MMS VENTURES BERHAD

(Company No. 647125-P)

(Incorporated in Malaysia)

Quarterly Report on Consolidated Results
For The Fourth Quarter Ended 31 December 2012

MMS VENTURES BERHAD
(Company No. 647125-P)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Financial Position
As at 31 December 2012

(The figures have not been audited)

	Note	31.12.12 (Unaudited) RM	31.12.11 (Restated) RM	1.1.11 (Restated) RM
Property, plant and equipment	A2	9,867,945	10,366,702	10,303,716
Total non-current assets		9,867,945	10,366,702	10,303,716
Inventories		5,462,670	10,973,239	8,520,484
Trade receivables		4,333,800	4,494,087	7,276,158
Sundry receivables, deposits and prepayments		206,694	72,745	196,254
Tax refundable		37,206	76,894	95,969
Fixed deposits with licensed banks		644,416	728,874	1,316,468
Cash and cash equivalents		1,873,325	1,175,375	681,416
Total current assets		12,558,111	17,521,214	18,086,749
Total assets		22,426,056	27,887,916	28,390,465
Equity				
Share capital		16,300,000	16,300,000	16,300,000
Share premium		4,663,468	4,663,468	4,663,468
Accumulated losses		(3,408,520)	(292,501)	(315,880)
Total equity attributable to shareholders of the Company		17,554,948	20,670,967	20,647,588
Total equity		17,554,948	20,670,967	20,647,588
Liabilities				
Deferred tax liabilities		504,098	514,291	524,484
Hire purchase creditors	B10	24,840	65,766	-
Total non-current liabilities		528,938	580,057	524,484
Trade payables		2,926,595	5,280,382	5,997,410
Sundry payables and accruals		1,374,649	1,317,773	1,220,983
Hire purchase creditors	B10	40,926	38,737	-
Total current liabilities		4,342,170	6,636,892	7,218,393
Total liabilities		4,871,108	7,216,949	7,742,877
Total equity and liabilities		22,426,056	27,887,916	28,390,465
Net assets per share (RM) @		0.11	0.13	0.13

@ 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 these interim financial statements.

MMS VENTURES BERHAD
(Company No. 647125-P)

(Incorporated in Malaysia)

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

	Note	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
		31.12.12	31.12.11 (Restated)	**31.12.12**	31.12.11 (Restated)
		RM	RM	**RM**	RM
Revenue		**2,683,533**	4,234,534	**16,257,120**	18,723,272
Cost of sales		**(2,203,074)**	(3,359,207)	**(12,230,225)**	(15,724,256)
Gross profit		**480,459**	875,327	**4,026,895**	2,999,016
Other operating income		**71,419**	112,999	**289,934**	553,447
Other operating expenses		**(3,658,401)**	(148,147)	**(4,114,355)**	(148,147)
Administrative expenses		**(675,139)**	(846,181)	**(3,320,055)**	(3,385,557)
(Loss) / Profit before operations		**(3,781,662)**	(6,002)	**(3,117,581)**	18,759
Interest expense		**(953)**	(2,573)	**(4,631)**	(2,573)
(Loss) / Profit before taxation		**(3,782,615)**	(8,575)	**(3,122,212)**	16,186
Tax expense	B6	**(1,452)**	(452)	**6,193**	7,193
Net (loss) / profit for the period	B1	**(3,784,067)**	(9,027)	**(3,116,019)**	23,379
Attributable to:					
Shareholders of the Company		**(3,784,067)**	(9,027)	**(3,116,019)**	23,379
Minority interests		**-**	-	**-**	
Net (loss) / profit for the period		**(3,784,067)**	(9,027)	**(3,116,019)**	23,379
Earnings per share					
(i) Basic (sen)	B14	**(2.3215)**	(0.0055)	**(1.9117)**	0.0143
(ii) Diluted (sen)		**NA**	NA	**NA**	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 these interim financial statements.

