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

	2024	2023	2024	2023
	CURRENT Qtr ended 30-Jun (RM '000)	Comparative Qtr ended 30-Jun (RM '000)	6 Months Cumulative to-date (RM '000)	6 Months Cumulative to-date (RM '000)
Revenue	45,259	64,768	98,318	122,129
Operating expenses	(47,229)	(65,172)	(101,874)	(122,047)
Depreciation	(360)	(390)	(720)	(798)
Other operating income/(expenses)	90	(257)	4,912	(119)
(Loss)/profit from operations	(2,240)	(1,051)	636	(835)
Finance costs	(153)	(136)	(274)	(242)
Finance income	131	183	350	290
(Loss)/profit before tax	(2,262)	(1,004)	712	(787)
Taxation and Zakat	(36)	(22)	(66)	(52)
(Loss)/profit after tax	(2,298)	(1,026)	646	(839)
Other Comprehensive gain/(loss)	-	-	-	-
Total Comprehensive (loss)/profit	(2,298)	(1,026)	646	(839)
(Loss)/profit attributable to:				
- Equity holders of the Company	(2,226)	(972)	783	(792)
- Non-controlling interest	(72)	(54)	(137)	(47)
	(2,298)	(1,026)	646	(839)
Total comprehensive (loss)/income for the financial year attributable to:				
- Equity holders of the Company	(2,226)	(972)	783	(792)
- Non-controlling interest	(72)	(54)	(137)	(47)
	(2,298)	(1,026)	646	(839)
(Loss)/profit per share for (loss)/profit attributable to the equity holders of the Company during the period				
(Loss)/profit Per Share - Basic	(3.69)	(1.61)	1.30	(1.31)

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 June 2024

	As at 30.6.2024 (RM '000)	Audited As at 31.12.2023 (RM '000)
ASSETS		
Non-current assets		
Property, plant and equipment	34,557	34,926
Services inventories	4,930	5,565
Contract assets	6,372	2,669
Finance lease receivable	2,523	3,075
Trade and other receivables	22	60
Deferred tax assets	2,400	2,400
	50,804	48,695
Current assets		
Inventories	2,583	6,572
Services inventories	11,110	10,685
Contract assets	58,377	56,984
Receivables	39,498	51,677
Tax recoverable	216	187
Deposits with licensed financial institutions	23,163	38,246
Cash and bank balances	7,411	26,199
	142,358	190,550
TOTAL ASSETS	193,162	239,245
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	64,528	64,528
Reserves	45,152	45,879
	109,680	110,407
Non-controlling interest	2,201	7,238
Total equity	111,881	117,645
Non-current liabilities		
Other deferred liabilities	7,569	8,131
Bank term loan	83	248
	7,652	8,379
Current liabilities		
Trade and other payables	41,062	77,822
Contract liabilities	18,299	24,865
Short term borrowing	12,384	10,204
Bank term loan	330	330
Taxation	44	-
Dividend payable	1,510	-
	73,629	113,221
Total liabilities	81,281	121,600
TOTAL EQUITY AND LIABILITIES	193,162	239,245
Net asset per share attributable to ordinary equity holders of the parent (RM	1.8158	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 second quarter ended 30 June 2024

	2024 6 months ended 30-Jun (RM '000)	2023 6 months ended 30-Jun (RM '000)
Cash Flows From Operating Activities		
Net profit/(loss) attributable to shareholders	646	(839)
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	720	798
Taxation	66	52
Interest expense	274	242
Interest income	(350)	(290)
Retirement benefits	200	133
Unrealised foreign exchange Gain	397	413
	1,953	509
Changes in working capital:		
Inventories	3,989	496
Receivables	7,854	(3,838)
Payables	(39,178)	(8,507)
Net cash used from operations	(25,382)	(11,340)
Net taxation (paid)/refunded	(51)	143
Retirement benefits paid	(310)	(350)
Net cash used from operating activities	(25,743)	(11,547)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(351)	(403)
Interest received	270	200
	(81)	(203)
Cash Flows From Financing Activities		
Dividends paid	-	(3,020)
Dividends paid to non-controlling interest	(4,900)	-
Interest paid	(168)	(195)
Repayment of lease liabilities	(869)	(1,002)
Repayment of term loan	(165)	(165)
Net drawndown of short term borrowing	(2,180)	5,795
Net decrease/(increase) in restricted deposits	89	(1,717)
	(8,193)	(304)
Net decrease in cash and cash equivalents	(34,017)	(12,054)
Effect of foreign exchange translation	236	357
Cash and cash equivalents b/f	58,917	52,285
Cash and cash equivalents c/f	25,136	40,588
Cash and cash equivalents comprise :		
Deposits with licensed financial institutions	23,163	20,819
Cash and bank balances	7,411	26,000
Total deposits, cash and bank balances	30,574	46,819
Less: restricted cash	(5,273)	(6,084)
Less: deposits maturing more than three months	(165)	(147)
Cash and cash equivalents	25,136	40,588

