



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

(Incorporated in Malaysia)

**Quarterly Report on Consolidated Results  
For The Fourth Quarter Ended 31 December 2015**

(Incorporated in Malaysia)

## Condensed Consolidated Statement of Financial Position

As at 31 December 2015

(The figures have not been audited)

	Note	31.12.15 (Unaudited) RM	31.12.14 (Audited) RM
Property, plant and equipment		9,846,692	9,921,884
<b>Total non-current assets</b>		<b>9,846,692</b>	<b>9,921,884</b>
Inventories		5,068,033	7,386,942
Other investments		2,014,420	-
Trade receivables		6,865,810	6,813,466
Sundry receivables, deposits and prepayments		749,362	539,446
Tax refundable		16,100	13,849
Fixed deposits with licensed banks		12,498,908	11,377,186
Cash and cash equivalents		4,499,667	4,337,567
<b>Total current assets</b>		<b>31,712,300</b>	<b>30,468,456</b>
<b>Total assets</b>		<b>41,558,992</b>	<b>40,390,340</b>
<b>Equity</b>			
Share capital		16,300,000	16,300,000
Treasury shares		(749,545)	-
Share premium		4,663,468	4,663,468
Unappropriated profits		15,267,574	10,438,296
<b>Total equity attributable to shareholders of the Company</b>		<b>35,481,497</b>	<b>31,401,764</b>
<b>Total equity</b>		<b>35,481,497</b>	<b>31,401,764</b>
<b>Liabilities</b>			
Hire purchase creditors	B10	-	18,790
Deferred tax liabilities		473,519	483,712
<b>Total non-current liabilities</b>		<b>473,519</b>	<b>502,502</b>
Trade payables		3,381,181	5,776,541
Sundry payables and accruals		2,165,181	2,667,312
Hire purchase creditors	B10	18,790	42,221
Provision for taxation		38,824	-
<b>Total current liabilities</b>		<b>5,603,976</b>	<b>8,486,074</b>
<b>Total liabilities</b>		<b>6,077,495</b>	<b>8,988,576</b>
<b>Total equity and liabilities</b>		<b>41,558,992</b>	<b>40,390,340</b>
<b>Net assets per share (RM) @</b>		<b>0.22</b>	<b>0.19</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 2014 and the accompanying explanatory notes attached to these interim financial statements.

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**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the Fourth Quarter Ended 31 December 2015**  
(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
		31.12.15 RM	31.12.14 RM	31.12.15 RM	31.12.14 RM
<b>Revenue</b>		<b>4,514,966</b>	7,120,627	<b>31,290,593</b>	39,691,464
Cost of sales		(2,701,562)	(4,811,349)	(21,159,754)	(26,462,499)
<b>Gross profit</b>		<b>1,813,404</b>	2,309,278	<b>10,130,839</b>	13,228,965
Other operating income		<b>106,500</b>	702,339	<b>2,053,579</b>	1,381,058
Other operating expenses		(467,466)	(301,730)	(472,490)	(301,730)
Administrative expenses		(737,361)	(962,831)	(3,529,588)	(3,795,108)
<b>Profit from operations</b>		<b>715,077</b>	1,747,056	<b>8,182,340</b>	10,513,185
Interest expense		(355)	(1,047)	(2,285)	(2,729)
<b>Profit before taxation</b>		<b>714,722</b>	1,746,009	<b>8,180,055</b>	10,510,456
Tax expense	B6	(25,451)	(22,451)	(97,807)	(54,807)
<b>Net profit for the period</b>	B1	<b>689,271</b>	1,723,558	<b>8,082,248</b>	10,455,649
<b>Attributable to:</b>					
Shareholders of the Company		<b>689,271</b>	1,723,558	<b>8,082,248</b>	10,455,649
Minority interests		-	-	-	-
<b>Net profit for the period</b>		<b>689,271</b>	1,723,558	<b>8,082,248</b>	10,455,649
<b>Earnings per share</b>					
(i) Basic (sen)	B14	<b>0.42</b>	1.06	<b>4.97</b>	6.41
(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 2014 and the accompanying explanatory notes attached to these interim financial statements.

