



MMS VENTURES BERHAD

Registration No. 200401008621 (647125-P)
(Incorporated in Malaysia)

Quarterly Report on Consolidated Results
For The First Quarter Ended 31 March 2021

**MMS VENTURES BERHAD**

Registration No. 200401008621 (647125-P)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Financial Position**As at 31 March 2021**

	31.3.2021	31.12.2020
	(Unaudited)	(Audited)
Note	RM	RM
ASSETS		
Non-current assets		
Property, plant and equipment	5,967,767	6,075,974
Right-of-use asset	3,126,287	3,145,158
	<u>9,094,054</u>	<u>9,221,132</u>
Current assets		
Inventories	10,166,634	9,398,492
Other investments	B8 13,740,280	9,681,772
Trade receivables	8,012,027	12,342,536
Sundry receivables, deposits and prepayments	461,375	273,744
Tax refundable	1,601,608	1,526,641
Short term funds	18,637,698	14,062,579
Cash and bank balances	6,384,036	9,508,722
	<u>59,003,658</u>	<u>56,794,486</u>
TOTAL ASSETS	<u>68,097,712</u>	<u>66,015,618</u>
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the Company		
Share capital	22,461,545	22,045,105
Share options reserve	997,218	916,157
Treasury shares	(6,009,182)	(5,545,206)
Retained profits	43,278,235	41,922,401
	<u>60,727,816</u>	<u>59,338,457</u>
Non-current liability		
Deferred tax liabilities	884,968	782,556
Current liabilities		
Trade payables	4,982,302	4,066,306
Sundry payables and accruals	988,011	1,538,312
Contract liability	514,615	289,987
	<u>6,484,928</u>	<u>5,894,605</u>
Total liabilities	<u>7,369,896</u>	<u>6,677,161</u>
TOTAL EQUITY AND LIABILITIES	<u>68,097,712</u>	<u>66,015,618</u>
Net assets per share (RM)	0.31	0.30

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

**MMS VENTURES BERHAD**

Registration No. 200401008621 (647125-P)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**For the First Quarter Ended 31 March 2021****(The figures have not been audited)**

	Individual / Cumulative Quarter	
	Current Year	Preceding Year
	Quarter	Quarter
	31.3.2021	31.3.2020
Note	RM	RM
Revenue	8,672,669	6,368,691
Cost of sales	(6,485,631)	(5,069,145)
Gross profit	2,187,038	1,299,546
Other operating income	407,501	227,627
Administrative expenses	(1,130,802)	(1,119,551)
Profit before tax	1,463,737	407,622
Tax (expense)/income	B6 (107,903)	2,548
Net profit for the period	B1 1,355,834	410,170
Attributable to:		
Shareholders of the Company	1,355,834	410,170
Minority interests	-	-
Net profit for the period	1,355,834	410,170
Earnings per share		
(i) Basic (sen)	B14 0.68	0.21
(ii) Diluted (sen)	0.68	0.21

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.



MMS VENTURES BERHAD

Registration No. 200401008621 (647125-P)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Changes in Equity

For the First Quarter Ended 31 March 2021

(The figures have not been audited)

	----- Non-distributable -----	-----	Distributable		
	Share	Share Options	Treasury	Retained	Total
	Capital	Reserve	Shares	Profits	RM
	RM	RM	RM	RM	RM
At 1 January 2021	22,045,105	916,157	(5,545,206)	41,922,401	59,338,457
Transactions with owners					
Purchase of treasury shares	-	-	(463,976)	-	(463,976)
Share options vested under ESOS	-	81,061	-	-	81,061
Ordinary shares issued pursuant to exercise of ESOS	416,440	-	-	-	416,440
	416,440	81,061	(463,976)	-	33,525
Net profit for the period	-	-	-	1,355,834	1,355,834
At 31 March 2021	<u>22,461,545</u>	<u>997,218</u>	<u>(6,009,182)</u>	<u>43,278,235</u>	<u>60,727,816</u>
At 1 January 2020	21,717,771	472,805	(4,896,320)	44,037,156	61,331,412
Transactions with owners					
Purchase of treasury shares	-	-	(262,909)	-	(262,909)
Share options vested under ESOS	-	123,238	-	-	123,238
Ordinary shares issued pursuant to exercise of ESOS	119,474	(37,795)	-	-	81,679
Dividend payable	-	-	-	(1,977,724)	(1,977,724)
	119,474	85,443	(262,909)	(1,977,724)	(2,035,716)
Net profit for the period	-	-	-	410,170	410,170
At 31 March 2020	<u>21,837,245</u>	<u>558,248</u>	<u>(5,159,229)</u>	<u>42,469,602</u>	<u>59,705,866</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.



