



**MMS VENTURES BERHAD**  
(Company No. 647125-P)

(Incorporated in Malaysia)

**Quarterly Report on Consolidated Results  
For The First Quarter Ended 31 March 2012**

(Incorporated in Malaysia)

## Condensed Consolidated Statement of Financial Position As at 31 March 2012

(The figures have not been audited)

	Note	31.3.12 (Unaudited) RM	31.12.11 (Restated) RM	1.1.2011 (Restated) RM
Property, plant and equipment	A2	10,244,457	10,366,702	10,303,716
<b>Total non-current assets</b>		<b>10,244,457</b>	<b>10,366,702</b>	<b>10,303,716</b>
Inventories		9,804,996	10,973,239	8,520,484
Trade receivables		3,938,585	4,494,087	7,276,158
Sundry receivables, deposits and prepayments		46,541	72,745	196,254
Tax refundable		50,783	76,894	95,969
Fixed deposits with licensed banks		632,699	728,874	1,316,468
Cash and cash equivalents		755,093	1,175,375	681,416
<b>Total current assets</b>		<b>15,228,697</b>	<b>17,521,214</b>	<b>18,086,749</b>
<b>Total assets</b>		<b>25,473,154</b>	<b>27,887,916</b>	<b>28,390,465</b>
<b>Equity</b>				
Share capital		16,300,000	16,300,000	16,300,000
Share premium		4,663,468	4,663,468	4,663,468
Retained profits		387,257	221,790	208,604
<b>Total equity attributable to shareholders of the Company</b>		<b>21,350,725</b>	<b>21,185,258</b>	<b>21,172,072</b>
<b>Total equity</b>		<b>21,350,725</b>	<b>21,185,258</b>	<b>21,172,072</b>
<b>Liabilities</b>				
Hire purchase creditors		55,742	65,766	-
<b>Total non-current liabilities</b>		<b>55,742</b>	<b>65,766</b>	<b>-</b>
Trade payables		3,151,853	5,280,382	5,997,410
Sundry payables and accruals		875,552	1,317,773	1,220,983
Hire purchase creditors		39,282	38,737	-
<b>Total current liabilities</b>		<b>4,066,687</b>	<b>6,636,892</b>	<b>7,218,393</b>
<b>Total liabilities</b>		<b>4,122,429</b>	<b>6,702,658</b>	<b>7,218,393</b>
<b>Total equity and liabilities</b>		<b>25,473,154</b>	<b>27,887,916</b>	<b>28,390,465</b>
<b>Net assets per share (RM) @</b>		<b>0.13</b>	<b>0.13</b>	<b>0.13</b>

@ based on the number of ordinary shares of 163,000,000 shares

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to this interim financial statements.

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**Condensed Consolidated Statement of Comprehensive Income**  
**For the First Quarter Ended 31 March 2012**  
(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
		31.3.12 RM	31.3.11 RM	31.3.12 RM	31.3.11 RM
<b>Revenue</b>		<b>3,816,840</b>	3,549,445	<b>3,816,840</b>	3,549,445
Cost of sales		<b>(2,872,666)</b>	(2,951,838)	<b>(2,872,666)</b>	(2,951,838)
<b>Gross profit</b>		<b>944,174</b>	597,607	<b>944,174</b>	597,607
Other operating income		<b>73,974</b>	73,280	<b>73,974</b>	73,280
Other operating expenses		<b>(152,464)</b>	(77,328)	<b>(152,464)</b>	(77,328)
Administrative expenses		<b>(698,855)</b>	(727,372)	<b>(698,855)</b>	(727,372)
<b>Profit / (Loss) before operations</b>		<b>166,829</b>	(133,813)	<b>166,829</b>	(133,813)
Interest expense		<b>(1,362)</b>	-	<b>(1,362)</b>	-
<b>Profit / (Loss) before taxation</b>		<b>165,467</b>	(133,813)	<b>165,467</b>	(133,813)
Tax expense	B6	-	-	-	-
<b>Net profit / (loss) for the period</b>	B1	<b>165,467</b>	(133,813)	<b>165,467</b>	(133,813)
<b>Attributable to:</b>					
Shareholders of the Company		<b>165,467</b>	(133,813)	<b>165,467</b>	(133,813)
Minority interests		-	-	-	-
<b>Net profit / (loss) for the period</b>		<b>165,467</b>	(133,813)	<b>165,467</b>	(133,813)
<b>Earnings per share</b>					
(i) Basic (sen)	B14	<b>0.1015</b>	(0.0821)	<b>0.1015</b>	(0.0821)
(ii) Diluted (sen)		<b>NA</b>	NA	<b>NA</b>	NA

