



MMS VENTURES BERHAD
(Company No. 647125-P)

(Incorporated in Malaysia)

**Quarterly Report on Consolidated Results
For The Second Quarter Ended 30 June 2018**

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Financial Position
As at 30 June 2018**

	Note	30.6.18 (Unaudited) RM	31.12.17 (Audited) Restated RM
Property, plant and equipment		9,069,153	9,230,202
Total non-current assets		9,069,153	9,230,202
Inventories		9,773,300	12,044,734
Other investments	B8	4,428,467	4,413,507
Trade receivables		13,858,526	17,394,445
Sundry receivables, deposits and prepayments		1,242,247	1,460,153
Tax refundable		61,971	58,878
Fixed deposits with licensed banks		23,178,705	21,427,922
Cash and cash equivalents		4,294,188	7,309,927
Total current assets		56,837,404	64,109,566
Total assets		65,906,557	73,339,768
Equity			
Share capital		20,963,468	20,963,468
Treasury shares		(2,976,713)	(1,479,991)
Retained profits		39,818,572	37,070,573
Total equity attributable to shareholders of the Company		57,805,327	56,554,050
Total equity		57,805,327	56,554,050
Liabilities			
Deferred tax liabilities		448,037	453,133
Total non-current liabilities		448,037	453,133
Trade payables		3,710,341	8,046,876
Sundry payables and accruals		3,694,577	8,285,709
Current tax liabilities		248,275	-
Total current liabilities		7,653,193	16,332,585
Total liabilities		8,101,230	16,785,718
Total equity and liabilities		65,906,557	73,339,768
Net assets per share (RM) @		0.35	0.35

@ 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 2017 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 Second Quarter Ended 30 June 2018
(The figures have not been audited)**

	Note	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
		30.6.18 RM	30.6.17 RM Restated	30.6.18 RM	30.6.17 RM Restated
Revenue		12,240,710	29,656,689	28,159,745	44,410,752
Cost of sales		(8,751,948)	(18,886,543)	(19,329,366)	(28,596,976)
Gross profit		3,488,762	10,770,146	8,830,379	15,813,776
Other operating income		289,404	305,775	639,543	767,216
Other operating expenses		449,880	(254,786)	(186,030)	(416,920)
Administrative expenses		(1,183,471)	(1,666,225)	(2,229,600)	(2,934,514)
Profit before tax		3,044,575	9,154,910	7,054,292	13,229,558
Tax expense	B6	(273,453)	(18,452)	(290,905)	(43,904)
Net profit for the period	B1	2,771,122	9,136,458	6,763,387	13,185,654
Attributable to:					
Shareholders of the Company		2,771,122	9,136,458	6,763,387	13,185,654
Minority interests		-	-	-	-
Net profit for the period		2,771,122	9,136,458	6,763,387	13,185,654
Earnings per share					
(i) Basic (sen)	B14	1.73	5.67	4.22	8.18
(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 2017 and the accompanying explanatory notes attached to these interim financial statements.

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Condensed Consolidated Statement of Changes in Equity
For the Second Quarter Ended 30 June 2018
(The figures have not been audited)

	Share Capital RM	Non-distributable Share Premium RM	Treasury Shares RM	Distributable Retained Profits RM	Total RM
At 1 January 2018	20,963,468	-	(1,479,991)	38,589,316	58,072,793
Adjustment on adoption of MFRS 9	-	-	-	(92,246)	(92,246)
Adjustment on adoption of MFRS 15	-	-	-	(1,426,497)	(1,426,497)
Adjusted 1 January 2018	20,963,468	-	(1,479,991)	37,070,573	56,554,050
Transactions with owners					
Purchase of treasury shares	-	-	(1,496,722)	-	(1,496,722)
Dividend payable	-	-	-	(4,015,388)	(4,015,388)
	-	-	(1,496,722)	(4,015,388)	(5,512,110)
Net profit for the period	-	-	-	6,763,387	6,763,387
At 30 June 2018	20,963,468	-	(2,976,713)	39,818,572	57,805,327
At 1 January 2017	16,300,000	4,663,468	(1,158,913)	21,562,278	41,366,833
Adjustment on adoption of MFRS 15	-	-	-	(83,135)	(83,135)
Adjusted 1 January 2017	16,300,000	4,663,468	(1,158,913)	21,479,143	41,283,698
Transactions with owners					
Purchase of treasury shares	-	-	-	-	-
Dividend payable	-	-	-	(1,611,085)	(1,611,085)
	-	-	-	(1,611,085)	(1,611,085)
Transfer pursuant to Companies Act, 2016	4,663,468	(4,663,468)	-	-	-
Net profit for the period	-	-	-	13,185,654	13,185,654
Restated at 30 June 2017	20,963,468	**	(1,158,913)	33,053,712	52,858,267

