	129	-
	<u>70,223</u>	<u>113,221</u>
Total liabilities	<u>77,662</u>	<u>121,600</u>
TOTAL EQUITY AND LIABILITIES	<u><u>186,982</u></u>	<u><u>239,245</u></u>
Net asset per share attributable to ordinary equity holders of the parent (RM)	1.7752	1.8279

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Annual Financial Statements for the year ended 31st December 2023)

Mesiniaga Berhad
Registration number: 198101013112 (79244V)
(Incorporated in Malaysia)
Condensed Consolidated Statement of Cash Flow
For the third quarter ended 30 September 2024

	<u>2024</u> 9 months ended 30-Sep (RM '000)	<u>2023</u> 9 months ended 30-Sep (RM '000)
Cash Flows From Operating Activities		
Net (loss)/profit attributable to shareholders	(1,915)	713
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	1,131	1,267
Taxation	151	72
Interest expense	445	410
Interest income	(724)	(437)
Retirement benefits	300	266
Unrealised foreign exchange Gain	244	(169)
	<u>(368)</u>	<u>2,122</u>
Changes in working capital:		
Inventories	2,567	971
Receivables	8,201	(5,435)
Payables	(47,786)	(18,418)
Net cash used from operations	<u>(37,386)</u>	<u>(20,760)</u>
Net taxation (paid)/refunded	(79)	143
Retirement benefits paid	(310)	(350)
Zakat	-	-
Net cash used from operating activities	<u><u>(37,775)</u></u>	<u><u>(20,967)</u></u>
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(1,242)	(547)
Interest received	720	406
	<u>(522)</u>	<u>(141)</u>
Cash Flows From Financing Activities		
Dividends paid to non-controlling interest in a subsidiary	(4,900)	-
Dividends paid	(1,510)	(3,020)
Interest paid	(333)	(323)
Repayment of lease liabilities	(873)	(1,097)
Repayment of term loan	(247)	(247)
Net drawdown of short term borrowing	5,002	4,984
Net increase in restricted deposits	(75)	(2,015)
	<u>(2,936)</u>	<u>(1,718)</u>
Net decrease in cash and cash equivalents	(41,233)	(22,826)
Effect of foreign exchange translation	(447)	583
Cash and cash equivalents b/f	58,917	52,285
Cash and cash equivalents c/f	<u><u>17,237</u></u>	<u><u>30,042</u></u>
Cash and cash equivalents comprise :		
Deposits with licensed financial institutions	14,625	22,111
Cash and bank balances	8,214	14,402
Total deposits, cash and bank balances	<u>22,839</u>	<u>36,513</u>
Less: restricted cash	(5,437)	(6,306)
Less: deposits maturing more than three months	(165)	(165)
Cash and cash equivalents	<u><u>17,237</u></u>	<u><u>30,042</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 2023)

Mesiniaga Berhad
Registration number: 198101013112 (79244V)
(Incorporated in Malaysia)
Condensed Consolidated Statements of Changes in Equity
For the third quarter ended 30 September 2024

	<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>9 months quarter ended 30 September 2024</u>						
Balance at beginning of year	64,528	(3,520)	49,399	110,407	7,238	117,645
Total comprehensive loss for the period	-	-	(1,674)	(1,674)	(241)	(1,915)
Dividend	-	-	(1,510)	(1,510)	(4,900)	(6,410)
Balance at end of period	<u>64,528</u>	<u>(3,520)</u>	<u>46,215</u>	<u>107,223</u>	<u>2,097</u>	<u>109,320</u>

9 months quarter ended 30 September 2023

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>(2,229)</u>	<u>46,230</u>	<u>108,529</u>	<u>7,255</u>	<u>115,784</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 2023)

MESINIAGA BERHAD

Registration number: 198101013112 (79244V)

**UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE
THIRD QUARTER ENDED 30 SEPTEMBER 2024**

**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 2023. The audited financial statements of the Group for the year ended 31 December 2023 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 2023, except for the adoption of the following Amendments to MFRS during the current financial period:

- 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
- Amendments 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

Amendments effective for financial periods beginning on or after 1 January 2025:

- Amendments to MFRS 121 ‘Lack of Exchangeability’

Amendments to MFRS 121 “Lack of Exchangeability” will be adopted by the Group for financial period 2025 when it comes into effect on 1 January 2025.

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

The Group anticipates that the impact from the adoption of the MFRSs and amendments to the MFRSs as and when they become effective will be immaterial upon initial application.

A2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The Audit Report of the Group's Annual Financial Statements for the year ended 31 December 2023 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 2023 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 RM140.0 million in the first nine months of 2024, 25.0% lower than in 2023. The loss before tax was RM1.8 million, compared to a profit before tax of RM0.8 million in the same period in 2023. The lower revenue and the associated loss were due to delays in decisions for several key projects for which the Group had submitted bids.

B2. MATERIAL CHANGES IN THE QUARTERLY RESULTS

The Group's third-quarter revenue was RM41.7 million, 7.8% lower than the preceding quarter. The current quarter loss before tax is RM2.5 million, compared to RM2.3 million in the prior quarter.

B3. PROSPECTS

The Group is expanding its market presence by investing in cutting-edge technologies such as artificial intelligence to drive higher productivity and profitability. At the same time, it is implementing cost rationalisation measures. Management anticipates that the business environment will continue to be challenging for the remainder of 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 30.09.2024 RM'000	9 months Cumulative to 30.09.2024 RM'000
<u>Major components of tax expenses:</u>		
Current year tax	(521)	1,121
Deferred tax	606	(970)
Tax expense	85	151
Zakat	0	0
	85	151

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 2024 are as follows:

	As at 30.09.2024 RM '000
Short term borrowings	
Banker acceptance	15,206
<i>Unsecured</i>	
Term loan	330
<i>Secured</i>	
	15,536

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 pending material litigation as at the date of this report.

B12. PROPOSED DIVIDEND

The payment of final single tier dividend in respect of the financial year ended 31 December 2023 of 2.5 sen per share (2022: 5 sen), amounting to RM1,510,050 was paid on 3 July 2024.

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

B13. EARNINGS PER SHARE

	Quarter Ended 30.09.2024	9 months Cumulative 30.09.2024
Basic and Diluted Earnings		
	RM'000	RM'000
Profit attributable to the ordinary equity holders of the Company	(2,457)	(1,674)
Weighted average number of ordinary shares in issue ('000)	60,402	60,402
Basic/diluted earnings per share (sen)	<u>(4.07)</u>	<u>(2.77)</u>

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 30.09.2024 RM'000	9 months Cumulative 30.09.2024 RM'000
<u>Related party</u>		
Subsidiary companies		
- Purchase of goods	0	1
- Purchase of services	7,934	24,204
- 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 2024 are as follows:

	RM'000
Approved and not contracted for	<u>NIL</u>
Approved and contracted for	<u>465</u>

B16. ADDITIONAL DISCLOSURES

	Quarter ended		9 months Cumulative	
RM'000	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Profit/(loss) for the period is arrived at after charging:				
Interest expense	171	168	445	410
Depreciation	411	469	1,131	1,267
Foreign exchange gain	643	798	858	800
and after crediting:				
Interest income	374	147	724	437

By Order of the Board
Deborah Sharmini Benjamin (MAICSA 7077164)
Company Secretary
25 November 2024