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to this interim financial statements.

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**Condensed Consolidated Statement of Changes in Equity**  
**For the First Quarter Ended 31 March 2012**  
(The figures have not been audited)

	Share Capital RM	Non-distributable Share Premium RM	Distributable (Accumulated Losses) / Retained Profits RM	Total RM
<b>At 1 January 2012, as previously stated</b>	16,300,000	4,663,468	(1,835,376)	19,128,092
Effect of transition to MFRS				
- opening retained earnings	-	-	2,097,936	2,097,936
- additional depreciation charge for the year	-	-	(40,770)	(40,770)
	-	-	2,057,166	2,057,166
<b>At 1 January 2012, as restated</b>	16,300,000	4,663,468	221,790	21,185,258
Net profit for the period	-	-	165,467	165,467
<b>At 31 March 2012</b>	16,300,000	4,663,468	387,257	21,350,725
<b>At 1 January 2011, as previously stated</b>	16,300,000	4,663,468	(1,889,332)	19,074,136
Effect of transition to MFRS	-	-	2,097,936	2,097,936
<b>At 1 January 2011, as restated</b>	16,300,000	4,663,468	208,604	21,172,072
Net (loss) for the period	-	-	(123,621)	(123,621)
Effect of transition to MFRS				
- additional depreciation charge for the period	-	-	(10,192)	(10,192)
	-	-	(133,813)	(133,813)
<b>At 31 March 2011, as restated</b>	16,300,000	4,663,468	74,791	21,038,259

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to this interim financial statements.

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**Condensed Consolidated Statement of Cash Flows**  
**For the First Quarter Ended 31 March 2012**  
(The figures have not been audited)

	<b>3 months ended 31 March</b>	
	<b>2012</b>	<b>2011</b>
	<b>RM</b>	<b>RM</b>
<b>Cash flows from operating activities</b>		
Profit / (Loss) before tax	165,467	(133,813)
<i>Adjustments for :</i>		
Depreciation of property, plant and equipment	129,650	108,372
Interest income	(6,474)	(5,780)
Interest expense	1,362	-
<i>Operating profit / (loss) before working capital changes</i>	290,005	(31,221)
<i>Adjustments for working capital changes:-</i>		
Inventories	1,168,243	(2,609,553)
Trade receivables	555,502	3,245,100
Sundry receivables, deposits and prepayments	26,204	85,294
Trade payables	(2,128,529)	(1,294,608)
Sundry payables and accruals	(442,221)	335,158
<i>Cash used in operations</i>	(530,796)	(269,830)
Interest received	6,474	5,780
Income tax refunded / (paid)	26,111	(8,948)
<i>Net cash used in operating activities</i>	(498,211)	(272,998)
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(7,405)	(38,622)
<i>Net cash used in investing activities</i>	(7,405)	(38,622)
<b>Cash flows from financing activities</b>		
Repayments of hire purchase	(9,479)	-
Interest paid	(1,362)	-
<i>Net cash used in financing activities</i>	(10,841)	-
<b>Net decrease in cash and cash equivalents</b>	(516,457)	(311,620)
<b>Cash and cash equivalents at the beginning of year</b>	1,904,249	1,997,884
<b>Cash and cash equivalents at the end of period</b>	1,387,792	1,686,264

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to this interim financial statements.