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**Condensed Consolidated Statement of Changes in Equity**  
**For the Fourth Quarter Ended 31 December 2015**  
(The figures have not been audited)

	Share Capital RM	Treasury Shares RM	Non-distributable Share Premium RM	Distributable Retained Profits RM	Total RM
<b>At 1 January 2015</b>	16,300,000	-	4,663,468	10,438,296	31,401,764
<b>Transactions with owners</b>					
Purchase of treasury shares	-	(749,545)	-	-	(749,545)
Dividend paid / declared	-	-	-	(3,252,970)	(3,252,970)
	-	(749,545)	-	(3,252,970)	(4,002,515)
Net profit for the year	-	-	-	8,082,248	8,082,248
<b>At 31 December 2015</b>	<b>16,300,000</b>	<b>(749,545)</b>	<b>4,663,468</b>	<b>15,267,574</b>	<b>35,481,497</b>
<b>At 1 January 2014</b>	16,300,000	-	4,663,468	1,612,647	22,576,115
<b>Transactions with owners</b>					
Purchase of treasury shares	-	-	-	-	-
Dividend paid	-	-	-	(1,630,000)	(1,630,000)
	-	-	-	(1,630,000)	(1,630,000)
Net profit for the year	-	-	-	10,455,649	10,455,649
<b>At 31 December 2014</b>	<b>16,300,000</b>	<b>-</b>	<b>4,663,468</b>	<b>10,438,296</b>	<b>31,401,764</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to these interim financial statements.

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**Condensed Consolidated Statement of Cash Flows**  
**For the Fourth Quarter Ended 31 December 2015**  
(The figures have not been audited)

	<b>12 months ended 31 December</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
<b>Cash flows from operating activities</b>		
Profit before tax	8,180,055	10,510,456
<i>Adjustments for :</i>		
Depreciation of property, plant and equipment	605,710	540,890
Gain on fair value adjustment of other investments	(19,317)	-
Unrealised foreign exchange gain	(231,489)	(443,900)
Inventories written off	467,466	301,730
Impairment loss on trade receivables	-	39,050
Trade receivables written off	-	2,043
Loss / (Gain) on disposal of plant and equipment	5,024	(39,129)
Gain on disposal of other investments	(135,341)	-
Interest income	(495,142)	(278,994)
Interest expense	2,285	2,729
<i>Operating profit before working capital changes</i>	8,379,251	10,634,875
<i>Adjustments for working capital changes:-</i>		
Inventories	1,851,443	(3,577,707)
Trade receivables	179,087	(2,276,739)
Sundry receivables, deposits and prepayments	(209,916)	(425,576)
Trade payables	(2,398,367)	4,222,246
Sundry payables and accruals	(502,131)	598,635
<i>Cash generated from operations</i>	7,299,367	9,175,734
Interest received	495,142	278,994
Income tax paid	(71,427)	(68,867)
<i>Net cash generated from operating activities</i>	7,723,082	9,385,861
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(535,542)	(817,909)
Purchase of other investments	(3,976,303)	-
Proceeds from disposal of plant and equipment	-	42,300
Proceeds from disposal of other investments	2,116,541	-
<i>Net cash used in investing activities</i>	(2,395,304)	(775,609)
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(749,545)	-
Dividends paid	(3,252,970)	(1,630,000)
Repayments of hire purchase	(42,221)	(49,382)
Interest paid	(2,285)	(2,729)
<i>Net cash used in financing activities</i>	(4,047,021)	(1,682,111)
<b>Net increase in cash and cash equivalents</b>	1,280,757	6,928,141
<b>Effect of exchange differences in cash and cash equivalents</b>	3,065	43,780
<b>Cash and cash equivalents at the beginning of year</b>	15,714,753	8,742,832
<b>Cash and cash equivalents at the end of year</b>	16,998,575	15,714,753

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to these interim financial statements.

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## Notes to the Interim Financial Statements

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

#### A1. Basis of preparation

These financial statements are unaudited and have been prepared in accordance with MFRS 134, Interim Financial Reporting in Malaysia and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market.

These interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014. These explanatory notes attached to the interim financial statements provide an explanation of the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2014.

These financial statements of the Group and the Company for the financial year ended 31 December 2014 were prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the provisions of the Companies Act 1965 in Malaysia.

#### A2. Auditors’ report of preceding annual financial statements

The auditors’ report on the financial statements for the financial year ended 31 December 2014 was not qualified.

#### A3. Seasonal or cyclical factors

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

#### A4. 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.

#### A5. Changes in estimates

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

#### A6. Debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the current quarter-to-date under review, except for the following:

##### Treasury shares

Number of treasury shares held as at 31 December 2015 were as follows:

Balance at 1 January 2015	-
Add: Purchase of treasury shares	1,106,600
Balance at 31 December 2015	<u>1,106,600</u>

#### A7. Dividend paid

The first interim single tier dividend of 1 sen per ordinary share of RM0.10 each for the year ended 31 December 2015 was paid on 16 October 2015.