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

		Non-distributable	Distributable	
	Share Capital RM	Share Premium RM	(Accumulated Losses) / Retained Profits RM	Total RM
At 1 January 2012, as previously stated	16,300,000	4,663,468	(1,835,376)	19,128,092
Effect of transition to MFRS				
- opening retained earnings	-	-	1,573,452	1,573,452
- additional depreciation charge for the year, net of tax effect	-	-	(30,577)	(30,577)
	-	-	1,542,875	1,542,875
At 1 January 2012, as restated	16,300,000	4,663,468	(292,501)	20,670,967
Net loss for the period	-	-	(3,116,019)	(3,116,019)
At 31 December 2012	16,300,000	4,663,468	(3,408,520)	17,554,948
At 1 January 2011, as previously stated	16,300,000	4,663,468	(1,889,332)	19,074,136
Effect of transition to MFRS	-	-	1,573,452	1,573,452
At 1 January 2011, as restated	16,300,000	4,663,468	(315,880)	20,647,588
Net profit for the period	-	-	53,956	53,956
Effect of transition to MFRS				
- additional depreciation charge for the year, net of tax effect	-	-	(30,577)	(30,577)
	-	-	23,379	23,379
At 31 December 2011, as restated	16,300,000	4,663,468	(292,501)	20,670,967

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 these interim financial statements.

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

	12 months ended 31 December	
	2012	**2011**
	RM	**RM**
Cash flows from operating activities		
(Loss) / Profit before tax	(3,122,212)	16,186
Adjustments for :		
Depreciation of property, plant and equipment	513,919	479,417
Plant and equipment written off / down	7,653	1,343
Impairment of inventories	3,737,125	146,804
Allowance for doubtful debts	305,000	-
Foreign exchange loss / (gain)	73,078	(97,182)
Interest income	(17,299)	(21,879)
Interest expense	4,631	2,573
Operating profit before working capital changes	1,501,895	527,262
Adjustments for working capital changes:-		
Inventories	1,773,444	(2,892,348)
Trade receivables	(223,201)	2,887,424
Sundry receivables, deposits and prepayments	(133,949)	123,509
Trade payables	(2,352,076)	(1,588,939)
Sundry payables and accruals	56,876	956,989
Cash generated from operations	622,989	13,897
Interest received	17,299	21,879
Income tax refunded	35,688	16,075
Net cash generated from operating activities	675,976	51,851
Cash flows from investing activities		
Purchase of plant and equipment	(22,815)	(250,957)
Net cash used in investing activities	(22,815)	(250,957)
Cash flows from financing activities		
(Repayments) / Drawdown of hire purchase	(38,737)	104,503
Interest paid	(4,631)	(2,573)
Net cash (used in) / generated from financing activities	(43,368)	101,930
Net increase / (decrease) in cash and cash equivalents	609,793	(97,176)
Effect of exchange differences in cash and cash equivalents	3,699	3,541
Cash and cash equivalents at the beginning of year	1,904,249	1,997,884
Cash and cash equivalents at the end of period	2,517,741	1,904,249

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 these 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 December 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 ended 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:

	1 January 2011 RM	31 December 2011 RM
Consolidated statement of comprehensive income:		
Depreciation of property, plant and equipment		40,770
Adjustment to profit before tax		40,770
Consolidated statement of financial position:		
Property, plant and equipment	2,097,936	2,097,936
Additional depreciation of property, plant and equipment	-	(40,770)
Related tax effect	(524,484)	(514,291)
Adjustment to retained earnings	1,573,452	1,542,875

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
(i) Reconciliation as at 1 January 2011			
Property, plant and equipment	8,205,780	2,097,936	10,303,716
Retained earnings	(1,889,332)	1,573,452	(315,880)
Deferred tax liabilities	-	524,484	524,484

	FRS as at 31.12.2011 RM	Adjustment RM	MFRS as at 31.12.2011 RM
(ii) Reconciliation as at 31 December 2011			
Property, plant and equipment	8,309,536	2,057,166 *	10,366,702
Retained earnings	(1,835,376)	1,542,875	(292,501)
Deferred tax liabilities	-	514,291	514,291

* 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.