MMS VENTURES BERHAD

Registration No. 200401008621 (647125-P)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Cash Flows
For the First Quarter Ended 31 March 2021**

(The figures have not been audited)

	3 months ended 31 March	
	2021	2020
	RM	RM
Cash flows from operating activities		
Profit before tax	1,463,737	407,622
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	148,895	148,963
Depreciation of right-of-use asset	18,870	18,870
Gain on disposal of property, plant and equipment	(144)	(14,625)
Loss on fair value adjustment of other investments	33,011	567,898
Dividend income	(8,087)	-
Income distribution on short term funds	(75,268)	-
Interest income	(28,070)	(201,539)
Share options vested under ESOS	81,061	123,238
Written off of property, plant and equipment	500	-
Unrealised foreign exchange gain	(43,176)	(280,740)
<i>Operating profit before working capital changes</i>	<u>1,591,329</u>	<u>769,687</u>
<i>Changes in working capital:</i>		
Inventories	(768,142)	256,490
Trade receivables	4,384,455	(3,467,634)
Sundry receivables, deposits and prepayments	(187,631)	536,226
Trade payables	906,282	(1,145,052)
Sundry payables and accruals	(550,301)	(1,904,016)
Contract liability	217,282	(161,800)
<i>Cash generated from/(used in) operations</i>	<u>5,593,274</u>	<u>(5,116,099)</u>
Income tax paid	(80,458)	(684,807)
<i>Net cash from/(used in) operating activities</i>	<u>5,512,816</u>	<u>(5,800,906)</u>

**MMS VENTURES BERHAD**

Registration No. 200401008621 (647125-P)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Cash Flows
For the First Quarter Ended 31 March 2021 (Cont'd)
(The figures have not been audited)**

	3 months ended 31 March	
	2021	2020
	RM	RM
Cash flows from investing activities		
Dividend received	8,087	-
Interest received	28,070	201,539
Income distribution on short term funds	75,268	-
Purchase of property, plant and equipment	(41,187)	(305,902)
Purchase of other investments	(5,765,500)	(1,000,000)
Proceeds from disposal of property, plant and equipment	144	15,300
Proceeds from disposal of other investments	1,673,981	-
<i>Net cash used in investing activities</i>	<u>(4,021,137)</u>	<u>(1,089,063)</u>
Cash flows from financing activities		
Fixed deposits pledged to a licensed bank	(2,512)	(4,454)
Purchase of treasury shares	(463,976)	(262,909)
Proceeds from issuance of ordinary shares pursuant to exercise of ESOS	416,440	81,679
<i>Net cash used in financing activities</i>	<u>(50,048)</u>	<u>(185,684)</u>
Net increase/(decrease) in cash and cash equivalents	1,441,631	(7,075,653)
Effect of exchange differences in cash and cash equivalents	6,290	23,537
Cash and cash equivalents at beginning of period	22,890,090	30,139,019
Cash and cash equivalents at end of period	<u>24,338,011</u>	<u>23,086,903</u>
Cash and cash equivalents at end of period comprises:		
Cash and bank balances	1,729,046	5,218,927
Deposits with licensed banks	4,654,990	18,539,932
Short term funds	18,637,698	-
	<u>25,021,734</u>	<u>23,758,859</u>
Less: Fixed deposits pledged to a licensed bank	(683,723)	(671,956)
	<u>24,338,011</u>	<u>23,086,903</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.



MMS VENTURES BERHAD

Registration No. 200401008621 (647125-P)

(Incorporated in Malaysia)

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 2020. 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 2020.

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 31 December 2020.

The adoption of new and revised MFRSs and IC Interpretations that came into effect for accounting periods beginning on or after 1 January 2020 and are relevant as below, did not have any significant impact to the unaudited consolidated financial statements upon their initial application:

- *Interest Rate Benchmark Reform - Phase 2* (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)
- *Covid-19-Related Rent Concessions beyond 30 June 2021* (Amendment to MFRS 16 Leases)

A2. Auditors’ report of preceding annual financial statements

The auditors’ report on the financial statements for the financial year ended 31 December 2020 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.