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## A8. 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 December 2015</b>			
Malaysia	1,233,923	41,542,892	306,784
America	2,845,623	-	-
Europe	250,983	-	-
Australia	263	-	-
Asia (exclude Malaysia)	184,174	-	-
Consolidated	<u>4,514,966</u>	<u>41,542,892</u>	<u>306,784</u>

	<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 December 2014</b>			
Malaysia	2,292,012	40,376,491	-
America	3,919,570	-	-
Europe	-	-	-
Australia	112,113	-	-
Asia (exclude Malaysia)	796,932	-	-
Consolidated	<u>7,120,627</u>	<u>40,376,491</u>	<u>-</u>

	<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>12 months ended 31 December 2015</b>			
Malaysia	8,479,941	41,542,892	535,542
America	15,610,927	-	-
Europe	266,302	-	-
Australia	46,792	-	-
Asia (exclude Malaysia)	6,886,631	-	-
Consolidated	<u>31,290,593</u>	<u>41,542,892</u>	<u>535,542</u>

	<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>12 months ended 31 December 2014</b>			
Malaysia	18,339,720	40,376,491	817,909
America	13,257,002	-	-
Europe	300,247	-	-
Australia	146,030	-	-
Asia (exclude Malaysia)	7,648,465	-	-
Consolidated	<u>39,691,464</u>	<u>40,376,491</u>	<u>817,909</u>

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**A9. 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.

**A10. Changes in the composition of the Group**

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

**A11. Contingent liabilities and contingent assets**

There were no contingent liabilities or contingent assets as at 31 December 2015 and up to the date of this report.

**A12. Capital commitments**

<u>Approved but not contracted for</u>	<b>31.12.15</b>
	<b>RM</b>
Capital and R&D expenditure	<u>1,200,000</u>

**A13. Related party transactions**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>31.12.15</b>	31.12.14	<b>31.12.15</b>	31.12.14
	<b>RM</b>	RM	<b>RM</b>	RM
Micro Carbide Engineering Sdn Bhd				
- Precision tooling charges	24,860	105,519	267,502	657,438
- Rental income received	89,100	67,500	327,600	270,000

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 →		
	31.12.15 RM	30.9.15 RM	Var %	31.12.14 RM	Var %	31.12.15 RM	31.12.14 RM	Var %
<b>Revenue</b>	<b>4,514,966</b>	7,691,692	-41	7,120,627	-37	<b>31,290,593</b>	39,691,464	-21
Cost of sales	<b>(2,701,562)</b>	(5,725,747)	53	(4,811,349)	42	<b>(21,159,754)</b>	(26,462,499)	20
<b>Gross profit</b>	<b>1,813,404</b>	1,965,945	-32	2,309,278	-21	<b>10,130,839</b>	13,228,965	-23
Other operating income	<b>106,500</b>	1,102,854	-90	702,339	-85	<b>2,053,579</b>	1,381,058	49
Other operating expenses	<b>(467,466)</b>	(5,028)	-92	(301,730)	-55	<b>(472,490)</b>	(301,730)	-57
Administrative expenses	<b>(737,361)</b>	(880,903)	16	(962,831)	23	<b>(3,529,588)</b>	(3,795,108)	7
<b>Profit from operations</b>	<b>715,077</b>	2,182,868	-67	1,747,056	-59	<b>8,182,340</b>	10,513,185	-22
Interest expense	<b>(355)</b>	(499)		(1,047)		<b>(2,285)</b>	(2,729)	
<b>Profit before taxation</b>	<b>714,722</b>	2,182,369	-67	1,746,009	-59	<b>8,180,055</b>	10,510,456	-22
Tax expense	<b>(25,451)</b>	(16,402)		(22,451)		<b>(97,807)</b>	(54,807)	-
<b>Net profit for the period</b>	<b>689,271</b>	2,165,967		1,723,558		<b>8,082,248</b>	10,455,649	

*Comparison with the corresponding period in the previous year*

The Group recorded a revenue of RM4.515 million for the current quarter, a decrease of 37% (RM2.606 million) as compared to RM7.121 million of the corresponding quarter in the previous year. The quarter under review saw a decrease in sales of machine to the manufacturers of both LED and Semiconductor industry. The uncertain global economic conditions over the past few months have prompted these manufacturers to be rather cautious in their spending on capital expenditure.

In tandem with the decline in revenue, gross profit also decreased by 21% as compared to the corresponding quarter in the previous year. The decrease in other operating income was due to smaller fluctuation in the foreign exchange rate between the US Dollar and RM during the current quarter as compared to the previous year's quarter. The decrease in administrative expenses was attributed to the cautious spending by the management during the current quarter.

The increase in other operating expenses was due to certain inventories written off during the current quarter.

*Financial period-to-date against preceding year corresponding financial period*

The total revenue of the Group of RM31.291 million for the year ended 31 December 2015 decreased by 21% (RM8.401 million) as compared to RM39.691 million reported in the previous financial period. The lower revenue was due to lower volume of machines sold to meet the market demand as the whole global market came to a slow down.