Note:

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With the introduction of the Companies Act 2016 effective 31 January 2017, the concepts of authorised share capital and par value of share capital have been abolished. Consequently, balance within the share premium account of RM4,663,468 has been transferred to the share capital account pursuant to the transitional provisions set out in Section 618(2) of the Companies Act 2016. Notwithstanding this provision, the Company may utilise its share premium account for purposes stipulated in Section 618(3) of the Companies Act 2016 for a transitional period of 24 months from 31 January 2017. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the member as a result of this transition.

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

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**Condensed Consolidated Statement of Cash Flows
For the Second Quarter Ended 30 June 2018
(The figures have not been audited)**

	6 months ended 30 June	
	2018	2017
	RM	RM
		Restated
Cash flows from operating activities		
Profit before tax	7,054,292	13,229,558
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	289,247	309,399
Loss / (Gain) on fair value adjustment of other investments	294,395	(144,296)
Unrealised foreign exchange (gain) / loss	(273,752)	66,525
Loss/(Gain) on disposal of plant and equipment	292	(300)
Impairment of receivables	69,545	-
Interest income	(395,963)	(330,020)
<i>Operating profit before working capital changes</i>	7,038,056	13,130,866
<i>Adjustments for working capital changes:</i>		
Inventories	2,271,434	(7,090,574)
Trade receivables	3,709,741	(19,969,954)
Sundry receivables, deposits and prepayments	217,906	(1,498,238)
Trade payables	(4,336,535)	12,842,013
Sundry payables and accruals	(4,591,132)	6,314,392
<i>Cash generated from operations</i>	4,309,470	3,728,505
Interest received	395,963	330,020
Income tax paid	(50,819)	(60,145)
<i>Net cash generated from operating activities</i>	4,654,614	3,998,380
Cash flows from investing activities		
Purchase of plant and equipment	(128,490)	(209,892)
(Purchase of) / proceeds from other investments	(309,355)	563,638
Proceeds from disposal of plant and equipment	-	300
<i>Net cash (used in) / generated from investing activities</i>	(437,845)	354,046
Cash flows from financing activities		
Purchase of treasury shares	(1,496,722)	-
Dividend paid	(4,015,388)	(1,611,085)
<i>Net cash used in financing activities</i>	(5,512,110)	(1,611,085)
Net (decrease) / increase in cash and cash equivalents	(1,295,341)	2,741,341
Effect of exchange differences in cash and cash equivalents	30,385	1,885
Cash and cash equivalents at the beginning of year	28,737,849	17,821,954
Cash and cash equivalents at the end of year	27,472,893	20,565,180

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 interim 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 Main Market.

These interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017. 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 2017.

These financial statements of the Group for the financial year ended 31 December 2017 were prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”). The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the year 31 December 2017, except for the adoption of the Standards, Amendments and Annual Improvement to Standards effective as of 1 January 2018.

Effective for annual periods commencing on or after 1 January 2018

- Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014 - 2016 Cycle)*
- MFRS 15 *Revenue from Contracts with Customers*
- Clarifications to MFRS 15 *Revenue from Contracts with Customers*
- MFRS 9 *Financial Instruments (2014)*
- Amendments to MFRS 2 *Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 128 *Annual Improvements to MFRSs 2014 - 2016 Cycle*
- IC Interpretations 22 *Foreign Currency Transactions and Advance Consideration*
- Amendments to MFRS 140 *Transfers of Investment Property*
- Amendments to MFRS 4 *Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*

The adoption of the above pronouncements did not have any impact on the financial statements of the Group, except for MFRS 9 and MFRS 15.

MFRS 9 Financial Instruments

MFRS 9 replaces MFRS 139 Financial Instruments: Recognition and Measurement. The adoption of MFRS 9 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets.

In respect of impairment of financial assets, MFRS 9 replaces the “incurred loss” model in MFRS 139 with an “expected credit loss” (ECL) model. The ECL model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognized.

The Group assesses on a forward-looking basis the ECLs associated with its financial assets classified at amortised cost under MFRS 15 Revenue from Contracts with Customers. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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A1. Basis of preparation (Cont'd)

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods and services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognized when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods and services.