## Notes to the Interim Financial Statements

### Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standards ("MFRS") 134

#### A1. Basis of preparation

These condensed consolidated interim financial statements for the period ended 31 March 2012 have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market. These condensed interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

The date of transition to the MFRS framework is on 1 January 2011. At that transaction date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. The transition from FRS to MFRS has not had a material financial impact on the financial statements of the Group and of the Company other than arising from the changes in accounting policies described in Note A2 below.

#### A2. Significant accounting policies and application of MFRS 1

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

##### Property, plant and equipment

The Group elected to apply the optional exemption to measure the Group's property at fair value at the date of transition to MFRSs and use that fair value as deemed cost under MFRSs. The aggregate fair value of the property as at 1 January 2011 was determined to be RM9,500,000 compared to the then carrying amount of RM7,402,064 under FRSs.

The impact arising from the change is summarized as follows:

	<b>1 January 2011 RM</b>	<b>31 March 2011 RM</b>	<b>31 December 2011 RM</b>
<b>Consolidated statement of comprehensive income:</b>			
Depreciation of property, plant and equipment		10,192	40,770
Adjustment to profit before tax		10,192	40,770
<b>Consolidated statement of financial position:</b>			
Property, plant and equipment	2,097,936	2,097,936	2,097,936
Additional depreciation of property, plant and equipment	-	(10,192)	(40,770)
Adjustment to retained earnings	2,097,936	2,087,744	2,057,166

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## A2. Significant accounting policies and application of MFRS 1 (Cont'd)

In preparing the opening MFRS statement of financial position, the Group has adjusted amounts reported previously in financial statements prepared in accordance with the previous FRSS. The reconciliation of Property, plant and equipment and Retained earnings for comparative periods are as below:

	FRS as at 1.1.2011 RM	Adjustment RM	MFRS as at 1.1.2011 RM
<b>(i) Reconciliation as at 1 January 2011</b>			
Property, plant and equipment	8,205,780	2,097,936	10,303,716
Retained earnings	(1,889,332)	2,097,936	208,604
	<b>FRS as at 31.3.2011 RM</b>	<b>Adjustment RM</b>	<b>MFRS as at 31.3.2011 RM</b>
<b>(ii) Reconciliation as at 31 March 2011</b>			
Property, plant and equipment	8,146,222	2,087,744 *	10,233,966
Retained earnings	(2,012,953)	2,087,744	74,791
	<b>FRS as at 31.12.2011 RM</b>	<b>Adjustment RM</b>	<b>MFRS as at 31.12.2011 RM</b>
<b>(iii) Reconciliation as at 31 December 2011</b>			
Property, plant and equipment	8,309,536	2,057,166 *	10,366,702
Retained earnings	(1,835,376)	2,057,166	221,790

\* after additional depreciation charge

## A3. Auditors' report of preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2011 was not qualified.

## A4. Seasonal or cyclical factors

The Group's interim operations are not affected by seasonal or cyclical factors during the current quarter under review.

## A5. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

## A6. Changes in estimates

There were no changes in estimates that have had material effect in the current quarter under review.

## A7. Debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities, share buy-back, share cancellation, shares held as treasury shares and resale of treasury shares for the current quarter under review.

## A8. Dividend paid

There were no dividends paid during the current quarter under review.

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#### A9. Segment reporting

As the Group's revenue was primarily attributed to the manufacture of automated systems and machinery segment with only insignificant amount contributed by the software development segment, segmental information based on operating segments was not prepared.

##### Information about geographical areas

	<b>Revenue from external customers by location of customers RM</b>	<b>Segment assets by location of assets RM</b>	<b>Capital expenditure by location of assets RM</b>
<b>3 months ended 31 March 2012</b>			
Malaysia	2,198,165	25,422,371	7,405
America	1,516,792	-	-
Europe	4,334	-	-
Australia	19,652	-	-
Asia (exclude Malaysia)	77,897	-	-
Consolidated	3,816,840	25,422,371	7,405
<b>3 months ended 31 March 2011</b>			
Malaysia	856,425	25,104,541	38,622
America	2,400,530	-	-
Europe	1,557	-	-
Asia (exclude Malaysia)	290,933	-	-
Consolidated	3,549,445	25,104,541	38,622

#### A10. Post balance sheet events

There were no material events after the current quarter under review that require disclosure or adjustment to the unaudited condensed interim financial statements.