The increase in other operating income was attributable to the increase in interest income coupled with the stronger forex gain during the early quarters of current year since a significant portion of the Group's sales was denominated in the strong US Currency.

The increase in other operating expenses was in respect of certain inventories written off during the financial year.

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

Revenue for the current quarter of RM4.515 million was 41% lower than that recorded in the preceding quarter of RM7.692 million mainly attributed to a sharper decline in demand for machines during the quarter. Gross margin recorded was consistent with the nature of machines sold during the quarter.

The current quarter saw a lower other operating income mainly due to smaller fluctuation in the exchange rate of US Dollar against RM. The increase in other operating expenses was due to certain inventories written off during the current quarter.

**B3. Current year prospects**

Generally, the overall market has been weak but not for one industry only. There are signs and directions that our business under the present trying times has remained steadfast. Meanwhile, the Group's key priorities are to continue to enhance its operational efficiency to deliver another positive set of results in the coming year.

**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	
	31.12.15	31.12.14	31.12.15	31.12.14
	RM	RM	RM	RM
<b>Profit before tax</b>	714,722	1,746,009	8,180,055	10,510,456
Taxation at Malaysian statutory tax rate of 25%	178,681	436,502	2,045,014	2,627,614
Non-deductible expenses	(27,156)	20,423	45,234	39,567
Losses not available for set-off	7,720	13,013	34,213	43,523
Pioneer income	10,515	(114,861)	(8,755)	(364,505)
Crystallisation of deferred tax liability	(2,548)	(2,548)	(10,193)	(10,193)
Utilisation of tax allowances	(167,399)	(228,382)	(894,433)	(1,479,744)
Unrecognised deferred tax assets	25,638	(101,696)	(1,113,273)	(801,455)
<b>Tax expense</b>	<u>25,451</u>	<u>22,451</u>	<u>97,807</u>	<u>54,807</u>

**B7. Unquoted investments and properties**

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

**B8. Quoted investments**

A summary of the movement of quoted investments during the period ended 31 December 2015 is as follows:

	RM
Balance at 1 January 2015	-
Add: Purchase during the year	3,976,303
Less: Disposal during the year	(1,981,200)
Add: Gain on fair value adjustment	19,317
<b>Balance at 31 December 2015</b>	<u>2,014,420</u>

**B9. Status of corporate proposal announced**

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

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#### 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 31.12.15 RM</b>	<b>Preceding year 31.12.14 RM</b>
<u>Hire Purchase</u>		
Non-current liabilities	-	18,790
Current liabilities	18,790	42,221
	<u>18,790</u>	<u>61,011</u>

#### 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. Dividend declared

The Board of Directors declared a second interim single tier dividend of 1 sen per ordinary share of RM0.10 each for year ended 31 December 2015, payable on 15 April 2016. Entitlement to dividend would be based on Record of Depositors as at 18 March 2016.

#### 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.

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>31.12.15 RM</b>	<b>31.12.14 RM</b>	<b>31.12.15 RM</b>	<b>31.12.14 RM</b>
Net profit after tax and minority interests (RM)	689,271	1,723,558	8,082,248	10,455,649
Weighted average number of ordinary shares in issue	162,650,560	163,000,000	162,650,560	163,000,000
Basic earnings per share (sen)	0.42	1.06	4.97	6.41

##### b) Diluted EPS

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

#### B15. Realised and Unrealised Profit Disclosure

The unappropriated profits as at 31 December 2015 and 31 December 2014 is analysed as follows:

	<b>Current quarter 31.12.15 RM</b>	<b>Preceding year 31.12.14 RM</b>
Total unappropriated profits of the Group		
- realised profit	15,016,768	9,994,396
- unrealised profit	250,806	443,900
Total Group unappropriated profits as per consolidated financial statements	<u>15,267,574</u>	<u>10,438,296</u>

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**B16. Profit before tax**

The following items have been included in arriving at profit before tax:

	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Quarter 12 months ended</b>	
	<b>31.12.15</b>	31.12.14	<b>31.12.15</b>	31.12.14
	<b>RM</b>	RM	<b>RM</b>	RM
Depreciation	158,230	71,835	605,710	540,890
Gain on fair value adjustment of other investments	(16,240)	-	(19,317)	-
Inventories written off	467,466	301,730	467,466	301,730
Foreign exchange (gain) / loss - realised	6,927	374,386	(864,275)	(349,036)
- unrealised	262,029	(112,551)	(231,489)	(443,900)
Interest expense	355	1,047	2,285	2,729
Interest income	(152,976)	(102,141)	(495,142)	(278,994)
Loss / (Gain) from disposal of plant and equipment	-	1,544	5,024	(39,129)
Gain on disposal of other investments	(135,341)	-	(135,341)	-

**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 22 February 2016.