The following reconciliations provide an estimate of the expected impact upon initial application of the new MFRS Frameworks, MFRS 9 and MFRS 15 on the financial position, profit or loss and other comprehensive income and cash flow statement of the Group.

(a) Reconciliation of financial position and equity

1 January 2018	Previously Reported RM'000	Effect of MFRS 9 RM'000	Effect of MFRS 15 RM'000	Restated RM'000
Property, plant and equipment	9,230	-	-	9,230
Total non-current assets	9,230	-	-	9,230
Inventories	9,748	-	2,297	12,045
Other investments	4,414	-	-	4,414
Trade receivables	17,486	(92)	-	17,394
Sundry receivables, deposits and prepayments	1,460	-	-	1,460
Tax refundable	59	-	-	59
Fixed deposits with licensed banks	21,428	-	-	21,428
Cash and cash equivalents	7,310	-	-	7,310
Total current assets	61,905	(92)	2,297	64,110
Total assets	71,135	(92)	2,297	73,340
Equity				
Share capital	20,963	-	-	20,963
Treasury shares	(1,480)	-	-	(1,480)
Retained profits	38,590	(92)	(1,427)	37,071
Total equity	58,073	(92)	(1,427)	56,554
Liabilities				
Deferred tax liabilities	453	-	-	453
Total non-current liabilities	453	-	-	453
Trade payables	8,047	-	-	8,047
Sundry payables and accruals *	4,562	-	3,724	8,286
Total current liabilities	12,609	-	3,724	16,333
Total liabilities	13,062	-	3,724	16,786
Total equity and liabilities	71,135	(92)	2,297	73,340
Net assets per share (RM)	0.36			0.35

* Includes deferred revenue

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A1. Basis of preparation (Cont'd)

(b) Reconciliation of profit or loss and other comprehensive income

Cumulative Quarter Ended 30 June 2017	Previously Reported RM'000	Effect of MFRS 15 RM'000	Restated RM'000
Revenue	44,283	128	44,411
Cost of sales	(28,552)	(45)	(28,597)
Gross profit	15,731	83	15,814
Other operating income	767	-	767
Other operating expenses	(417)	-	(417)
Administrative expenses	(2,934)	-	(2,934)
Profit before tax	13,147	83	13,230
Tax expense	(44)	-	(44)
Net profit for the period	13,103	83	13,186
Earnings per share			
(i) Basic (sen)	8.13	-	8.18
(ii) Diluted (sen)	NA	-	NA
Individual Quarter Ended 30 June 2017			
Revenue	29,378	279	29,657
Cost of sales	(18,745)	(142)	(18,887)
Gross profit	10,633	137	10,770
Other operating income	306	-	306
Other operating expenses	(255)	-	(255)
Administrative expenses	(1,667)	-	(1,667)
Profit before tax	9,017	137	9,154
Tax expense	(18)	-	(18)
Net profit for the period	8,999	137	9,136
Earnings per share			
(i) Basic (sen)	5.59	-	5.67
(ii) Diluted (sen)	NA	-	NA

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A1. Basis of preparation (Cont'd)

(c) Reconciliation of cash flow statement

Quarter ended 30 June 2017	Previously Reported RM'000	Effect of MFRS 15 RM'000	Restated RM'000
Cash flows from operating activities			
Profit before tax	13,147	83	13,230
<i>Adjustments for:</i>			
Non-cash items	231	-	231
Interest income	(330)	-	(330)
<i>Operating profit before working capital changes</i>	13,048	83	13,131
Inventories	(7,135)	45	(7,090)
Sundry payables and accruals	6,442	(128)	6,314
Changes in other working capital	(8,625)	-	(8,625)
<i>Cash generated from operations</i>	3,730	-	3,730
Interest received	330	-	330
Income tax paid	(60)	-	(60)
<i>Net cash generated from operating activities</i>	4,000	-	4,000
Cash flows from investing activities			
<i>Net cash generated from investing activities</i>	354	-	354
Cash flows from financing activities			
<i>Net cash used in financing activities</i>	(1,611)	-	(1,611)
Net increase in cash and cash equivalents	2,743	-	2,743
Effect of exchange differences in cash and cash equivalents	2	-	2
Cash and cash equivalents at the beginning of year	17,822	-	17,822
Cash and cash equivalents at the end of year	20,567	-	20,567

The following Standards and Amendments to Standards have been issued by the MASB but are not yet effective by the Group.