#### A11. Changes in the composition of the Group

There were no material changes in the composition of the Group for the current quarter under review.

#### A12. Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets as at 31 March 2012 and up to the date of this report.

#### A13. Capital commitments

As at 31 March 2012, the Group has no capital commitments.

#### A14. Related party transactions

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>31.3.12</b>	<b>31.3.11</b>	<b>31.3.12</b>	<b>31.3.11</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Precision tooling charges				
- Micro Carbide Engineering Sdn Bhd	59,820	61,701	59,820	61,701
- Accutek Engineering (Pg) Sdn Bhd	-	71,195	-	71,195
Rental income received				
- Micro Carbide Engineering Sdn Bhd	67,500	67,500	67,500	67,500

All related party transactions had been entered into in the ordinary course of business and transacted on a negotiated basis.



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**PART B - ACE Listing Requirements (Additional information pursuant to Chapter 9, Appendix 9B of the ACE Market Listing Requirements)**

**B1. Review of performance**

	← Quarter ended →					← Period-to-date →		
	31.3.12 RM	31.12.11 RM	Var %	31.3.11 RM	Var %	31.3.12 RM	31.3.11 RM	Var %
<b>Revenue</b>	3,816,840	4,234,534	-10	3,549,445	8	3,816,840	3,549,445	8
Cost of sales	(2,872,666)	(3,359,207)	14	(2,951,838)	3	(2,872,666)	(2,951,838)	3
<b>Gross profit</b>	944,174	875,327	8	597,607	58	944,174	597,607	58
Other operating income	73,974	112,999	-35	73,280	1	73,974	73,280	1
Other operating expenses	(152,464)	(148,147)	-3	(77,328)	-97	(152,464)	(77,328)	97
Administrative expenses	(698,855)	(846,180)	16	(727,372)	4	(698,855)	(727,372)	4
<b>Profit / (Loss) before operations</b>	166,829	(6,001)	2,880	(133,813)	-224	166,829	(133,813)	234
Interest expense	(1,362)	(2,573)	47	-	-	(1,362)	-	-
<b>Profit / (Loss) before taxation</b>	165,467	(8,574)		(133,813)		165,467	(133,813)	
Tax expense	-	-		-	-	-	-	-
<b>Net profit / (loss) for the period</b>	165,467	(8,574)		(133,813)		165,467	(133,813)	

For the quarter ended 31 March 2012, the Group recorded a revenue of RM3.817 million and a profit before taxation of RM165,467. The Group's revenue increased by 8% from RM3.549 million in the corresponding quarter of the preceding year 2011. The increase in revenue was mainly attributed to more orders for machines from the semiconductor and opto-electronic industry. The higher gross margin was in tandem with the higher sales made during the quarter.

The higher other operating expenses was mainly due to foreign exchange losses arising from the weakened US Dollar against RM during the current quarter.

**B2. Variation of results against preceding quarter**

Revenue for the current quarter of RM3.817 million was 10% lower than that recorded in the preceding quarter of RM4.235 million mainly attributed to lower volume of sales being captured relatively. Despite the lower sales, better gross margin recorded was due to sales of mostly customized machines.

Decrease in administrative expenses was mainly contributed by cost control measures exercised by the Management to keep major expenses in check so as to run the operation effectively and efficiently.

**B3. Current year prospects**

The Board of Directors foresees the current year's performance to be challenging in view of the uncertain global economic condition in both the USA and European countries that would spill over to the local economy. This is further aggravated by the stiff competition among the many players in the automation market.

The Group will however continue to actively pursue business opportunities locally and abroad.