**MMS VENTURES BERHAD**

Registration No. 200401008621 (647125-P)

(Incorporated in Malaysia)

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:

1) ESOS

There was an issuance of 722,000 ordinary shares exercised by the eligible employees at an average price of RM0.577 pursuant to the Company's Employees' Share Option Scheme ("ESOS") during the current quarter ended 31 March 2021.

2) Treasury shares

Number of treasury shares held as at 31 March 2021 were as follows:

Balance as at 1 January 2021	6,710,775
Add: Purchase of treasury shares	500,000
Balance as at 31 March 2021	<u><u>7,210,775</u></u>

A7. Dividend paid

There was no dividend paid during the current financial quarter under review.

A8. Segment reporting

The Group's revenue was primarily attributed to the manufacture of automated systems and machinery segment.

Information about geographical areas

	Revenue from external customers by location of customers RM	Non-current assets by location of assets RM	Capital expenditure by location of assets RM
3 months ended 31 March 2021			
Malaysia	1,793,230	9,094,054	41,187
America	2,568,595	-	-
Asia (exclude Malaysia)	2,508,548	-	-
Australia	21,730	-	-
Europe	1,780,566	-	-
Consolidated	<u><u>8,672,669</u></u>	<u><u>9,094,054</u></u>	<u><u>41,187</u></u>
3 months ended 31 March 2020			
Malaysia	5,000,867	9,351,222	305,902
America	307,910	-	-
Asia (exclude Malaysia)	216,094	-	-
Australia	114,312	-	-
Europe	729,508	-	-
Consolidated	<u><u>6,368,691</u></u>	<u><u>9,351,222</u></u>	<u><u>305,902</u></u>



MMS VENTURES BERHAD

Registration No. 200401008621 (647125-P)

(Incorporated in Malaysia)

A9. Post balance sheet events

There were no material events subsequent to the current quarter ended 31 March 2021 other than the reimplementation of the Movement Control Order (MCO) from 12 May 2021 until 7 June 2021 due to the COVID-19 pandemic.

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 2020 and up to the date of this report.

A12. Capital commitments

Capital commitments not provided for in the financial statements as at 31 March 2021 are as follows:

	RM
Property, plant and equipment:	
Approved but not contracted for	<u>100,000</u>

A13. Related party transactions

	Individual / Cumulative Quarter	
	31.3.2021	31.3.2020
	RM	RM
Micro Carbide Engineering Sendirian Berhad		
- Precision tooling charges	2,640	10,000
- Rental income received	118,500	118,500

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

**MMS VENTURES BERHAD**

Registration No. 200401008621 (647125-P)

(Incorporated in Malaysia)

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 ----->		
	31.3.2021	31.12.2020	Var	31.3.2020	Var	31.3.2021	31.3.2020	Var
	RM	RM	%	RM	%	RM	RM	%
Revenue	8,672,669	7,565,002	15	6,368,691	36	8,672,669	6,368,691	36
Cost of sales	(6,485,631)	(6,701,606)	-3	(5,069,145)	28	(6,485,631)	(5,069,145)	28
Gross profit	<u>2,187,038</u>	<u>863,396</u>	153	<u>1,299,546</u>	68	<u>2,187,038</u>	<u>1,299,546</u>	68
Other operating income	407,501	656,069	-38	227,627	79	407,501	227,627	79
Administrative expenses	(1,130,802)	(865,008)	31	(1,119,551)	1	(1,130,802)	(1,119,551)	1
Profit before tax	<u>1,463,737</u>	<u>654,457</u>	124	<u>407,622</u>	259	<u>1,463,737</u>	<u>407,622</u>	259
Tax income	(107,903)	164,134		2,548		(107,903)	2,548	
Net profit for the period	<u><u>1,355,834</u></u>	<u><u>818,591</u></u>		<u><u>410,170</u></u>		<u><u>1,355,834</u></u>	<u><u>410,170</u></u>	

Comparison with the corresponding period in the previous year

The Group recorded a revenue of RM8.673 million for the current quarter, an increase of 36% as compared to RM6.369 million of the corresponding quarter in the previous year due to increase in sale of machines during the current quarter. Gross margin improved as a result of the increase in revenue during the current quarter while certain operating costs remained unchanged even with the increase.

The increase in other operating income in the current quarter was due to lower loss recorded on fair value adjustment in other investments during the current quarter as compared to corresponding quarter in the previous year.