Effective for annual periods commencing on or after 1 January 2019

- MFRS 16 *Leases*
- Amendments to MFRS 9 *Prepayments Features with Negative Compensation*
- Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*
- IC Interpretation 23 *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3 *Annual Improvements to MFRSs Standards 2015 - 2017 Cycle*
- Amendments to MFRS 11 *Annual Improvements to MFRSs Standards 2015 - 2017 Cycle*
- Amendments to MFRS 112 *Annual Improvements to MFRSs Standards 2015 - 2017 Cycle*
- Amendments to MFRS 123 *Annual Improvements to MFRSs Standards 2015 - 2017 Cycle*
- Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*

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A1. Basis of preparation (Cont'd)

Effective for annual periods commencing on or after 1 January 2021

- MFRS 17 *Insurance Contracts*

Issued but not yet effective

Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group upon their initial application.

A2. Auditors' report of preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2017 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 30 June 2018 were as follows:

Balance at 1 January 2018	2,091,500
Add: Purchase of treasury shares	1,081,100
Balance at 30 June 2018	<u>3,172,600</u>

A7. Dividend paid

The second interim single tier dividend of 1 sen per ordinary share and a special single tier dividend of 1.5 sen per ordinary share for the year ended 31 December 2017 totalling RM4,015,388 was paid on 17 April 2018.

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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

	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 30 June 2018			
Malaysia	2,451,784	65,844,586	83,033
America	5,694,254	-	-
Asia (excludes Malaysia)	3,817,915	-	-
Europe	253,656	-	-
Australia	23,101	-	-
Consolidated	12,240,710	65,844,586	83,033
3 months ended 30 June 2017			
Malaysia	23,051,397	79,734,345	107,060
America	6,444,137	-	-
Asia (excludes Malaysia)	98,290	-	-
Australia	62,865	-	-
Consolidated	29,656,689	79,734,345	107,060
6 months ended 30 June 2018			
Malaysia	11,177,208	65,844,587	128,490
America	11,480,963	-	-
Asia (excludes Malaysia)	5,224,817	-	-
Europe	253,656	-	-
Australia	23,101	-	-
Consolidated	28,159,745	65,844,587	128,490
6 months ended 30 June 2017			
Malaysia	30,075,699	79,734,345	209,892
America	9,482,123	-	-
Asia (excludes Malaysia)	4,790,065	-	-
Australia	62,865	-	-
Consolidated	44,410,752	79,734,345	209,892

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 30 June 2018 and up to the date of this report.

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A12. Capital commitments

Property, plant and equipment	30.6.18
	RM
Approved and contracted for	<u>385,000</u>
Approved but not contracted for	<u>814,000</u>

A13. Related party transactions

	Individual Quarter		Cumulative Quarter	
	30.6.18	30.6.17	30.6.18	30.6.17
	RM	RM	RM	RM
Micro Carbide Engineering Sdn Bhd				
- Precision tooling charges	134,610	179,870	243,050	221,520
- Rental income received	112,860	104,940	225,720	194,040

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 - Explanatory notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad for the Main Market

B1. Review of performance

	← Quarter ended →					← Period-to-date →		
	30.6.18 RM	31.3.18 RM #	Var %	30.6.17 RM #	Var %	30.6.18 RM	30.6.17 RM #	Var %
Revenue	12,240,710	15,919,035	-23	29,656,689	-59	28,159,745	44,410,752	-37
Cost of sales	(8,751,948)	(10,577,420)	17	(18,886,543)	54	(19,329,366)	(28,596,976)	32
Gross profit	3,488,762	5,341,615	-35	10,770,146	-68	8,830,379	15,813,776	-44
Other operating income/ (expenses)	739,284	(285,771)	359	50,989	1,350	453,513	350,296	29
Administrative expenses	(1,183,471)	(1,046,130)	-13	(1,666,225)	29	(2,229,600)	(2,934,514)	24
Profit before tax	3,044,575	4,009,714	-24	9,154,910	-67	7,054,292	13,229,558	-47
Tax expense	(273,453)	(17,452)		(18,452)		(290,905)	(43,904)	
Net profit for the period	2,771,122	3,992,262		9,136,458		6,763,387	13,185,654	

These comparative results were restated due to the adoption of MFRS 15

Comparison with the corresponding period in the previous year

The Group recorded a revenue of RM12.241 million for the current quarter, a decrease of 59% as compared to RM29.657 million of the corresponding quarter in the previous year due to a decline in orders received from the smart devices customers during the current period. Gross profit was in tandem with the nature of machines sold during the quarter.