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**B4. Board of Directors' opinion on revenue / profit estimate / forecast / projection / internal targets**

Not applicable as the Group did not announce or disclose in any public document any revenue or profit estimate, forecast, projection or internal targets.

**B5. Profit forecast**

Not applicable as the Group did not announce or disclose in a public document any profit forecast or profit guarantee.

**B6. Breakdown of tax charge and explanation of variance between the effective and statutory tax rate for the current quarter and the financial period-to-date**

Reconciliation of effective tax expense:

	<b>Current year quarter 31.3.12 RM</b>	<b>Preceding year quarter 31.3.11 RM</b>
<b>Profit / (Loss) before tax</b>	<b>165,467</b>	<b>(133,813)</b>
Taxation at Malaysian statutory tax rate of 25%	41,367	(33,453)
Non-deductible expenses	7,177	7,927
Losses not available for set-off	9,762	10,545
Pioneer income	(31,675)	-
Unrecognised deferred tax assets	(26,631)	14,981
	<hr/>	<hr/>
Under/(Over) provision in prior year	-	-
	<hr/>	<hr/>
Tax expense	<hr/> <b>-</b>	<hr/> <b>-</b>

No tax provision was made by the Group for the quarter in view of the availability of unabsorbed business losses brought forward from previous years.

**B7. Unquoted investments and properties**

There were no sale of unquoted investments and/or properties for the current quarter under review.

**B8. Quoted investments**

There were no purchases or disposals of quoted securities for the current quarter under review.

**B9. Status of corporate proposal announced**

There is no corporate proposal announced but not completed as at the date of this report.

**B10. Group's borrowings and debt securities**

The Group's borrowings are secured by a charge over the leased assets, denominated in Ringgit Malaysia and classified as follows:

	<b>Current year quarter 31.3.12 RM</b>	<b>Preceding quarter 31.12.11 RM</b>
<u>Hire Purchase</u>		
Non-current liabilities	55,742	65,766
Current liabilities	39,282	38,737
	<hr/> <b>95,024</b>	<hr/> <b>104,503</b>

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**B11. Off balance sheet financial instruments**

There were no off balance sheet financial instruments as at the date of this report.

**B12. Material litigation**

There are no material litigations pending as at the date of this report.

**B13. Dividends proposed or declared**

No dividend was proposed or declared by the Company during the current quarter under review.

**B14. Earnings per share (EPS)**

a) **Basic EPS**

Basic EPS is calculated by dividing the net profit after tax and minority interests for the period by number of ordinary shares in issue during the period.

	Individual Quarter		Cumulative Quarter	
	31.3.12	31.3.11	31.3.12	31.3.11
	RM	RM	RM	RM
Net profit / (loss) after tax and minority interests (RM)	165,467	(133,813)	165,467	(133,813)
Weighted average number of ordinary shares in issue	163,000,000	163,000,000	163,000,000	163,000,000
<b>Basic (loss) / earnings per share (sen)</b>	<b>0.1015</b>	<b>(0.0821)</b>	<b>0.1015</b>	<b>(0.0821)</b>

b) **Diluted EPS**

The Group does not have any convertible securities and accordingly diluted EPS is not applicable.

**B15. Realised and Unrealised Profit / (Losses) Disclosure**

The retained profits as at 31 March 2012 and 31 December 2011 is analysed as follows:

	Current quarter 31.3.12 RM	Preceding quarter 31.12.11 RM Restated
Total retained profits of the Group		
- realised profit	394,140	124,754
- unrealised (loss) / profit	(6,883)	97,036
Total Group retained profits as per consolidated financial statements	<u>387,257</u>	<u>221,790</u>

**B16. Profit / (Loss) before tax**

The following items have been included in arriving at profit / (loss) before tax:

	Individual quarter 31.3.12 RM	Cumulative quarter 31.3.12 RM
Interest expense	1,362	1,362
Depreciation	129,650	129,650
Foreign exchange loss - realised	145,581	145,581
- unrealised	6,883	6,883
Interest income	(6,474)	(6,474)

**B17. Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 24 May 2012.