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

	Revenue from external customers by location of customers RM	Segment assets by location of assets RM	Capital expenditure by location of assets RM
3 months ended 31 December 2012			
Malaysia	1,161,178	22,388,850	13,610
America	1,450,458	-	-
Europe	-	-	-
Australia	19,212	-	-
Asia (exclude Malaysia)	52,685	-	-
Consolidated	2,683,533	22,388,850	13,610

	Revenue from external customers by location of customers RM	Segment assets by location of assets RM	Capital expenditure by location of assets RM
3 months ended 31 December 2011			
Malaysia	391,823	27,811,022	49,550
America	3,272,647	-	-
Australia	19,678	-	-
Asia (exclude Malaysia)	550,386	-	-
Consolidated	4,234,534	27,811,022	49,550

	Revenue from external customers by location of customers RM	Segment assets by location of assets RM	Capital expenditure by location of assets RM
12 months ended 31 December 2012			
Malaysia	3,994,080	22,388,850	22,815
America	10,703,356	-	-
Europe	6,772	-	-
Australia	58,807	-	-
Asia (exclude Malaysia)	1,494,105	-	-
Consolidated	16,257,120	22,388,850	22,815

	Revenue from external customers by location of customers RM	Segment assets by location of assets RM	Capital expenditure by location of assets RM
12 months ended 31 December 2011			
Malaysia	2,843,648	27,811,022	250,957
America	14,522,876	-	-
Europe	1,557	-	-
Australia	38,484	-	-
Asia (exclude Malaysia)	1,316,707	-	-
Consolidated	18,723,272	27,811,022	250,957

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 December 2012 and up to the date of this report.

A13. Capital commitments

Approved and contracted for	**31.12.12** **RM**
Motor vehicle	**73,000**

A14. Related party transactions

	Individual Quarter		**Cumulative Quarter**	
	31.12.12 **RM**	31.12.11 RM	**31.12.12** **RM**	31.12.11 RM
Precision tooling charges				
- Micro Carbide Engineering Sdn Bhd	**30,960**	69,106	**183,185**	251,086
- Accutek Engineering (Pg) Sdn Bhd	**-**	-	**20,210**	210,584
Rental income received				
- Micro Carbide Engineering Sdn Bhd	**67,500**	67,500	**270,000**	270,000

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

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		
	31.12.12 RM	30.9.12 RM	**Var %**	**31.12.11 RM**	**Var %**	**31.12.12 RM**	**31.12.11 RM**	**Var %**
Revenue	**2,683,533**	3,922,504	-32	4,234,534	-37	**16,257,120**	18,723,272	-13
Cost of sales	**(2,203,074)**	(2,769,272)	20	(3,359,207)	34	**(12,230,225)**	(15,724,256)	22
Gross profit	**480,459**	1,153,232	-58	875,327	-45	**4,026,895**	2,999,016	34
Other operating income	**71,419**	71,670		112,999	-37	**289,934**	553,447	-48
Other operating expenses	**(3,658,401)**	(562,970)	-550	(148,147)	-2,369	**(4,114,355)**	(148,147)	-2,677
Administrative expenses	**(675,139)**	(837,668)	19	(846,181)	20	**(3,320,055)**	(3,385,557)	2
(Loss) / Profit before operations	**(3,781,662)**	(175,736)		(6,002)		**(3,117,581)**	18,759	
Interest expense	**(953)**	(1,090)		(2,573)		**(4,631)**	(2,573)	
(Loss) / Profit before taxation	**(3,782,615)**	(176,826)		(8,575)		**(3,122,212)**	16,186	
Tax expense	**(1,452)**	7,645		(452)		**6,193**	7,193	-
Net (loss) / profit for the period	**(3,784,067)**	(169,181)		(9,027)		**(3,116,019)**	23,379	

For the quarter ended 31 December 2012, the Group recorded a revenue of RM2.684 million and a loss before taxation of RM3.782 million. The Group's revenue decreased by 37% from RM4.235 million in the corresponding quarter of the preceding year 2011. The decrease in revenue was mainly attributed to lesser orders for machines from the semiconductor and opto-electronic industry. Gross margin recorded was in tandem with the nature of machines sold during the quarter.

Increase in other operating expenses was mainly due to the impairment of inventories which amounted to RM3.629 million during the quarter. 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.