MMS VENTURES BERHAD

Registration No. 200401008621 (647125-P)
(Incorporated in Malaysia)

B2. Variation of results against preceding quarter

Revenue for the current quarter of RM8.673 million recorded an increase of 15% as compared to preceding quarter as the current quarter saw more delivery of machines made following the relaxation of MCO imposed by the Government on the industrial players. Gross margin improved mainly attributed to the increase in revenue recorded during the current quarter while certain operating costs remained unchanged despite the increase.

Decrease in other operating income in the current quarter was mainly due to the loss on fair value adjustment in other investments recorded as compared to the gain in the preceding quarter.

Increase in administrative expenses during the current quarter as compared to preceding quarter was mainly due to a reversal of impairment loss on trade receivables of RM367K made in the preceding quarter.

B3. Commentary on prospects

With the continuing roll-out of vaccination programs in various countries across the globe since the early part of the year, it was widely anticipated that the Covid-19 pandemic and its adverse impacts would have greatly subsided. Having said that, there was much anticipation that this development will bring about economic recovery and bring back normalcy to our various social activities.

The economic recovery outlook for 2021 seems to have improved greatly as compared to that of the previous year. At the same time, the Company is presently experiencing more enquiries and added to that we have also received new orders from our customers in the smart devices, automotive as well as the semiconductor sectors.

The Board expects the performance for the current year to improve and we should be able to deliver a better set of results for 2021 as compared with that of the previous 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 any public document any profit forecast or profit guarantee.

**MMS VENTURES BERHAD**

Registration No. 200401008621 (647125-P)

(Incorporated in Malaysia)

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 / Cumulative Quarter	
	31.3.2021	31.3.2020
	RM	RM
Profit before tax	<u>1,463,737</u>	<u>407,622</u>
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	351,298	97,830
Non-deductible expenses	182,700	41,996
Non-taxable income	(134,975)	-
Pioneer income	(291,899)	(234,975)
Crystallisation of deferred tax liability	(2,548)	(2,548)
Unrecognised deferred tax assets	3,327	95,149
Tax expense	<u>107,903</u>	<u>(2,548)</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 March 2021 is as follows:

	RM
Balance as at 1 January 2021	9,681,772
Add: Purchases	5,765,500
Less: Loss on fair value adjustments	(33,011)
Less: Disposals	(1,673,981)
Balance as at 31 March 2021	<u>13,740,280</u>

B9. Status of corporate proposal announced

There are no corporate proposals announced but not completed as at the date of this report.

B10. Group's borrowings and debt securities

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

B11. Off balance sheet financial instruments

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



MMS VENTURES BERHAD

Registration No. 200401008621 (647125-P)
(Incorporated in Malaysia)

B12. Material litigations

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

B13. Dividend declared

No dividend was declared by the Company for 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 weighted average number of ordinary shares in issue during the period.

	Individual / Cumulative Quarter	
	31.3.2021	31.3.2020
	RM	RM
Net profit after tax and minority interests (RM)	1,355,834	410,170
Weighted average number of ordinary shares in issue	197,943,286	197,977,815
Basic earnings per share (sen)	0.68	0.21

b) **Diluted EPS**

Diluted EPS is calculated by dividing the net profit after tax and minority interests for the period by weighted average number of ordinary shares in issue during the period after adjusting for the dilutive effects of the employees' share options exercised.

	Individual / Cumulative Quarter	
	31.3.2021	31.3.2020
	RM	RM
Net profit after tax and minority interests (RM)	1,355,834	410,170
Effect of share options - ESOS	1,751,500	51,182
Weighted average number of ordinary shares in issue (diluted)	199,694,786	198,028,997
Basic earnings per share (sen)	0.68	0.21



MMS VENTURES BERHAD

Registration No. 200401008621 (647125-P)
(Incorporated in Malaysia)

B15. Profit before tax

	Individual / Cumulative Quarter	
	31.3.2021	31.3.2020
	RM	RM
Depreciation of property, plant and equipment	148,895	148,963
Depreciation of right-of-use asset	18,870	18,870
Gain on disposal of property, plant and equipment	(144)	(14,625)
Loss on fair value adjustment of other investments	33,011	567,898
Foreign exchange gain - realised	(165,598)	(179,636)
- unrealised	(43,176)	(280,740)
Share options vested under ESOS	81,061	123,238
Written off of property, plant and equipment	500	-
Dividend income	(8,087)	-
Income distribution on short term funds	(75,268)	-
Interest income	(28,070)	(201,539)
Rental income	(118,500)	(118,500)

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 27 May 2021.