Mesiniaga Berhad
Registration number: 198101013112 (79244V)
(Incorporated in Malaysia)
Condensed Consolidated Statement of Comprehensive Income
For the fourth quarter ended 31 December 2024

	2024	2023	2024	2023
	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	40,346	73,039	180,393	259,795
Operating expenses	(44,597)	(71,725)	(190,737)	(257,031)
Depreciation	(475)	(373)	(1,606)	(1,640)
Other operating income	67	1,026	5,248	1,601
(Loss)/profit from operations	(4,659)	1,967	(6,702)	2,725
Finance costs	(316)	(340)	(761)	(750)
Finance income	417	589	1,141	1,026
(Loss)/profit before tax	(4,558)	2,216	(6,322)	3,001
Taxation and Zakat	2,519	936	2,368	864
(Loss)/profit after tax	(2,039)	3,152	(3,954)	3,865
Other Comprehensive gain/(loss)	3,699	(1,291)	3,699	(1,291)
Total Comprehensive income/(loss)	1,660	1,861	(255)	2,574
Profit/(loss) attributable to:				
- Equity holders of the Company	(1,704)	3,169	(3,378)	3,903
- Non-controlling interest	(335)	(17)	(576)	(38)
	(2,039)	3,152	(3,954)	3,865
Total comprehensive income/(loss) for the financial year attributable to:				
- Equity holders of the Company	1,995	1,878	321	2,612
- Non-controlling interest	(335)	(17)	(576)	(38)
	1,660	1,861	(255)	2,574
(Loss)/profit per share for (loss)/profit attributable to the equity holders of the Company during the period				
(Loss)/profit Per Share - Basic	(2.82)	5.25	(5.59)	6.46

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 31 December 2024

	As at 31.12.2024 (RM '000)	Audited As at 31.12.2023 (RM '000)
ASSETS		
Non-current assets		
Property, plant and equipment	35,205	34,926
Services inventories	-	5,565
Contract assets	-	2,669
Finance lease receivable	1,912	3,075
Trade and other receivables	-	60
Deferred tax assets	3,600	2,400
	40,717	48,695
Current assets		
Inventories	1,290	6,572
Services inventories	-	10,685
Contract assets	39,326	55,044
Finance lease receivables	1,156	1,940
Receivables	49,134	51,677
Tax recoverable	284	187
Deposits with licensed financial institutions	38,371	38,246
Cash and bank balances	9,966	26,199
	139,527	190,550
TOTAL ASSETS	180,244	239,245
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	64,528	64,528
Reserves	44,690	45,879
	109,218	110,407
Non-controlling interest	1,762	7,238
Total equity	110,980	117,645
Non-current liabilities		
Other deferred liabilities	2,556	8,131
Bank term loan	-	248
	2,556	8,379
Current liabilities		
Trade and other payables	42,686	77,822
Contract liabilities	10,597	24,865
Short term borrowing	13,178	10,204
Bank term loan	247	330
	66,708	113,221
Total liabilities	69,264	121,600
TOTAL EQUITY AND LIABILITIES	180,244	239,245
Net asset per share attributable to ordinary equity holders of the parent (RM)	1.8082	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 fourth quarter ended 31 December 2024

	2024 12 months ended 31-Dec (RM '000)	2023 12 months ended 31-Dec (RM '000)
Cash Flows From Operating Activities		
Net (loss)/profit attributable to shareholders	(3,954)	3,865
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	1,606	1,640
Taxation	(2,368)	(864)
Interest expense	761	750
Interest income	(1,141)	(1,026)
Retirement benefits	400	399
Reversal of allowance for doubtful debts	-	119
Gain on net investment of sublease	(185)	-
Unrealised foreign exchange Gain	244	(856)
Loss on write down of property, plant and equipment	-	5
Reversal for inventory obsolencence	1,114	(44)
	(3,523)	3,988
Changes in working capital:		
Inventories	6,397	2,517
Receivables	39,675	1,940
Payables	(52,386)	(562)
Net cash (used)/generated from operations	(9,837)	7,883
Net taxation (paid)/refunded	(103)	27
Retirement benefits paid	(310)	(350)
Net cash (used)/generated from operating activities	(10,250)	7,560
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(1,885)	(1,058)
Interest received	845	728
Increase in net restricted cash	65	(1,071)
	(975)	(1,401)
Cash Flows From Financing Activities		
Dividends paid to non-controlling interest in a subsidiary	(4,900)	-
Dividends paid	(1,510)	(3,020)
Interest paid	(482)	(390)
Repayment of lease liabilities	(51)	(44)
Repayment of term loan	(330)	(330)
Net drawndown of short term borrowing	2,974	3,765
	(4,299)	(19)
Net (decrease)/increase in cash and cash equivalents	(15,524)	6,140
Effect of foreign exchange translation	68	492
Cash and cash equivalents b/f	58,917	52,285
Cash and cash equivalents c/f	43,461	58,917
Cash and cash equivalents comprise :		
Deposits with licensed financial institutions	38,371	38,246
Cash and bank balances	9,966	26,199
Total deposits, cash and bank balances	48,337	64,445
Less: restricted cash	(5,286)	(5,362)
Less: deposits maturing more than three months	(176)	(166)
Cash and cash equivalents	42,875	58,917