The tax expense was in respect of reversal of tax effect arising from the revaluation of land and building.

B2. Variation of results against preceding quarter

Revenue for the current quarter of RM2.684 million was 32% lower than that recorded in the preceding quarter of RM3.923 million. This was mainly due to the timing of completion and delivery of certain customized machines during the preceding quarter. The gross margin recorded was in tandem with sales captured during the period.

Increase in other operating expenses was mainly due to the impairment of inventories charged to income statement during the current quarter. Decrease in administrative expenses was mainly attributed to the cost control measures exercised by the Management to keep major expenses in check.

B3. Current year prospects

The Board of Directors foresees performance for the coming year to be challenging. While the Semiconductor Industry is expected to remain sluggish in year 2013, the Board sees more opportunities in the LED Sector. It believes that the Group is able to capture more LED market share to compensate for the loss of orders from the Semiconductor Industry.

The Group will however continue to actively explore the potentials hidden in LED Sector and pursue business opportunities locally and abroad.

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:

	Individual Quarter		**Cumulative Quarter**	
	31.12.12	31.12.11	**31.12.12**	31.12.11
	RM	RM	**RM**	RM
(Loss) / Profit before tax	**(3,782,615)**	(8,575)	**(3,122,212)**	16,186
Taxation at Malaysian statutory tax rate of 25%	**(945,654)**	(2,144)	**(780,553)**	4,047
Non-deductible expenses	**12,540**	29,038	**36,243**	46,861
Losses not available for set-off	**12,305**	11,940	**42,889**	44,726
Pioneer income	**(18,487)**	(4,676)	**(81,690)**	(4,758)
Revaluation of land and building	**(2,548)**	(2,548)	**(10,193)**	(10,193)
Unrecognised deferred tax assets	**943,296**	(31,158)	**787,111**	(87,876)
	1,452	452	(6,193)	(7,193)
Under/(Over) provision in prior year	**-**	-	-	-
Tax expense	**1,452**	452	(6,193)	(7,193)

Tax expense was in respect of reversal of tax effect arising from the revaluation of land and building.

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:

Hire Purchase	**31.12.12 RM**	31.12.11 RM
Non-current liabilities	24,840	65,766
Current liabilities	40,926	38,737
	65,766	104,503

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 (loss) / profit after tax and minority interests for the period by number of ordinary shares in issue during the period.

	Individual Quarter		**Cumulative Quarter**	
	31.12.12 RM	31.12.11 RM	**31.12.12 RM**	31.12.11 RM
Net (loss) / profit after tax and minority interests (RM)	**(3,784,067)**	(9,027)	**(3,116,019)**	23,379
Weighted average number of ordinary shares in issue	**163,000,000**	163,000,000	**163,000,000**	163,000,000
Basic earnings per share (sen)	**(2.3215)**	(0.0055)	(1.9117)	0.0143

b) **Diluted EPS**

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

B15. Realised and Unrealised (Profit) / Loss Disclosure

The accumulated losses as at 31 December 2012 and 31 December 2011 is analysed as follows:

	31.12.12 RM	31.12.11 RM
Total accumulated losses of the Group		
- accumulated losses	3,335,442	389,683
- unrealised loss / (profit)	73,078	(97,182)
Total Group accumulated losses as per consolidated financial statements	3,408,520	292,501

B16. (Loss) / Profit before taxation

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

	Individual Quarter		Cumulative quarter	
	31.12.12	31.12.11	**31.12.12**	31.12.11
	RM	RM	**RM**	RM
Interest expense	953	2,573	4,631	2,573
Depreciation	125,366	150,564	513,919	479,417
Plant and equipment written off / down	1,752	544	7,653	1,343
Impairment of inventories	3,629,932	146,804	3,737,125	146,804
Allowance for doubtful debts	-	-	305,000	-
Foreign exchange loss / (profit)				
- realised	248,913	(146,063)	296,500	(146,804)
- unrealised	(118,095)	104,635	73,078	(97,182)
Interest income	(4,964)	(6,196)	(20,979)	(21,879)

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 26 February 2013.