(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 second quarter ended 30 June 2024

	Share Capital (RM '000)	Retirement benefit reserves (RM '000)	Retained Earnings (RM '000)	Total (RM '000)	Non-controlling Interest (RM '000)	Total (RM '000)
6 months quarter ended 30 June 2024						
Balance at beginning of year	64,528	(3,520)	49,399	110,407	7,238	117,645
Total comprehensive income for the period	-	-	783	783	(137)	646
Dividend	-	-	(1,510)	(1,510)	(4,900)	(6,410)
Balance at end of period	64,528	(3,520)	48,672	109,680	2,201	111,881
6 months quarter ended 30 June 2023						
Balance at beginning of year	64,528	(2,229)	48,516	110,815	7,276	118,091
Total comprehensive loss for the period	-	-	(792)	(792)	(47)	(839)
Dividend	-	-	(3,020)	(3,020)	-	(3,020)
Balance at end of period	64,528	(2,229)	44,704	107,003	7,229	114,232

(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

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

For the first half of 2024, the Group's revenue was RM98.3 million, 19.5% lower than the corresponding period of 2023, while profit before tax was RM0.7 million compared to a loss before tax of RM 0.8million.

B2. MATERIAL CHANGES IN THE QUARTERLY RESULTS

The Group's second quarter revenue was RM45.3 million, 14.7% lower than the preceding quarter. Loss before tax is RM 2.3 million for the current quarter compared to the profit before tax of RM 3.0 million for the preceding quarter.

B3. PROSPECTS

The Group is taking measures to expand its market presence, investing in cutting-edge technologies such as artificial intelligence to drive higher productivity and profitability. At the same time, the Group is implementing cost rationalisation measures. We maintain a positive outlook for 2024 subject to timely contract awards expected in the final quarter of the year.

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 30.06.2024 RM'000	6 months Cumulative to 30.06.2024 RM'000
	Major components of tax expenses:		
	Current year tax	815	1,642
	Deferred tax	(779)	(1,576)
	Tax expense	36	66
	Zakat	0	0
		36	66

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 June 2024 are as follows:

		As at 30.06.2024 RM '000
	Short term borrowings	
	Banker acceptance	12,384
	Unsecured	
	Term loan	330
	Secured	
		12,714
	Long term loan	
	Term loan	83
	Secured	
		12,797

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 30.06.2024		6 months Cumulative 30.06.2024
	Basic and Diluted Earnings			
		RM'000		RM'000
	Profit attributable to the ordinary equity holders of the Company	(2,226)		783
	Weighted average number of ordinary shares in issue ('000)	60,402		60,402
	Basic/diluted earnings per share (sen)	(3.69)		1.30

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 30.06.2024 RM'000	6 months Cumulative 30.06.2024 RM'000
	Related party		
	Subsidiary companies		
	- Purchase of goods	1	1
	- Purchase of services	8,181	16,270
	- Sales of services	72	144

B15. CAPITAL COMMITMENT

Capital commitments for the Group in respect of property, plant and equipment not provided for as of 30 June 2024 are as follows:

		RM'000
	Approved and not contracted for	NIL
	Approved and contracted for	1,235

B16. ADDITIONAL DISCLOSURES

RM'000	Quarter ended 30.06.2024	Quarter ended 30.06.2023	6 months Cumulative 30.06.2024	6 months Cumulative 30.06.2023
Profit/(loss) for the period is arrived at after charging:				
Interest expense	153	136	274	242
Depreciation	360	390	720	798
Foreign exchange gain	193	(409)	215	2
and after crediting:				
Interest income	131	183	350	290

By Order of the Board
Deborah Sharmini Benjamin (MAICSA 7077164)
Company Secretary
27 August 2024