(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 fourth quarter ended 31 December 2024

	Share Capital (RM '000)	Retirement benefit reserves	Retained Earnings (RM '000)	Total (RM '000)	Non-controlling Interest (RM '000)	Total (RM '000)
12 months quarter ended 31 December 2024						
Balance at beginning of year	64,528	(3,520)	49,399	110,407	7,238	117,645
Total comprehensive income for the period	-	3,699	(3,378)	321	(576)	(255)
Dividend	-	-	(1,510)	(1,510)	(4,900)	(6,410)
Balance at end of period	64,528	179	44,511	109,218	1,762	110,980
12 months quarter ended 31 December 2023						
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
Dividend	-	-	(3,020)	(3,020)	-	(3,020)
Balance at end of period	64,528	(3,520)	49,399	110,407	7,238	117,645

(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)

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

<u>Amendments effective for financial periods beginning on or after 1 January 2025</u>:

- 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 RM180.4 million for the year ended 2024 which is 30.6% lower than the revenue of RM259.8 million for 2023. The loss before tax was RM6.3 million, compared to a profit before tax of RM3.0 million 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 as well as reduction in scope of existing projects.

B2. MATERIAL CHANGES IN THE QUARTERLY RESULTS

The Group’s fourth quarter revenue was RM40.3 million, 3.4% lower than the preceding quarter of RM41.7 million. The current quarter loss before tax was RM4.6 million as compared to RM2.5 million in the prior quarter.

B3. PROSPECTS

2024 financial performance was a product of weak sales, and this can be attributed to a large number of sales staff leaving the Company, reduction of project scope by some of our customers as well as delays in decisions on some of the projects we bid for. The sales team has been rebuilt, but the ill effects will spill into 2025 until the new team develops sufficient sales momentum. The Company expects sales performance to recover in the second half of 2025 and this will determine profitability for the year.

A number of key initiatives are underway. These include improving productivity to drive better margins and to lower the revenue needed for cost recovery and support the competitive pricing needed to secure new customer accounts, with an increased emphasis on private sector business.

The Company recognises the growing importance of AI and anticipates generating revenue in this area in 2025 through solutions that improve customer productivity. It will also continue efforts to grow the application development business which offers better margins than the traditional ICT infrastructure business.

B4. VARIANCES FROM PROFIT FORECAST AND PROFIT GUARANTEE

There were no profits forecast and profit guarantee published by the Group.

B5. TAXATION

Income tax expenses

		Quarter Ended 31.12.2024 RM'000	12 months Cumulative to 31.12.2024 RM'000
	Major components of tax expenses:		
	Current year tax	(2,289)	(1,168)
	Deferred tax	(230)	(1,200)
	Tax expense	(2,519)	(2,368)
	Zakat	0	0
		(2,519)	(2,368)

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

The Group does not own 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 2024 are as follows:

		As at 31.12.2024 RM'000
	Short term borrowings	
	Banker acceptance	13,178
	Unsecured	
	Term loan	247
	Secured	
		13,425

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

No dividend has been proposed for the financial period under review.

B13. EARNINGS PER SHARE

		Quarter Ended 31.12.2024		12 months Cumulative 31.12.2024
	Basic and Diluted Earnings			
		RM'000		RM'000
	Profit attributable to the ordinary equity holders of the Company	(1,704)		(3,378)
	Weighted average number of ordinary shares in issue ('000)	60,402		60,402
	Basic/diluted earnings per share (sen)	(2.82)		(5.59)

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 31.12.2024 RM'000	12 months Cumulative 31.12.2024 RM'000
	Related party		
	Subsidiary companies		
	- Purchase of goods	0	1
	- Purchase of services	8,364	32,568
	- 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 2024 are as follows:

		RM'000
	Approved and not contracted for	NIL
	Approved and contracted for	465

B16. ADDITIONAL DISCLOSURES

	Quarter ended		12 months Cumulative	
RM'000	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Profit/(loss) for the period is arrived at after charging:				
Interest expense	316	340	761	750
Depreciation	475	373	1,606	1,640
and after crediting:				
Interest income	417	589	1,141	1,026
Foreign exchange gain	367	860	1,225	1,660

B17. MATERIAL ACTUARIAL GAINS ADJUSTMENT ON RETIREMENT PLAN (THE PLAN) ASSUMPTION

The actuarial gain of RM3,699,000, net of tax, led to a decrease in net defined benefit liability. The gain resulted from changes in financial and demographic assumptions, and liability experience which incorporated the actual experience of the Plan since the previous valuation.

By Order of the Board
Deborah Sharmini Benjamin (MAICSA 7077164)
Company Secretary
27 February 2025