The increase in other operating income was attributed to the forex gain from the strengthened US Dollar against the RM during the current quarter.

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

The total revenue of the Group of RM28.160 million for the period-to-date decreased by 37% (RM16.251 million) as compared to RM44.411 million reported in the previous financial period. The decrease in revenue was due to the lower volume of machines sold to the smart devices segment.

The increase in other operating income was attributed to the forex gain from the strengthened US Dollar against the RM during the current period.

B2. Variation of results against preceding quarter

Revenue for the current quarter of RM12.241 million was 23% lower than that recorded in the preceding quarter of RM15.919 million mainly attributed to lower demand for machines. Gross margin recorded was in tandem with the nature of machines sold during the quarter.

The increase in other operating income was mainly due to higher forex gain as a result of the strengthened US Dollar against the RM as compared to the preceding quarter.

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B3. Current year prospects

The anticipated lower demand for the LED products especially from the smart devices segment is expected to continue for the current year. However, sales of automotive test equipment will mitigate partly the slower demand from the smart device sector.

The Board expects the performance for the rest of the year to remain profitable.

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 year quarter and the preceding year quarter

Reconciliation of effective tax expense:

	Individual Quarter		Cumulative Quarter	
	30.6.18 RM	30.6.17 RM	30.6.18 RM	30.6.17 RM
Profit before tax	3,044,575	9,154,910	7,054,292	13,229,558
Taxation at Malaysian statutory tax rate of 24% (2017: 24%)	730,698	2,197,178	1,693,030	3,175,094
Non-deductible expenses	72,775	24,251	119,443	224,472
Losses not available for set-off	7,574	135,469	11,000	-
Pioneer income	(353,570)	(2,180,193)	(1,168,572)	(3,110,832)
Crystallisation of deferred tax liability	(2,548)	(2,548)	(5,096)	(5,096)
Unrecognised deferred tax assets	(181,476)	(155,705)	(358,900)	(239,734)
Tax expense	273,453	18,452	290,905	43,904

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 30 June 2018 is as follows:

	RM
Balance at 1 January 2018	4,413,507
Add: Purchases	1,562,327
Add: Dividend reinvest	30,623
Less: Disposals	(1,283,595)
Less: Loss on fair value adjustment	(294,395)
Balance at 30 June 2018	4,428,467

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B9. Status of corporate proposal announced

Of even date, the Board of Directors announced that the Company proposes to undertake the following:

- (i) a Bonus Issue of up to 40,750,000 new ordinary shares in MMSV to be credited as fully paid-up on the basis of 1 bonus share for every 4 existing MMSV's shares held on an entitlement date to be determined later; and
- (ii) establish an employees' share option scheme (ESOS) of up to 10% of the total number of issued shares of the Company (excluding treasury shares) at any point in time over the duration of the scheme for eligible directors and employees of MMSV and its subsidiary companies (excluding subsidiary companies which are dormant). The Proposed ESOS is proposed to be implemented after the completion of the Proposed Bonus Issue.

B10. Group's borrowings and debt securities

There were no borrowings and debt securities as at the date of this report.

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 has declared a first interim single tier dividend of 1 sen per ordinary share for the year ending 31 December 2018.

The entitlement date and payment date are on 26 September 2018 and 18 October 2018 respectively.

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	
	30.6.18	30.6.17	30.6.18	30.6.17
	RM	RM	RM	RM
Net profit after tax and minority interests (RM)	2,771,122	9,136,458	6,763,387	13,185,654
Weighted average number of ordinary shares in issue	160,310,182	161,108,500	160,310,182	161,108,500
Basic earnings per share (sen)	1.73	5.67	4.22	8.18

b) Diluted EPS

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

(Incorporated in Malaysia)

B15. Profit before tax

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30.6.18	30.6.17	30.6.18	30.6.17
	RM	RM	RM	RM
Depreciation of property, plant and equipment	144,400	157,986	289,247	309,399
Loss / (Gain) on fair value adjustment of other investments	152,255	(13,668)	294,395	(144,296)
Foreign exchange loss / (gain) - realised	208,385	(42,133)	259,782	350,394
- unrealised	(682,553)	296,918	(273,752)	66,525
Interest income	(229,063)	(163,183)	(395,963)	(330,020)
Rental income	(112,860)	(104,940)	(225,720)	(194,040)
Loss/(Gain) on disposal of plant and equipment	-	-	292	(300)

B16. 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 28 August 2018.